

Analyst Briefing Notes

Budget Committee Review (October 30, 2008)

Page

PART I: CAPITAL PROGRAM

Executive Summary	2
Recommendations.....	5
2008 Capital Variance Review	6
5-Year Capital Plan (2009 Recommended Budget, 2010-2013 Plan).....	8
5-Year Capital Forecast (2014 - 2018).....	9
10-Year Capital Plan & Forecast Overview	10
Recommended Changes to the 2008 – 2012 Capital Plan	13
Operating Budget Impact – 10-Year Capital Plan & Forecast.....	16
Total 2009 Recommended Cash Flow & Future Year Commitments	18

PART II: ISSUES FOR DISCUSSION

2009 Capital Budget Issues	18
5-Year Capital Plan Issues	18
5-Year Capital Forecast Issues	21
Issues Referred to the 2009 Capital Budget Process.....	N/A

APPENDICES

Appendix 1: 2009 Rec'd Capital Budget; 2010 to 2013 Plan and 2014 to 2018 Forecast	24 (a) to (g)
Appendix 2: 2009 Recommended Cash Flow & Future Year Commitments	25 (a) to (e)
Appendix 3: 2009 Recommended Capital Projects with Financing Details	26 (a) to (b)
Appendix 4: Recommended Changes to 5-Year Plan.....	27
Appendix 5: Reserve / Reserve Fund Review	29

Contacts: Alan Cohen
 Manager, Manager, Financial Planning
 Tel: (416) 392-3740

Tim Lam
 Senior Financial Analyst
 Tel: (416) 397-4225

October 29, 2008

PART I: CAPITAL PROGRAM**Executive Summary**

- The Toronto Public Library's (TPL) 2008 Approved Capital Budget of \$22.550 million was 32.2% or \$7.271 million spent as of June 30, 2008. The projected year-end spending is \$21.723 million or 96.3% of the total 2008 Approved Capital Budget. The projected under expenditure is primarily due to a delay in commencing the expansion of the Kennedy/Eglinton Library as revisions in project scope and design were required since the tenders were higher than the approved funding. The implementation of the Virtual Branch Services project is also behind schedule in 2008 due to the complexity and scope of the work of the project, as well as the need to coordinate it with the new Integrated Library System project. Of the unspent balance, \$0.827 million in funding is projected to be carried forward to 2009 to complete 2008 capital works.
- The 2009 Recommended Capital Budget; 2010 to 2013 Recommended Capital Plan and 2014 to 2018 Proposed Forecast total \$221.446 million. The 2009 – 2013 Recommended Capital Plan totalling \$117.604 million, requires 2009 cash flow of \$21.155 million, \$24.354 million in 2010, \$27.325 million in 2011, \$21.896 million in 2012, and \$22.874 million in 2013. The Recommended 2009 - 2013 Capital Plan consists of \$73.080 million or 62.0% state of good repair (SOGR) projects including the Brentwood Library renovation, the Fairview theatre renovation, and the Toronto Reference Library renovation. The remaining \$44.524 million or 38.0% growth related projects includes the Scarborough Centre Library construction, the St. Lawrence Library relocation, and the renovation of the Ellesmere Sorting and Distribution Hub, which require debt funding of \$61.699 million, or \$11.740 million per year from 2009 to 2010 and \$12.740 million per year from 2011 to 2013.
- The 2014 - 2018 Proposed Capital Forecast totalling \$80.956 million, requires 2014 cash flow of \$15.558 million, \$14.926 million in 2015, \$16.298 million in 2016, \$17.290 million in 2017, and \$16.884 million in 2018. The Proposed 2014 - 2018 Capital Forecast consists of \$80.956 million or 100% SOGR projects, includes an unallocated reduction of \$22.886 million in order to achieve the affordability debt target of \$12.0 million per year. Thus, it is recommended that TPL review its 2014 – 2019 projects to ensure that the 2014 – 2019 annual cashflows meet the debt target of \$12.0 million per year in its 2010 Capital Budget submission.
- During the 2008 budget process, the debt target for TPL was increased to \$12.850 million for 2008 (\$12.0 million for TPL's projects plus an additional \$0.850 million for a City's Priority Neighbourhood project), remained at \$11.0 million for 2009 to 2010, and increased to \$12.0 million beginning 2011 based on affordability. The 2009-2013 Recommended Capital Plan is over target by \$0.740 million per year from 2009 to 2013 primarily to accommodate the investment in Self-Service for Expanding Open Hours project.
 - The Library Board has endorsed a plan for expanding open hours by 25%. The extended open hours at library branches is desirable since it responds to community needs for greater access to computers, collections, and quiet study space, promotes reading and achievement at school for children and youth, and offers opportunities to enjoy the city's cultural and literary life. The total investment of \$6.6 million from 2009 to 2012 for the self-serve

check-out will allow TPL to extend branches open hours during Monday to Saturday by 262 hours by 2013 without additional operating costs.

- The 2009 Recommended Capital Budget includes previously approved project commitments and new/change in scope projects requiring 2009 cash flow of \$21.155 million. The cash flow combined with carry forward funding of \$0.827 million for 2008 projects brings the total 2009 Recommended Capital Budget to \$21.982 million, as well as future year commitments of \$23.942 million in 2010; \$20.526 million in 2011; \$7.464 million in 2012; \$5.472 million in 2013; \$6.479 million in 2014; and \$1.363 million in 2015 are also required.
- The 2009 Recommended Capital Budget of \$21.155 million gross (\$11.740 million debt) is comprised of 70.39% for state of good repair and 29.61% in growth related projects, which includes: IT projects such as the Technology Asset Management Program, Virtual Branch, and the first year of the implementation in Self-Service for Expanding Open Hours; renovation/expansion at the Brentwood Library, the Bloor/Gladstone Library, the Thorncliffe Library, the Toronto Reference Library, the Cedarbrae Library, the Malvern Library, and the St. Lawrence Library projects; and, new construction projects such as the West Waterfront Library and the Scarborough Centre Library.
- The 2009 Recommended Capital Budget of \$21.115 million gross (\$11.740 million debt) provides the needed funding for TPL to:
 - Begin the Brentwood Library Renovation and Expansion, the planning of the Scarborough Library construction and the St. Lawrence Library renovation and expansion, the Malvern Library expansion, and the West Waterfront Library Construction projects;
 - Continue previously approved projects such as: Cedarbrae Library renovation; Toronto Reference Library renovation and expansion; and Virtual Branch Services;
 - Complete the Bloor/Gladstone Library renovation and expansion, Dufferin/St. Clair Library renovation, Jane/Sheppard Library reconstruction, and Thorncliffe renovation and expansion projects; and,
 - Begin the first year of the investment in Self Service for Expanding Open Hours project that will increase open hours by 67.5 hours per week upon completion.
- Approval of the 2009 Recommended Capital Budget will increase the 2009 net operating budget by a total of \$0.548 million and 6.4 positions as a result of project such as the St. Lawrence Library relocation and the Toronto Reference Library expansion projects, and the reopening of Bloor/Gladstone Library, Kennedy/Eglinton Library, and Thorncliffe Library in 2009. Additional operating impact from approval of the Recommended 2010 to 2013 Capital Plan is \$3.11 million and 31.92 positions primarily due to the opening of the newly constructed West Waterfront Library in 2011 and Scarborough Center Library in 2012.
- SOGR backlog for the 5-Year Forecast continues to be a challenge as it is expected to increase from \$17.376 in 2008 to \$58.786 million by 2018, based on the industry benchmarking of 2% of the current replacement value of building investments. Thus, it is recommended that the comprehensive audit to assess the SOGR of facilities and equipment (to be completed in 2009) be the basis to determine the SOGR backlog in TPL's 2010 Capital Budget submission.

- The Recommended 2009 Capital Budget supports the Mayor's priority by investing in at-risk neighbourhoods totalling \$11.194 million in project commitment for 4 libraries:
 - The Malvern District Library expansion features a Pro-Tech Media Centre and an outdoor plaza (\$2.250 million);
 - The Thorncliffe Library renovation and expansion will double its size to feature a new community room, a KidStop early literacy interactive area for young children, and a Teen Zone(\$1.455 million);
 - The Jane/Sheppard Library relocation and expansion will be doubled in size and equipped with wireless high speed internet access, self-service check out technology, and an outdoor reading garden (\$1.025 million); and,
 - The Cedarbrae Library renovation will allow for an expanded User Education Centre, reading lounges, a KidStop early literacy interactive area for young children, a Teen Zone, and outdoor community space (\$6.464 million).

Recommendations

The City Manager and Acting Chief Financial Officer recommend that:

- (1) Council approve the 2009 Recommended Capital Budget for Toronto Public Library with a total project cost of \$48.401 million and a 2009 cash flow of \$21.982 million and future year commitments of \$65.246 million. The 2009 Recommended Capital Budget consists of the following:
 - (a) New Cash Flow Funding for:
 - i) 7 new and 8 change in scope projects with a 2009 total project cost of \$48.401 million that requires cash flow of \$5.985 million in 2009 and a future year commitment of \$10.955 million in 2010, \$13.728 million in 2011, \$7.464 million in 2012, \$4.617 million in 2013, \$5.037 million in 2014, and \$0.615 million in 2015;
 - ii) 12 previously approved projects with a 2009 cash flow of \$15.170 million and future year commitments of \$12.987 million in 2010, \$6.798 million in 2011, \$0.855 million in 2013, \$1.442 million in 2014; and \$0.748 million in 2015;
 - (b) 2009 approved cash flow for 2 previously approved projects with carry forward funding from 2008 into 2009, totalling \$0.827 million;
- (2) Council approve the new debt service costs of \$0.056 million in 2009 and incremental costs of \$0.509 million in 2010, \$1.455 million in 2011, \$1.560 million in 2012 and \$1.560 million in 2013, resulting from the approval of the 2009 Recommended Capital Budget, to be included in 2009 and future year operating budgets;
- (3) Council approve the 2010-2013 Capital Plan for Toronto Public Library totalling \$39.045 million in project estimates, comprised of \$0.412 million in 2010, \$6.799 million in 2011, \$14.432 million in 2012, and \$17.402 million in 2013;
- (4) Council consider the operating impacts of \$0.548 million for 2009, \$0.249 million for 2010, \$1.237 million for 2011, \$1.238 million for 2012, \$0.386 million in 2013, and \$1.921 million from 2014 to 2018, emanating from the approval of the 2009 Recommended Capital Budget, for inclusion in Toronto Public Library's 2009 and future years' operating budgets; and,
- (5) Council approve in principle the 2014-2018 Capital Forecast for Toronto Public Library totalling \$73.114 million in project estimates, comprised of \$9.079 million in 2014, \$13.563 million in 2015, \$16.298 million in 2016, \$17.290 million in 2017, \$16.884 million in 2018; and that this forecast be used as a foundation for preparing a 2010 to 2019 Capital Plan and Forecast as part of the 2010 Capital Budget process.
- (6) Toronto Public Library to review projects included in the 2014 – 2019 Capital Forecast to ensure that the 2014 – 2019 Capital Forecast is at debt target of \$12.0 million per year in its 2010 Capital Budget submission.
- (7) Toronto Public Library to complete a comprehensive audit to assess the SOGR of facilities and equipment in 2009 and be used as the basis to determine the SOGR backlog in Toronto Public Library's 2010 Capital Budget submission.

2008 Capital Variance Review

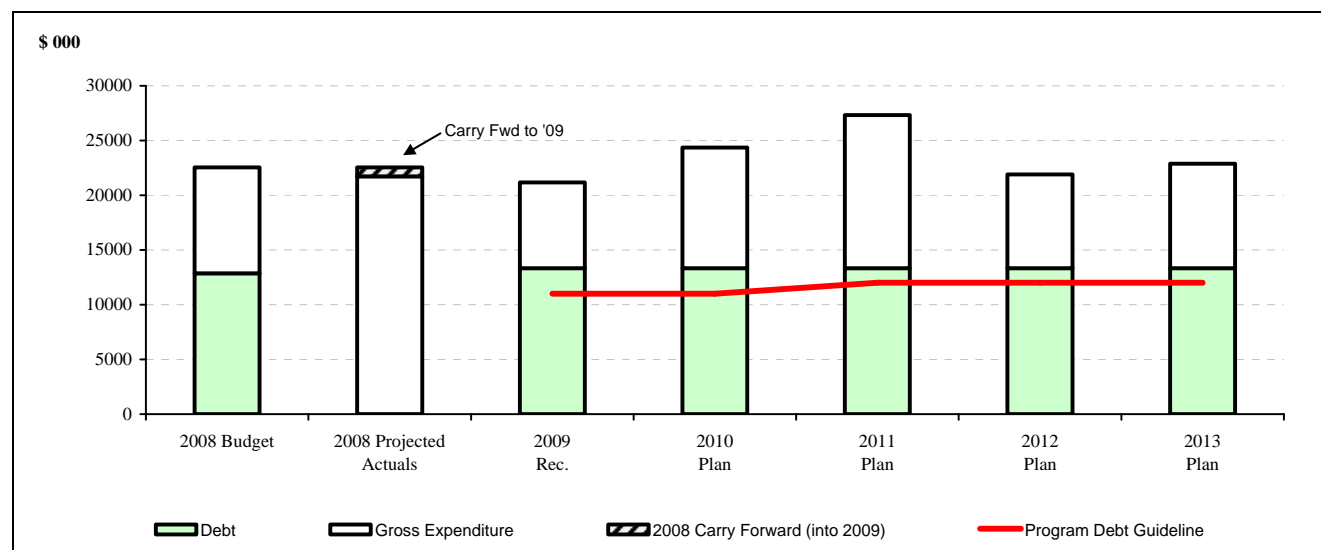
2008 Budget to Actuals Comparison - Total Gross Expenditures (\$000s)					
2008 Approved	Actuals as of June 30 (2nd Qtr Variance)		Projected Actuals at Year End		Balance
\$	\$	% Spent	\$	% Spent	\$ Unspent
22,550	7,271	32.2%	21,723	96.3%	827

Comments / Issues:

- At the end of the 2nd quarter, Toronto Public Library (TPL) spent approximately \$7.271 million or 32.2% of its 2008 Approved Capital Budget of \$22.550 million. This spending rate of 32.2% as of June 30, 2008 is consistent with the spending trends of prior years. The projected year-end spending is expected to be \$21.723 million, representing 96.3% of the total 2008 Approved Capital Budget. The under-expenditure of \$0.827 million in funding will be carried forward into 2009.
- This variance is attributed to the following projects:
 - The implementation of Virtual Branch Services project is behind schedule in 2008 due to the complexity and scope of the work of the project, as well as the need to coordinate it with the new Integrated Library System, which was also delayed. Hence, \$0.377 in funding will be carried forward into 2009; and,
 - The start of construction of the Kennedy / Eglinton Library expansion is delayed due to revisions in project scope and design as the tenders were higher than the approved funding. The tender was awarded in September 2008 and construction is expected to begin in Fall 2008. Thus, TPL anticipates approximately \$0.450 million in funding will be carried forward to 2009.
- The 2008 projected year-end expenditures are for 3 Information Technology projects and 13 Library expansion/renovation projects, of which 3 Library expansion/renovation projects (Dufferin/St. Clair Library renovation, Jane/Sheppard Library reconstruction, and Thorncliffe renovation and expansion) are expected to be completed and will be re-opened in 2008.

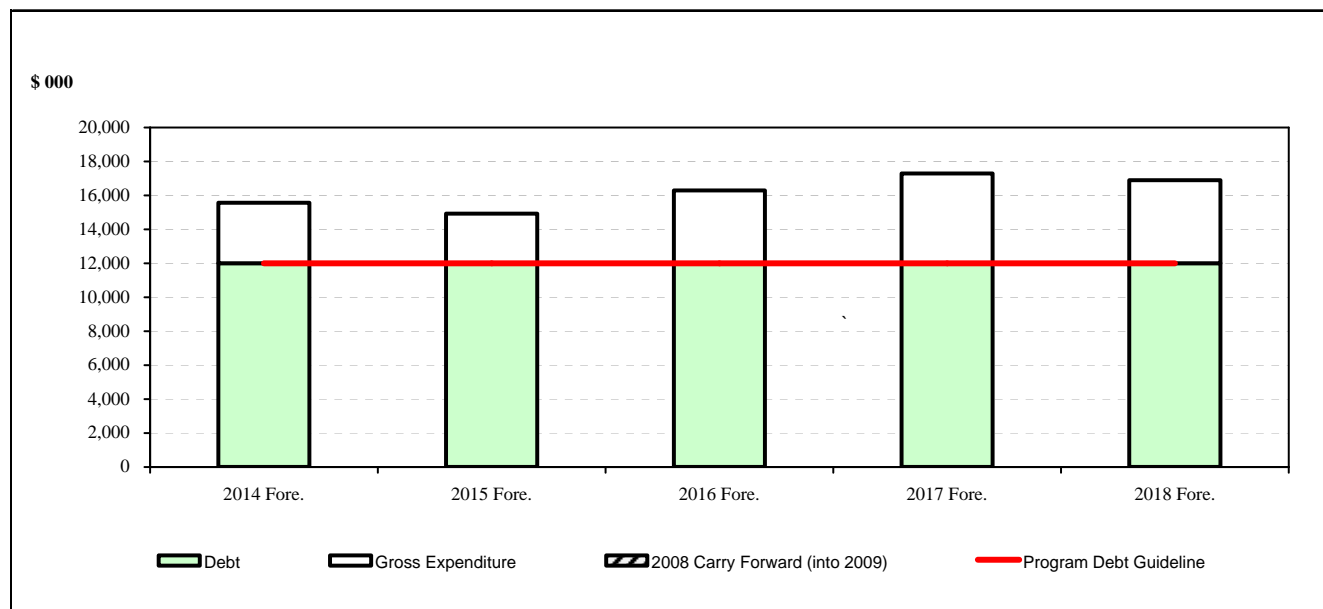
This page is intentionally blank

5-Year Capital Plan (2009 – 2013)



	2008		5-Year Capital Plan						5-Year Total Percent
	Budget	Projected Actual	2009	2010	2011	2012	2013	2009-2013	
Gross Expenditures:									
2008 Capital Budget & Future Year Commitments	22,550	21,723	19,733	10,815	5,262	1,442	748	38,000	32%
Recommended Changes to Commitments			(4,563)	2,172	1,536	(1,442)	107	(2,190)	-2%
2009 New/Change in Scope and Future Year Commitments			5,985	10,955	13,728	7,464	4,617	42,749	36%
2010 - 2013 Capital Plan Estimates				412	6,799	14,431	17,403	39,045	33%
1-Year Carry Forward to 2009		827						0	0%
Total Gross Annual Expenditures & Plan	22,550	22,550	21,155	24,354	27,325	21,895	22,875	117,604	100%
Program Debt Target	12,850		11,000	11,000	12,000	12,000	12,000	58,000	
Financing:									
Recommended Debt	12,850		11,740	11,740	12,740	12,740	12,740	61,700	52%
Reserves/Reserve Funds			1,580	1,580	580	580	580	4,900	4%
Development Charges	2,726		5,008	6,337	10,797	6,867	7,847	36,856	31%
Federal								0	0%
Provincial								0	0%
Other Revenue	6,974		2,827	4,697	3,208	1,708	1,708	14,148	12%
Total Financing	22,550		21,155	24,354	27,325	21,895	22,875	117,604	100%
By Category:									
Health & Safety									
Legislated								0	0%
SOGR	16,991	16,614	14,890	15,747	12,746	13,590	16,107	73,080	62%
Service Improvement								0	0%
Growth Related	5,559	5,109	6,265	8,607	14,579	8,305	6,768	44,524	38%
Unallocated Debt Adjustments*			0	0	0	0	0	0	0%
Total By Category	22,550	21,723	21,155	24,354	27,325	21,895	22,875	117,604	100%
Yearly SOGR Backlog Estimate (not addressed by current plan)			3,265	2,783	6,723	6,542	3,053	22,366	
Accumulated Backlog Estimate (end of year)		17,376	20,641	23,424	30,147	36,689	39,742	39,742	
Operating Impact on Program Costs			548	249	1,237	1,238	386	3,658	
Debt Service Costs			56	509	1,455	1,560	1,560	5,140	

5-Year Capital Forecast (2014-2018)



	5-Year Capital Forecast								10-Year Total Percent
	2014	2015	2016	2017	2018	2014-2018	2009-2018		
Gross Expenditures:									
2008 Capital Budget & Future Year Commitments						0	38,000	19%	
Recommended Changes to Commitments	1,442	748				2,190	0	0%	
2009 New/Change in Scope and Future Year Commitments	5,037	615				5,652	48,401	24%	
2014 - 2018 Capital Forecast Estimates	12,079	17,313	20,836	22,655	23,117	96,000	135,045	68%	
Unallocated Reduction*	(3,000)	(3,750)	(4,538)	(5,365)	(6,233)	(22,886)	(22,886)	-12%	
Total Gross Annual Expenditures & Plan	15,558	14,926	16,298	17,290	16,884	80,956	198,560	100%	
Program Requested Debt	15,000	15,750	16,538	17,365	18,233	82,886	149,486		
Program Debt Target	12,000	12,000	12,000	12,000	12,000	60,000	118,000		
Financing:									
Recommended Debt	12,000	12,000	12,000	12,000	12,000	60,000	121,700	61%	
Reserves/Reserve Funds						0	4,900	2%	
Development Charges	1,850	1,218	2,590	3,582	3,176	12,416	49,272	25%	
Federal						0	0	0%	
Provincial						0	0	0%	
Other Revenue	1,708	1,708	1,708	1,708	1,708	8,540	22,688	11%	
Total Financing	15,558	14,926	16,298	17,290	16,884	80,956	198,560	100%	
By Category:									
Health & Safety									
Legislated						0	0	0%	
SOGR	14,247	17,039	19,430	20,544	20,744	92,004	165,084	83%	
Service Improvement						0	0	0%	
Growth Related	4,311	1,637	1,406	2,111	2,373	11,838	56,362	28%	
Unallocated Reduction*	(3,000)	(3,750)	(4,538)	(5,365)	(6,233)	(22,886)	(22,886)	-12%	
Total By Category	15,558	14,926	16,298	17,290	16,884	80,956	198,560	100%	
Yearly SOGR Backlog Estimate (not addressed by current plan)	3,809	3,809	3,809	3,809	3,808	19,044	41,410		
Accumulated Backlog Estimate (end of year)	43,551	47,360	51,169	54,978	58,786	58,786	58,786		
Operating Impact on Program Costs	1,458	0	0	41	422	1,921	5,579		
Debt Service Costs	1,560	1,560	1,560	1,560	1,560	7,800	13,145		

* TPL to review its projects to ensure the 2014 – 2019 Capital Forecast meets the debt target of \$12.0 million per year in its 2010 Capital Budget submission.

10-Year Capital Plan and Forecast Overview

- Toronto Public Library (TPL)'s 10-Year Capital Plan and Forecast focuses on the following priorities:
 - Meet the on-going needs to keep the existing assets in an acceptable state of good repair given City debt affordability targets.
 - Maintain and upgrade information technological infrastructure, estimated at \$54.88 million, including, increasing demands for e-services provided by TPL's "Virtual Branch".
- The 10-Year Capital Plan and Forecast, fairly represents its readiness to proceed, reflects TPL's requirements and needs of the future based on industry benchmarking of 2% of the current replacement value of building investment and the facility state of good repair evaluations completed in 2002. The 10-Year Capital Plan and Forecast also maximizes non-debt funding sources such as Section 37 and Development Charges. The following summarizes the 10-Year Capital Plan and Forecast by project category:
 - State-of-good-repair (SOGR) projects totalling \$165.084 million comprised of 26 projects to partially address the growing SOGR backlog and urgent repairs including reconstruction and renovation of existing libraries, and to maintain TPL's \$30.0 million investment in information technology infrastructure through the TAMP and Virtual Branch projects; and,
 - Growth projects totalling \$56.362 million comprised primarily of 12 expansion projects, as well as two new construction projects (the West Waterfront Library and the Scarborough Centre Library) to address additional services demanded by the communities.
- The 2009 – 2013 Recommended Capital Plan totals \$117.604 million is over target by \$3.699 million (\$0.740 million per year from 2009 to 2013) primarily to accommodate the investment in a new project (Self-Service for Expanding Open Hours) to support TPL's strategic priority to extend Library open hours by 262 hours by 2013.
- The 2014 - 2018 Proposed Capital Forecast totals \$80.956 million, with cash flow estimates of \$15.558 million in 2014, \$14.926 million in 2015, \$16.298 million in 2016, \$17.290 million in 2017, and \$16.884 million in 2018. The 2014 to 2018 Proposed Capital Forecast includes a recommended unallocated reduction in each of the aforementioned years to meet an annual debt target of \$12.0 million. The unmet need is mainly attributable to the followings:
 - rising construction costs due to inflation;
 - ability to maintain facilities and address the backlog of SOGR projects; and,
 - on-going investment requirements in e -services, such as Virtual Branch, to meet the growing demand for service delivery via the internet.
- TPL has consistently allocated a significant portion of the capital budget to SOGR projects to repair and maintain its existing assets in an acceptable state of good repair. However, given the current debt targets and the rising construction costs due to inflation, the projected backlog is expected to grow from \$17.376 million in 2009 to \$58.786 million by 2018.

- The 2009 – 2013 Recommended Capital Plan will increase future year Operating Budgets by a total of \$3.658 million mainly for salaries, utilities, services and rents, materials, supplies and software licences, due to the renovation and expansion of previously approved projects and other new recommended projects. The implementation of Self-Service for Expanding Open Hours project (\$6.6 million Gross) will result in operational changes by enabling existing staff to be spread out over longer hours; thus, allowing TPL to expand open hours during Mondays to Saturdays by 262 hours by 2013 without additional operating costs. *(See Operating Impacts and 5-Year Capital Plan Issues Sections for further discussion.)*

Multi-Year Debt Affordability Targets

During the 2008 Capital Budget process, the debt target for TPL was increased from \$11.0 million to \$12.0 million per year beginning in 2011 due to affordability. The 2009 – 2013 Recommended Capital Plan includes debt funding of \$11.740 million per year from 2009 to 2010 and \$12.740 million per year from 2011 to 2013; that is \$0.740 million over target per year in 2009 to 2013.

The Recommended 5-Year Capital Plan exceeds the debt affordability primarily due to the funding requirements to accommodate the implementation of the Self-Service for Expanding Open Hours project. This investment in self-service technology (\$6.6 million Gross) will allow TPL to increase open hours during Monday to Saturday by 262 hours by 2013 with no additional operating costs.

The 2014 – 2018 Proposed Capital Forecast includes debt funding totals \$60.0 million; that is \$22.886 million below TPL's requested debt included in its 2009 Capital Budget submission. The TPL's 2014-2018 Capital Forecast submission exceeds the debt affordability mainly attributable to the following funding requirements:

- *Increase costs of construction:* construction costs have risen over 25 percent over the past four years and this trend is expected to continue. TPL has incorporated the rising construction costs due to inflation in its submission for future projects (approximately \$19.386 million over 10 renovation/expansion projects); and,
- *E-services delivered by Virtual Branch:* this capital project requires \$10.0 million debt from 2014 to 2018 to allow TPL to make system upgrades to improve and expand e-services such as searching and accessing TPL's physical and electronic collections and service through internet. The additional funding will also allow TPL to increase disk space and bandwidth capacity for the public to have improved access to digitized collections.

It is recommended that 2014 – 2019 Capital Forecast to be included in the 2010 Capital Budget submission meet the approved debt target of \$12.0 million per year from 2014 to 2019. *(See Issues Section for further discussion)*

Project Financing

The 2009 Recommended Capital Budget, 2010 to 2013 Recommended Capital Plan, and 2014 to 2018 Proposed Capital Forecast for TPL totalling \$198.560 million in project commitments and estimates consists of \$121.7 million or 61% in debt, \$4.901 million or 2% in reserves, \$49.272 million or 25% in development charges, and \$22.688 million or 11% in other revenues such as TPL's IT lease-end savings of \$17.08 million, Section 37 funding of \$3.308 million, and third party funding of \$1.1 million for the Malvern Library expansion project.

Development Charge Funded Projects

The City of Toronto 2008 Development Charge Background Study includes potential recoverable development charges of \$58.272 million for 31 libraries for the period 2009 to 2018 to meet the service growth within the City of Toronto, especially for the libraries located in high need areas.

The Development Charge By-Law qualifies growth projects for Development Charge funding, in situations where the facilities are reconfigured to increase the existing service capacity so as to accommodate increasing demands from population growth. TPL has maximized Development Charge and Section 37 funding in its Capital Budget, Plan, and Forecast.

All growth projects eligible for DC revenues have been included in the Recommended 10-Year Capital Plan and Forecast, which will utilize DC funding of \$49.272 million or 25% of total budget of \$198.560 million.

State of Good Repair (SOGR) Backlog and Unmet Service Needs

Of 102 buildings maintained by TPL, approximately 20% are more than 50 years old and 60% are more than 25 years old. Today, TPL’s average building is 37 years old and one third of the branches have not had a renovation in over 20 years.

Using benchmark calculations, TPL’s SOGR backlog is \$17.376 million accumulated over the period 2001-2008. The SOGR backlog is projected to increase by \$22.366 million from 2009 to 2013, and is projected to reach \$55.786 million by 2018. This estimate is based on the ‘Industry Standard Benchmark’ of 2% of the current replacement value of \$602.7 million of building investment requirements or \$12.054 million in 2009, compared to the 2009 recommended SOGR funding of \$8.789 million. Thus, the annual average shortfall for SOGR backlog is \$4.14 million over the next 10 years.

Year	SOGR Funding (in \$M)	Shortfall (in \$M)
2000	6.8	(3.7)
2001	9.4	(1.1)
2002	7.5	(3.0)
2003	9.3	(1.2)
2004	8.5	(2.0)
2005	8.5	(2.0)
2006	8.8	(1.7)
2007	8.6	(2.2)
Sub-Total	67.4	(16.9)
2008	10.5	(0.5)
Total	77.9	(17.4)

There is no state of good repair backlog for information technology requirements at the end of 2008. TPL’s owned assets are replaced on an on-going basis through IT project such as the Technology Asset Management Program (TAMP).

The most recent SOGR comprehensive audit of facilities and equipment was conducted in 2002. It is a standard industry practice to conduct similar audits every five years and to monitor the needs and conditions internally, on a on-going basis. TPL intends to undertake a similar SOGR audit in 2009 to provide a more accurate assessment of the SOGR funding needs.

Capital projects planned for 2009 to 2013 were prioritized to address the growing SOGR backlog. However, this requirement was balanced against the need for library expansions in high-need communities, the addition of two new branches (West Waterfront Library and Scarborough Centre Library) to deal with new development and population growth, as well as the increasing demand for e-services and funding for TPL's strategic priority for extending open hours.

Thus, it is recommended that the comprehensive audit to assess the SOGR of facilities and equipment (to be completed in 2009) be the basis to determine the SOGR backlog in TPL's 2010 Capital Budget submission.

Program Capacity and Readiness to Proceed

TPL has demonstrated the capacity to deliver, as its actual spending rate over the last four years has averaged 81.65% or \$12.644 million per year. Most of the projects, for which funding is recommended in 2009, are currently underway and are expected to be completed as scheduled.

The 10-Year Capital Plan and Forecast is based on state of good repair evaluations of library facilities, including the Norr Report (1999) and the WGA Building Audit (2002). These comprehensive evaluations of building conditions include architectural and structural assessments, and regulatory inspections. The cash flow requirements of the 10 - Year Capital Plan and Forecast reflects realistic spending on phased facility projects based on project procurement planning and other requirements.

Changes to the 5-Year Capital Plan (2008-2012)

The 2009 to 2013 Recommended Capital Plan includes four renovation/expansion projects, of which two have commenced in 2008. However, project costs estimates were revised with increase in construction costs:

- Bloor/Gladstone Library Renovation/Expansion project required an increase of \$0.925 million (\$0.526 million debt) as a result of increased construction costs estimates.
- Cedarbrae Library Renovation/Expansion project required an increase of \$0.965 million (\$0.529 million debt) due to rising construction costs estimates.
- Brentwood Library Renovation/Expansion project required an increase of \$1.739 million (\$1.739 million debt) to reflect rising construction costs estimates.
- Sanderson Library Renovation/Expansion project required an increase of \$0.408 million Gross (\$0.157 million Net) as a result of increased construction costs.

The 2009 - 2013 Recommended Capital Plan also includes a \$6.6 million investment in the Self-Service for Expanding Open Hours project, which requires \$1.860 million in 2009, \$1.398 million in 2010, and \$1.671 million per year from 2011 to 2012. The implementation of this project will allow TPL to expand branch open hours during Monday to Saturday by 262 hours by 2013 with no additional operating costs by spreading out existing staff over longer hours.

Other changes made in the 2009 - 2013 Recommended Capital Plan are primarily timing changes of cash flow as TPL reprioritized capital projects to meet debt targets. (*see Appendix 4 for additional information*)

Capital Projects Highlights

Strategic Priority: Invest in Toronto's 13 Priority Neighbourhoods

The Recommended 5-Year Capital Plan and Forecast advances the City's strategic priority to "Invest \$13 million in Toronto's 13 Priority neighbourhoods". The following table identifies the TPL projects that support this priority:

Ward	Project	Priority Neighbourhood	2009 Rec. Budget					5-Year Plan	2014 - 2018 Forecast	2009 - 2018 Total
			2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Plan			
01	Albion Renovation	Jamestown					310	310	14,855	15,165
09	Jane Sheppard Relocation	Jane-Finch	1,025					1,025		1,025
11	Mount Dennis Renovation	Weston-Mt. Dennis							2,817	2,817
11	Weston Renovation	Weston-Mt. Dennis							140	140
29	Thornclyffe Renovation & Expansion	Flemington Park - Victoria Village	1,455					1,455		1,455
40	Agincoourt Renovation/Expansion	Steeles L'amoreaux						-	13,467	13,467
42	Malvern District Library Expansion Youth Hub	Malvern	1,069	1,181				2,250		2,250
43	Cedarbrae Renovation	Kingstone Galloway	3,414	3,050				6,464		6,464
Total			6,963	4,231	-	-	310	11,504	31,279	42,783

The above-mentioned projects will provide TPL with opportunities through the use of its improved facilities, to contribute further in promoting multi-ethnic culture, literacy and job skills, and employment opportunities, particularly to at-risk youth.

Other City Initiatives:

The Recommended 5-Year Capital Plan and 5-Year Proposed Capital Forecast include the following major capital initiatives:

Summary of Major Capital Initiatives

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 -2018 Forecast	2009 -2018 Total
SOGR	14,890.0	15,747.0	12,746.0	13,590.0	16,107.0	73,080.0	92,004.0	165,084.0
Service Improvement/Growth	6,265.0	8,607.0	14,579.0	8,306.0	6,767.0	44,524.0	11,838.0	56,362.0
Unallocated debt adjustments *						0.0	(22,886.0)	(22,886.0)
Total	21,155.0	24,354.0	27,325.0	21,896.0	22,874.0	117,604.0	80,956.0	198,560.0
Other Major City Initiatives:								
Facility Projects:								
Toronto Reference Library	3,246.0	4,285.0	2,151.0	3,099.0		0.0		0.0
Waterfront Neighbourhood Library	736.0	3,335.0	3,349.0			12,781.0		12,781.0
Scarborough Centre Neighbourhood Library	180.0	2,091.0	3,760.0	2,198.0		7,420.0		7,420.0
Brentwood Library	909.0	2,827.0	4,070.0			8,229.0		8,229.0
Sanderson Neighbourhood Library			151.0		1,263.0	7,806.0		7,806.0
Ellesmere Sorting and Distribution Hub		155.0	1,601.0	1,902.0	4,365.0	1,414.0	3,899.0	5,313.0
St. Lawrence District Library	277.0		3,017.0	3,595.0	4,209.0	8,023.0	6,788.0	14,811.0
Other	9,706.0	5,788.0	3,047.0	4,923.0	8,529.0	11,098.0	3,943.0	15,041.0
Sub-total: Facilities Projects	15,054.0	18,481.0	21,146.0	15,717.0	18,366.0	88,764.0	77,802.0	166,566.0
IT Projects:								
Self-Service for Expanding Open Hours	1,860.0	1,398.0	1,671.0	1,671.0		6,600.0		6,600.0
Other	4,241.0	4,475.0	4,508.0	4,508.0	4,508.0	22,240.0	26,040.0	48,280.0
Sub-total: IT Projects	6,101.0	5,873.0	6,179.0	6,179.0	4,508.0	28,840.0	26,040.0	54,880.0
Unallocated debt adjustment *	0.0	0.0	0.0	0.0	0.0	0.0	(22,886.0)	(22,886.0)
Total	21,155.0	24,354.0	27,325.0	21,896.0	22,874.0	117,604.0	80,956.0	198,560.0

* TPL to review its projects to ensure the 2014 – 2019 Capital Forecast meets the debt target of \$12.0 million per year in its 2010 Capital Budget submission.

Comments / Issues:

The Recommended 5-Year Capital Plan consists of 62.0% SOGR projects, which provide for extensive repairs to the building structure, barrier free accessibility for the disabled, other energy efficiency

measures to address the climate change initiative, as well as new event and reading space for the community through renovation projects such as the Bloor/Gladstone Library Renovation, Cedarbrae Library Renovation, Dufferin/St. Clair Library Renovation, Jane/Sheppard Library Reconstruction, Toronto Reference Library Renovation. In addition, one new renovation project, the Brentwood Library Renovation, is scheduled to commence in 2009. The West Waterfront Library construction project is also scheduled to commence in 2009 to advance the Mayor's mandate of making a "Wonderful Waterfront City".

Other SOGR projects recommended in the 2009 – 2013 Capital Plan include:

- Multi-branch Minor Renovation, which allows TPL to address urgent repairs (roofing, building and security systems, elevators replacement); and,
- IT projects such as:
 - the Virtual Branch Services will improve e-services and expand digitized collection online;
 - the Technology Asset Management Program (TAMP) will maintain TPL's investment in information technology infrastructure; and,
 - the Self-Service for Expanding Open Hours project will increase open hours by 262 hours during Monday to Saturday by 2013.

The remainder 38.0% are Growth projects, which aim to address growing needs of the communities for additional spaces for reading lounges for adults, separate areas for teen, early literacy interactive areas for young children, and multi-purpose rooms which could be used as education/training centre. The recommended growth projects in the 2009 – 2013 Capital Plan include the Bloor/Gladstone Library Expansion, Brentwood Library Expansion, Waterfront Library Construction, Thorncliffe Library Expansion, Toronto Reference Library Expansion, Fairview Entrance Expansion, St. Lawrence Library Expansion, Bayview Neighbourhood Library Expansion, Malvern District Library Expansion, and St. Clair/ Silverthorn Neighbourhood Library Expansion.

TPL's 2014 to 2018 Capital Forecast submission consists of 88.6% SOGR projects, which provide for extensive repairs to building structure, barrier free accessibility for the disabled, as well as new event and reading space for the community through renovation and expansion projects such as the Agincourt Library Renovation, the Northern Library Renovation, the Albion Library Renovation, and Parliament Library Renovation.

The remainder 11.4% are Growth projects, which aim to address growing needs of the communities for additional spaces for reading lounges for adults, separate areas for teen, early literacy interactive areas for young children, and multi-purpose rooms which could be used as education/training centre. TPL's 2014 to 2018 Capital Forecast submission includes Agincourt Library expansion, St. Clair/Silverthorn Library expansion, the Ellesmere Sorting and Distribution Hub, and the St. Lawrence Library expansion.

However, the 2014 to 2018 Capital Forecast submitted by TPL exceeds the recommended target of \$12.0 million per year by \$22.886 million from 2014 to 2018. Thus, it is recommended that TPL reviews its project priorities to ensure the 2014 to 2019 Capital Forecast meets the debt target of \$12.0 million per year in its 2010 Capital Budget submission.

Operating Budget Impact - 10-Year Plan & Forecast

Incremental Operating Impact Summary

(In \$Thousands)	2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	5-Year Plan	2014 -2018 Forecast	2009-2018 Total
2009 Recommended Capital Budget								
Program Costs (net)	548.0	249.0	1,237.0	1,238.0		3,272.0	1,444.0	4,716.0
Approved Positions	6.4		16.4	11.0		33.8	18.5	52.3
Recommended 2010-2013 Capital Plan								
Program Costs (net)					386.0	386.0		386.0
Approved Positions					4.5	4.5		4.5
Recommended 2014-2018 Capital Forecast								
Program Costs (net)						-	477.0	477.0
Approved Positions						-	4.6	4.6
Total								
Program Costs (net)	548.0	249.0	1,237.0	1,238.0	386.0	3,658.0	1,921.0	5,579.0
Approved Positions	6.4	-	16.4	11.0	4.5	38.3	23.1	61.4

- Approval of the 2009 Recommended Capital Budget and 2010 to 2013 Capital Plan will result in a cumulative increased in TPL's Operating Budget of \$3.658 million and 38.32 positions by 2013. A projected \$1.921 million and 23.13 positions maybe required by 2018 based on the Proposed 2014 to 2018 Capital Forecast, subject to amendment to meet debt affordability. The net incremental operating costs include, salaries, utilities, services and rents, materials, supplies and software licences, due to the renovation and expansion of previously approved Library projects and new Library projects, as noted below.

Project Name	2009 Rec. Budget		2010 Plan		2011 Plan		2012 Plan		2013 Plan		5-Year Plan		2014 - 2018 Forecast	
	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions	\$000's	Positions
Previously Approved Projects														
Jane/Sheppard Neighbourhood Library	8.0										8.0	-		
Cedarbrae District Library			40.0								40.0	-		
Bloor/Gladstone District Library	282.0										282.0	-		
Sanderson Neighbourhood Library											-	-	26.0	
Kennedy/Eglinton Neighbourhood Library	82.0										82.0	-		
Thorncliffe Library	89.0	1.40	89.0								178.0	1.40		
Brentwood Library					285.0	5.40	259.0				544.0	5.40		
Waterfront Neighbourhood Library					952.0	11.00					952.0	11.00		
Toronto Reference Library		4.00	90.0								90.0	4.00		
New Projects - 2009														
St. Lawrence Neighbourhood Library	87.0	1.00									87.0	1.00	1,418.0	18.49
Scarborough Centre Neighbourhood Library							979.0	11.00			979.0	11.00		
Malvern District Library			30.0								30.0	-		
New Projects - Future Year														
Northern District Library											-	-	41.0	
Albion District Library											-	-	30.0	
Agincourt District Library											-	-	392.0	4.64
Fairview Library Theatre									26.0	1.20	26.0	1.20		
Bayview Neighbourhood Library									360.0	3.32	360.0	3.32		
St. Clair/Silverthorn Neighbourhood Library											-	-	14.0	
Total Recommended (Net)	548.0	6.40	249.0	-	1,237.0	16.40	1,238.0	11.00	386.0	4.52	3,658.0	38.32	1,921.0	23.13

An additional 38.32 positions will be required as a result of the Recommended 5-Year Capital Plan:

- 1.4 positions will be required in 2009 for doubling the space of the Thorncliffe Library from 5,000 square feet to approximately 10,000 square feet. The expansion will provide additional study and meeting space and more library programs for newcomers and children (\$0.178 million);
- 4.0 positions (fully funded from revenue) in 2009 will be required for the newly expanded cultural events centre in the Toronto Reference Library, which is part of the expansion, revitalization and retrofit of the 30 year old, 5 story, 416,035 sq ft. central library. The new program space will accommodate both library and community cultural events, responding to the increased demand for cultural programming (\$0.09 million in 2010);
- 1.0 position in 2009 for the St. Lawrence Library is required to expand branch open hours and to increase the collection prior to the relocation to address the needs of the increased population in the community. TPL is planning to relocate the St. Lawrence Branch and design and construct a 25,000 sq. ft. library on City owned land in the West Don Lands community, currently occupied by a TPL processing centre, beginning in 2011 to serve the emerging new communities in the Waterfront as well as the existing growing communities in the area (\$0.087 million);
- 11.0 positions in 2011 will be required for the new 15,000 square feet Waterfront Neighbourhood Library, to be constructed on City-owned land that will service the Railway Lands community (Trinity-Niagara area), which is projected to grow by 12,000 residents. The Library will include an opening collection of 50,000 items and will feature an open floor plan including a barrier free access for the public, study seating, separate and sound proof multi-purpose programming space for branch and community use, installation of self-service technology, and protective security systems (\$0.952 million);
- 5.4 positions will be required in 2011 for the expansion of the Brentwood Library by over 3,885 square feet to 17,500 square feet, which will be equipped with a computer training centre, planned upgrades to its IT infrastructure to allow for increased access to electronic resources, and an increase in library materials by over 12,000 items (\$0.544 million);
- 11.0 positions in 2012 will be required for the new 15,000 square foot Scarborough Centre Neighbourhood Library, to be constructed on City-owned land that will service the Scarborough Town Centre and Civic Centre area. The area currently experiences significant increases in multi-family residential development and a projected population base of 30,000 to 40,000 residents. The Library will include an opening collection of 50,000 items and will feature an open floor plan including a barrier free access for the public, space for adults and children's collections, study and lounge seating, separate and sound proof multi-purpose programming space for branch and community use, installation of self-service technology, protective security systems (\$0.979 million);
- 1.2 positions in 2013 will be required for the Fairview Library Entrance expansion mainly for After Hours Attendant for security to support the enlarged Library entrance, which accommodates an external separate theatre entrance and marquee, a new lobby, expanded washroom facilities, as well as augmented production facilities and acoustic treatment between theatre and lobby (\$0.026 million);

- 3.32 positions will be required in 2013 for the expansion of the Bayview Neighbourhood Library by over 3,667 square feet to 10,000 square feet in a shared facility with Parks and Recreation. The newly constructed library allows for increased space for collections, computer workstations, public seating and study areas. The new library will also be equipped with the Self-Serve Check-out, wireless internet access, and an increase in library materials by over 7,000 items (\$0.360 million);
- 18.49 positions will be required in 2014 for the St. Lawrence Library Relocation/Expansion project due to the relocation of the existing library to another City-owned property currently occupied by TPL in the West Donlands community, which is projected to grow by 22,000 residents. The new 25,000 sq ft. district library will include a collection of 100,000 items, computers with internet access, open floor space, barrier free access, study and multipurpose programming space, gallery/exhibit space, focus areas for teens, children and adults, self-service technology, ultra-broadband intelligent communications infrastructure and wireless high spend internet access (\$1.418 million); and,
- 4.64 positions will be required in 2018 for the Agincourt District Library Expansion project to enlarge the library by 10,000 square feet to 37,000 square feet by adding a third floor to the existing two-storey library. This newly expanded third floor will be equipped with the self-service technology, wireless internet access, A KidsStop system, and 60,000 items in library materials (\$0.392 million).

Total 2009 Recommended Cash Flow & Future Year Commitments (\$000s)

	2007 & Prior Year Carry Forwards	2009 Previously Approved Cash Flow Commitments	2009 New Cash Flow Recommended	2009 Total Cash Flow Recommended	2009 Debt Target	2008 Carry Forwards	Total 2009 Cash Flow (Incl 2008 C/Fwd)	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Cost
Expenditures																	
Previously Approved		15,170		15,170		827	15,997	12,987	6,798	-	855	1,442	748				38,827
Change in Scope			2,397	2,397			2,397	510	772		408	1,094	615				5,796
New			3,588	3,588			3,588	10,445	12,956	7,464	4,209	3,943					42,605
New w/Future Year				-			-										-
Total Expenditure	-	15,170	5,985	21,155	-	827	21,982	23,942	20,526	7,464	5,472	6,479	1,363	-	-	-	87,228
Financing																	
Reserves/Res Funds			1,580	1,580			1,580	1,580	580	580							4,320
Development Charges		3,947	1,061	5,008			5,008	5,925	6,894	5,542	3,256	50	2				26,677
Other		1,708	1,119	2,827		827	3,654	4,697	3,208		-						11,559
Debt		9,515	2,225	11,740	11,000		11,740	11,740	9,844	1,342	2,216	6,429	1,361				44,672
Total Financing	-	15,170	5,985	21,155		827	21,982	23,942	20,526	7,464	5,472	6,479	1,363	-	-	-	87,228

Comments / Issues:

- The 2009 Recommended Capital Budget is \$21.982 million gross and includes unspent funding from 2008 projects being carried forward into 2009 of \$0.827 million; previously approved project commitments of \$15.170 million; and, \$5.985 million for new/change in scope projects, with future year commitments for new/change in scope projects of \$23.942 million in 2010, \$20.526 million in 2011, \$7.464 million in 2012, \$5.472 million in 2013, \$6.479 million in 2014, and \$1.363 million in 2015.
- New Projects starting in 2009 include: Scarborough Centre Neighbourhood Library Construction, Malvern District Library Expansion, and St. Lawrence District Library Relocation/Expansion. Development Charges of \$5.008 million will fund 13 projects in 2009. \$2.827 million of 'Other' financing consists of \$1.708 million from TPL's operating contribution for the TAMP project, \$0.05 million in Section 45 contributions for the Toronto Reference Library Retrofit/Expansion, and Partnership Opportunity Legacy funding of \$0.550 million and third party funding of \$0.519 million for the Malvern Library Expansion project.

2009 Recommended Capital Budget

2009 Recommended Capital Budget versus Debt Target

During the 2006 Budget Process, Council adopted the recommendation by the Budget Committee, that “the 2007-2010 debt guidelines for TPL, be set at \$11.0 million, and that Financial Planning staff review other reserve options to further reduce the debt requirements”. No reserve options have been identified and based on corporate affordability, the TPL debt guideline was set at \$11.0 million.

During the 2008 Budget Process, Council adopted the recommendation by Budget Committee that the debt target for TPL be increased to \$12.850 million in 2008 (\$12.0 million for TPL’s projects, plus an additional \$0.850 million for a City’s Priority Neighbourhood project), remain at \$11.0 million for 2009 to 2010, and increased to \$12.0 million beginning 2011. The 2009 Recommended Capital Budget requires \$11.740 million debt, which is \$0.740 million above the 2009 debt target of \$11.0 million. The additional \$0.740 million debt in 2009 is required primarily to accommodate the first phase of the Self-Service for Expanding Open Hours project, which will allow TPL to increase service hours during regular Monday to Saturday schedule by 262 hours by 2013 with no additional operating costs.

Capital Budget by Project Category

SOGR project funding represents 70.39% of the 2009 Recommended Capital Budget. The SOGR backlog is \$17.376 million and is projected to increase on average by \$4.14 million per year over the next 10 years to \$58.786 million by 2018. The remainder of the funding (29.61%) is allocated to Growth projects to respond to the increasing service demands from the community.

The SOGR projects include Bloor/Gladstone Library Renovation, Cedarbrae Library Renovation, Brentwood Renovation, Dufferin/St. Clair Library Renovation, Jane/Sheppard Library Reconstruction, Toronto Reference Library Renovation, Multi-branch Minor Renovation and all IT projects including, Virtual Branch Services, Technology Asset Management Program (TAMP), and Self-Service for Expanding Open Hours project.

Expansion/construction projects include the Bloor/Gladstone Library Expansion, the Brentwood Library Expansion, the Waterfront Library Construction, the Thorncliffe Library Expansion, the Scarborough Centre Library Construction, the Malvern Library Expansion, the St. Lawrence Library Expansion, and the Toronto Reference Library Expansion.

The 2009 Recommended Capital Budget of \$21.115 million gross (\$11.740 million debt) also provides funding for TPL to:

- Commence projects including: the first year of the Self-Service for Expanding Open Hours; Brentwood Library Renovation and Expansion; planning of the Scarborough Library construction and the St. Lawrence Library renovation and expansion; Malvern Library expansion; and West Waterfront Library Construction;
- Continue previously approved projects such as: Cedarbrae Library renovation; Toronto Reference Library renovation and expansion; and Virtual Branch Services; and,

- Complete projects including: Bloor/Gladstone Library renovation and expansion; Dufferin/St. Clair Library renovation; Jane/Sheppard Library reconstruction; and Thorncliffe renovation and expansion.

Capacity and Readiness to Proceed

The 2009 Recommended Capital Budget is primarily comprised of projects that have begun or are continuing into 2009 with scope changes mainly due to increased construction costs. From a capacity and readiness standpoint, these projects are currently underway and are expected to be completed as scheduled.

PART II: ISSUES FOR DISCUSSION

5-Year Capital Plan Issues

Debt Affordability Target

The 2009 – 2013 Recommended Capital Plan requires debt funding of \$11.740 million per year from 2009 to 2010 and \$12.740 million per year from 2011 to 2013; that is \$0.740 million over target per year from 2009 to 2013.

The Recommended 5-Year Capital Plan exceeded the target by \$3.699 million from 2009 through 2013 primarily due to the funding requirement to accommodate the Self-Service to Expanding Open Hours project. The Library Board has adopted a plan to extend the branch open hours to maximize the investment in the branch infrastructure. To achieve this strategic priority, the 2009 Recommended Capital Budget and 2010 to 2013 Recommended Capital Plan includes \$6.6 million (\$1.86 million in 2009, \$1.398 million in 2010, and \$1.671 million per year from 2011 to 2012) to implement the self-service technology at 30 branches.

This investment will allow TPL to increase open hours by 262 hours by 2013 with no additional operating costs. The extended open hours at library branches is desirable since it responds to community needs for greater access to computers, collections, and quiet study space, promotes reading and achievement at school for children and youth, and offers opportunities to enjoy the city's cultural and literary life. The following table summarizes the total capital funding requirement and the enhanced service level with the implementation of the Self-Service for Expanding Open Hours project:

Year	Capital Investment	Service Increase Mon – Sat hours / week	Service Result
2009	\$1.860	67.5	<ul style="list-style-type: none"> • Morning service increases in 8 branches (Mon - Sat) • Evening service increases in 9 branches (Mon - Sat)
2010	\$1.398	63.0	<ul style="list-style-type: none"> • 1 branch increases from 5 to 6 day service (Mon - Sat) • Morning service increases in 6 branches (Mon - Sat) • Evening service increases in 6 branches (Mon - Sat)
2011	\$1.671	36.0	<ul style="list-style-type: none"> • 1 branch increases from 5 to 6 day service (Mon - Sat) • Morning services increases in 4 branches (Mon - Sat) • Evening service increases in 5 branches (Mon - Sat)
2012	\$1.671	95.5	<ul style="list-style-type: none"> • 3 branches increases from 5 to 6 day service (Mon - Sat) • Morning services increases in 5 branches (Mon - Sat) • Evening service increases in 8 branches (Mon - Sat)
Total	\$6.600	262	

5-Year Capital Forecast Issues

Debt Affordability Target

As discussed previously, the debt target for TPL was increased to \$12.0 million from 2011 to 2018 during the 2008 Capital Budget Process. The 5-Year Capital Forecast submitted by TPL is over debt target by \$3.0 million in 2014, \$3.750 million in 2015, \$4.538 million in 2016, \$5.365 million in 2017, and \$6.233 million in 2018; that is \$22.886 million over target from 2014 to 2018. The 5-Year Capital Forecast submission exceeds the target by \$22.886 million from 2014 through 2018 primarily due to the funding requirements for increase costs of construction and continuous improvement and maintenance on E-services and IT development.

To meet the 5-Year Proposed Capital Forecast, it is recommended that TPL to review its project priorities to ensure the 2014 – 2019 Proposed Capital Forecast meets the debt target of \$12.0 million per year in its 2010 Capital Budget submission.

Appendix 1

2009 Recommended Capital Budget; 2010 to 2013 Plan and 2014 to 2018 Estimates

Appendix 2
2009 Recommended Cash Flow
& Future Year Commitments

Appendix 3
2009 Recommended Capital Projects
with Financing Details

Appendix 4

Recommended Changes to 5-Year Plan

	Changes to The 5-Year Capital Plan (2009 - 2013)					Total	Comments:
	Debt Affordability Target						
	2009	2010	2011	2012	2013		
Previously Approved Commitments:							
Toronto Reference Library	(54.0)	54.0				-	TPL reprioritized capital projects to meet debt targets
Dufferin/ St. Clair Library	(471.0)					(471.0)	Project accelerated in 2008
S. W. Stewart Library	(129.0)					(129.0)	Project accelerated in 2008
Cedarbrae Library	(831.0)	1,331.0				500.0	TPL reprioritized capital projects to meet debt targets
Brentwood Library		(47.0)	147.0			100.0	TPL reprioritized capital projects to meet debt targets
Sanderson Library			(850.0)	(1,442.0)	850.0	(1,442.0)	TPL reprioritized capital projects to meet debt targets
Sub-total: Previously Approved Projects	(1,485.0)	1,338.0	(703.0)	(1,442.0)	850.0	(1,442.0)	
New/Change in Scope Projects:							
Bloor/Gladstone Library	526.0					526.0	Change in scope due to raising construction costs
Dufferin/ St. Clair Library	(112.0)					(112.0)	Change in funding source due to 2008 DC Study.
Jane/Sheppard Library	172.0					172.0	Change in funding source due to 2008 DC Study.
Thorncliff Library	191.0					191.0	Change in funding source due to 2008 DC Study.
Cedarbrae Library	529.0					529.0	Change in scope due to raising construction costs
Tech. Asset Management Program (2009-2011)	33.0	(33.0)				-	TPL reprioritized capital projects to meet debt targets
Virtual Branch Services (2009 to 2011)	79.0	(605.0)	(450.0)			(976.0)	TPL reprioritized capital projects to meet debt targets
Multi-Branch Minor Renovation (2009 - 2011)	70.0	75.0				145.0	TPL reprioritized capital projects to meet debt targets
Brentwood Library	457.0	502.0	997.0			1,956.0	Change in scope due to raising construction costs estimated by Architect & Change in funding source due to 2008 DC Study
Sanderson Library					157.0	157.0	Change in scope due to raising construction costs
Scarborough Centre Library	-	(355.0)	990.0	(569.0)		66.0	This project allows TPL to construct a new 15,000 sq ft Neighbourhood Library to serve the growing east-end Scarborough community with a projected population of 30,000 to 40,000 residents.
Self Service for Open Hours	1,860.0	1,398.0	1,671.0	1,671.0		6,600.0	This project allows TPL to install self-service check-out using RFID in 36 library branches. The implementation of this new system will allow TPL to expand branch open hours with existing staff complements.
St. Lawrence Library				251.0	1,209.0	1,460.0	This project entails the construction of a 25,000 sq ft District Library to relocate the existing St. Lawrence Neighbourhood Library to 281 Front Street East to serve the St. Lawrence, West Donlands and East Bayfront communities with a projected population increase of 26,000 residents.
Ellesmere Sorting and Distribution Hub				813.0	2,503.0	3,316.0	This project is a demolition and reconstruction of a 40 year old building, which will result in approximately 35,000 sq ft of floor space to house a centralized hub to sort and distribute collections and materials. The automated systems will also improve operational efficiency and customer service delivery.
Sub-total: New/Change in Scope Projects	3,805.0	982.0	3,208.0	2,166.0	3,869.0	14,030.0	

		Changes to The 5-Year Capital Plan (2009 - 2013)						
		Debt Affordability Target						
		2009	2010	2011	2012	2013	Total	Comments:
Future Year Projects:								
	Bayview Library		-	651.0	1,352.0	1,571.0	3,574.0	This project is for the relocation and reconstruction of an existing 6,333 sq. ft. leased facility with a 10,000 sq ft Neighbourhood Library in a shared facility with Parks and Recreation, responding to the demand of increased space for collections, computer workstations, public seating and study areas in the growing Sheppard Avenue East community.
	Fairview Library		-	(575.0)	(436.0)	1,475.0	464.0	This project allows TPL to expand the Library's entrance and refurbish existing space of the Fairview Theatre.
	St. Clair/ Silverthorn Library				(32.0)	407.0	375.0	This project allows TPL to renovate both the exterior and interior of an existing library to address the building deficiencies and deterioration issues. This project also involves a 850 sq ft expansion.
	Tech Asset Management Program (2012 - 2018)					1,500.0	1,500.0	This project allows TPL to upgrade or replace computer hardware and software based on City Council guidelines.
	Virtual Branch Services (2012 - 2018)					1,300.0	1,300.0	Funding will allow TPL to re-design TPL's website, to upgrade existing virtual library services to ensure the investment in e-service delivery technology is maintained, to work on the Ontario History Quest, Kid's Space web sites, RAMP, and to provide additional disk storage to allow for more information made available online.
	Multi-Branch Minor Renovation (2011 - 2018)			(189.0)	(188.0)	2,348.0	1,971.0	This project will allow TPL to address minor renovations such as replacement of roofing, building systems, flooring, prior to funding for a full branch major renovation is available.
	Toronto Reference Library			(1,072.0)	32.0		(1,040.0)	TPL reprioritized capital projects to meet debt targets.
	Virtual Branch Services (2012 - 2018)				(132.0)			TPL reprioritized capital projects to meet debt targets
	Sub-total: Future Year Projects		-	(1,185.0)	596.0	8,601.0	8,144.0	
Total		2,320.0	2,320.0	1,320.0	1,320.0	13,320.0	20,732.0	

Appendix 5

Reserve / Reserve Fund Review

(\$000s)

Reserve / Reserve Fund Name (In \$Thousands)	Projected Balance as at December 31, 2008	Proposed Withdrawals										
		2009 Rec. Budget	2010 Plan	2011 Plan	2012 Plan	2013 Plan	2014 Fore.	2015 Fore.	2016 Fore.	2017 Fore.	2018 Fore.	2009-2018 Total
XR2009 Development Charges Reserve Fund - Etobicoke	3.1											
XR2010 Development Charges Reserve Fund - North York	287.8											
XR2029 Development Charges Reserve Fund	4,115.3											
Estimated annual DC contributions for buildings		2,246.0	2,822.0	2,822.0	2,822.0	2,822.0	2,822.0	2,822.0	2,822.0	2,822.0	2,822.0	27,644.0
Jane/Sheppard Library		(316.0)										(316.0)
Bloor/Gladstone Library		(758.0)										(758.0)
Dufferin/St. Clair Library		(112.0)										(112.0)
Toronto Reference Library		(1,323.0)	(1,335.0)	(1,127.0)								(3,785.0)
Multi-Branch Minor Renovations		(65.0)	(79.0)	(79.0)	(79.0)	(152.0)	(152.0)	(152.0)	(152.0)	(152.0)	(152.0)	(1,214.0)
Brentwood Library		(452.0)	(893.0)	(14.0)								(1,359.0)
Cedarbrae Library		(489.0)										(489.0)
Northern Library						(438.0)		(42.0)		(221.0)		(701.0)
Mount Dennis Library								(126.0)		(202.0)		(328.0)
Sanderson Library				(151.0)		(256.0)		(2.0)				(409.0)
Parliament Library								(162.0)		(405.0)	(1.0)	(568.0)
Bayview Library			(124.0)		(536.0)	(856.0)						(1,516.0)
Weston Library										(140.0)		(140.0)
Fairview Library			(133.0)	(1,096.0)	(602.0)	(801.0)						(2,632.0)
Waterfront Library		(736.0)	(1,527.0)	(1,849.0)								(4,112.0)
Scarborough Centre Library		(180.0)	(2,091.0)	(1,863.0)	(2,198.0)							(6,332.0)
Thorncliffe Library		(300.0)										(300.0)
Albion Library						(310.0)		(734.0)				(1,044.0)
Albert Campbell Library									(301.0)		(648.0)	(949.0)
High Park Library										(104.0)		(104.0)
St. Lawrence Library		(277.0)		(3,017.0)	(3,344.0)	(3,000.0)	(50.0)	(395.0)				(9,688.0)
Agincourt Library									(2,137.0)	(1,758.0)	(2,375.0)	(6,665.0)
North York Central Library										(493.0)		(493.0)
Jones Library										(107.0)		(107.0)
St. Clair/ Silverthorn Library					(57.0)	(172.0)	(168.0)					(397.0)
Ellesmere Library			(155.0)	(1,601.0)	(51.0)	(1,862.0)	(1,085.0)					(4,754.0)
XR1011 Capital Financing Reserve Fund												
Cedarbrae Library			(1,580.0)									(1,580.0)
Bayview Library						(581.0)						(581.0)
Self Service for Expanding Open Hours		(1,580.0)		(580.0)	(580.0)							(2,740.0)
Total Reserve / Reserve Fund	4,406.2	(4,342.0)	(5,095.0)	(8,555.0)	(4,625.0)	(5,606.0)	972.0	1,604.0	232.0	(760.0)	(354.0)	(26,529.0)

* Annual DC contributions and future DC draws are subject to further review and approval of 2008 Development Charge Background Study by Council.