



STAFF REPORT ACTION REQUIRED

Toronto Public Library – Revised 2012-2021 Capital Budget and Plan – 2012 Budget Request

Date:	January 9, 2012
To:	Budget Committee
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Budget Committee with the revised 2012-2021 capital budget and plan, which has an increase in the funding request for the 2012 budget for the installation of additional automated sorters.

RECOMMENDATIONS

The City Librarian recommends that City Council:

1. approves the Toronto Public Library revised 2012-2021 capital budget and plan which has a \$2.690 million increase for a revised 2012 budget request of \$14.483 million debt (\$26.580 million gross) to accommodate the installation of four additional automated sorters.

FINANCIAL IMPACT

The Toronto Public Library's revised 2012 capital budget request of \$14.483 million debt (\$26.580 gross) represents an increase of \$2.690 million debt and gross for the installation of four additional automated sorters.

At the meeting on December 12, 2011, the Library Board approved additional 2012 budget reductions that included savings related to the installation of four additional automated sorters. The sorters will result in the elimination of seven positions and a budget reduction of \$158,000 in 2012 followed by an additional savings of \$312,000 in 2013. The cost of the sorters is \$2.690 million debt and gross, and the Library's 2012 capital budget request is being increased by this amount. Funding for the 2013 to 2021 capital plan remains unchanged and meets the City's debt targets.

REVISED 2012 - 2021 CAPITAL BUDGET AND PLAN
(\$000s)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL 2012-2021
Gross Funding Request	26,580	26,182	22,439	17,321	18,705	20,481	22,804	23,818	21,868	21,531	221,729
Less: Non-Debt Funding	12,097	15,214	9,209	2,871	3,467	4,416	5,871	6,885	4,935	4,598	69,563
Debt Funding Request	14,483	10,968	13,230	14,450	15,238	16,065	16,933	16,933	16,933	16,933	152,166
City Debt Target	11,793	10,968	13,230	14,450	15,238	16,065	16,933	16,933	16,933	16,933	149,476

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

BACKGROUND

At the meeting on October 17, 2011, the Board approved a 2012 – 2021 capital budget and plan submission which met the City’s debt targets:

2012 - 2021 CAPITAL BUDGET AND PLAN SUBMISSION
(\$000s)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	TOTAL 2012-2021
Gross Funding Request	23,890	26,182	22,439	17,321	18,705	20,481	22,804	23,818	21,868	21,531	219,039
Less: Non-Debt Funding	12,097	15,214	9,209	2,871	3,467	4,416	5,871	6,885	4,935	4,598	69,563
Debt Funding Request	11,793	10,968	13,230	14,450	15,238	16,065	16,933	16,933	16,933	16,933	149,476
City Debt Target	11,793	10,968	13,230	14,450	15,238	16,065	16,933	16,933	16,933	16,933	149,476

COMMENTS

The City Manager hired DPRA Canada to conduct a Service Efficiency Study at Toronto Public Library. The results of the study, *Toronto Public Library - Service Efficiency Study - Final Report*, were reported to Budget Committee on December 9, 2011. The DPRA report includes a recommendation for the installation of an automated sorter at the Ellesmere delivery hub that would require a capital investment of \$1.69 million and would result in the elimination of 2 positions and a budget reduction of \$113,000 in 2012 followed by an additional savings of \$112,000 in 2013. As there is no provision in the Library’s capital budget to purchase and install the equipment, City Finance staff has recommended in their Analyst Notes that the Library’s 2012 capital budget be increased by \$1.69 million debt and gross to fund the sorter at the delivery hub.

At the meeting on December 12, 2011, the Library Board approved additional 2012 budget reductions that included savings related to the installation of the sorter at the Ellesmere delivery hub as well as three additional automated sorters. Installing sorters at Don Mills, Malvern and Woodside Square branches would further assist in reducing ongoing operating costs. The three additional sorters would require a capital investment of \$1 million and would result in the elimination of five positions and a budget reduction of \$45,000 in 2012 followed by an additional savings of \$200,000 in 2013. As there is no

provision in the Library's capital budget to purchase and install the three sorters, a request is being made to increase the Library's 2012 capital budget by an additional \$1 million debt and gross. The total capital cost and savings from the sorters are shown below:

Additional Sorters	Capital Cost	2012 Savings	2013 Savings	Total	FTE Reduction
	(\$000s)				
Sorter at Ellesmere delivery Hub	1,690	113	112	225	2.0
Sorters at Don Mills, Malvern and Woodside Square	1,000	45	200	245	5.0
	<u>2,690</u>	<u>158</u>	<u>312</u>	<u>470</u>	<u>7.0</u>

To accommodate the four sorters, the 2012 capital budget funding request has been revised as follows:

	2012 Submission	Funding for Sorters	2012 Revised Request
(\$000s)			
Gross Funding Request	23,890	2,690	26,580
Less: Non-Debt Funding	12,097		12,097
Debt Funding Request	<u>11,793</u>	<u>2,690</u>	<u>14,483</u>

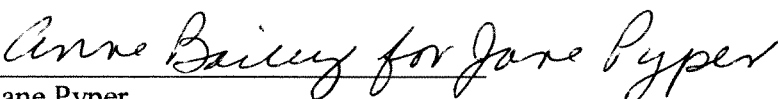
Funding for the 2013 to 2021 capital plan remains unchanged and meets the City's debt targets.

This report has been reviewed by City Finance staff who is recommending the additional capital funding for the four automated sorters.

CONTACT

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SIGNATURE


 Jane Pyper
 City Librarian

