



# Toronto Public Library

## Capital Budget

### Board Meeting

May 25, 2015



- Planning Framework
- Development of Capital Plan
- Approvals
- Debt Targets
- SOGR
- Capital Completion Rate
- 2016 Budget Deadlines

## Service Delivery Model – Four Tiers of Service

### 1. Neighbourhood Libraries

- 10,000 – 15,000 sq. ft., serves minimum of 25,000 residents, 1.6km radius
- 40 – 69 hours open per week

### 2. District Libraries

- Minimum 25,000 sq. ft., serves minimum of 100,000 residents, 2.5 km radius
- 63-69 open hours per week

### 3. Research and Reference Libraries

- Minimum 150,000 sq. ft., serves entire city.
- 63.5 - 69 open hours per week

### 4. Virtual Branch Services and Mobile Library Services

## Strategic Priorities

- 1. Focus on SOGR needs for branches, technology infrastructure and Virtual Branch**
  - Current needs and SOGR backlog
  - Address undersized or inadequate branches
  - Accessibility requirements
  
- 2. Branch relocations and service enhancements**
  
- 3. Improved operating efficiency**
  
- 4. Improved service delivery - 21<sup>st</sup> century library services**

## Improved service delivery - 21<sup>st</sup> century library services

- Engaged in the online world: internet, wireless, multimedia, together or alone
- Collections in multiple formats
- Engaged in content creation
- Digital innovation centres
- Extend beyond buildings
- Build community capacity with meeting, study and collaborative spaces
- Delivered in flexible spaces for children, seniors, teens and adults
- Buildings that are accessible, green, respond to local community
- New service delivery options

# Development of Capital Plan

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## Types of Capital Projects

### Buildings

- 100 branches and 2 service buildings
  - Leased 104,559 sq. ft.
  - Owned 1,889,165 sq. ft.
  - Replacement value \$830 million
  - Comprehensive property condition assessment updated every 5 years
- Major building renovation program
  - Renovations
  - Relocations and expansions
- Multi-branch SOGR renovation program
  - Repair or replacement of building elements
  - Accessibility requirements

# Development of Capital Plan

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## Types of Capital Projects

### Information Technology Infrastructure

- 4,577 PCs and laptops
- 172 servers
- Data and storage network equipment for 102 locations
- Wireless internet access
- Automated sorters and self-service checkout equipment
- In-branch innovation hubs
- Digital signage, presentation projectors and audio for learning centres and meeting rooms
- Infrastructure and application software
- Funded through the Technology Asset Management Program (TAMP)

# Development of Capital Plan

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## Types of Capital Projects

### Virtual Branch

Online library services providing access to:

- Over 10 million items in the collection
- Econtent for downloading and streaming
- Blogs to promote services and collections, and enabling multimedia for customers
- Improved website providing dynamic self-serve options such as online fine payments, email notification preference management, online registration and updating personal information
- Website designed for mobile devices as well as for users of assistive technology (Accessibility for Ontarians with Disabilities Act (AODA))
- User generated content
- Funded through the Virtual Branch Services capital project



## Costing for building projects

Construction cost estimates updated each year

- Scope of renovation
- New construction / demolition
- Heritage building
- Leased location
- Shared use facility
- Relocation
- Other site conditions
- Inflation factor each year

## Costing of building projects – Other factors

- Public space highly used
- Shelving and structural requirements
- Lighting, technology, etc.
- Green building standards
- Accessibility requirements
- Urban setting (12% premium)

## Costing for building projects

Average cost per square foot (2015 \$)

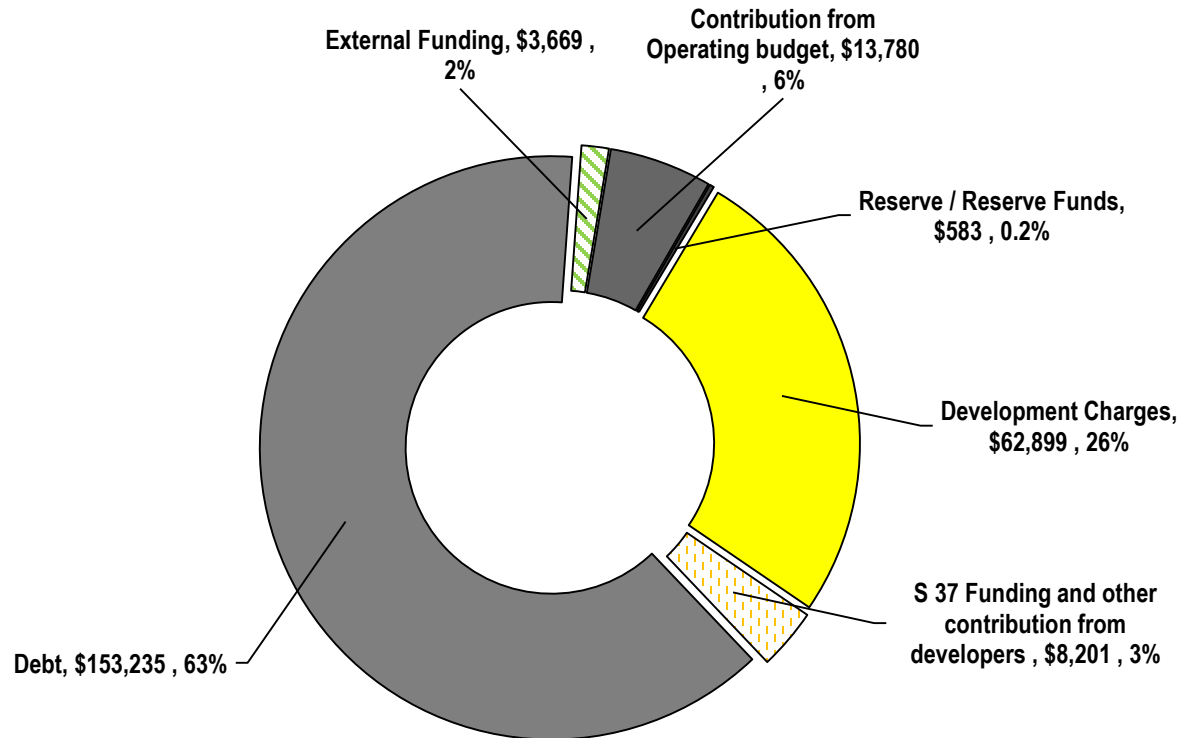
- Leased premises \$260
- Renovation \$380 - \$470
- Relocation / New Construction \$500 - \$685
  
- + Collections for significant expansion projects \$70
- + IT, Self-service, Kids Stop, etc. Costs vary

2015 Ontario cost/sq.ft. \$509 / sq.ft. (FOPL 2012 + inflation)

2015 US cost/sq. ft. \$485/sq.ft. (Library Journal 2012 + inflation)

# Development of Capital Plan

## Funding Sources – 10 Year Plan



<b>2015-2024 Capital Budget Funding Sources</b>	<b>Amount ('000s)</b>	<b>%</b>
Debt	\$153,235	<b>63%</b>
Development Charges	\$62,899	<b>26%</b>
Contribution from Operating budget	\$13,780	<b>6%</b>
S 37 Funding and other contribution from developers	\$8,201	<b>3%</b>
External Funding	\$3,669	<b>2%</b>
Reserve / Reserve Funds	\$583	<b>0.2%</b>

**Every year the 10-year plan is re-assessed and adjusted**

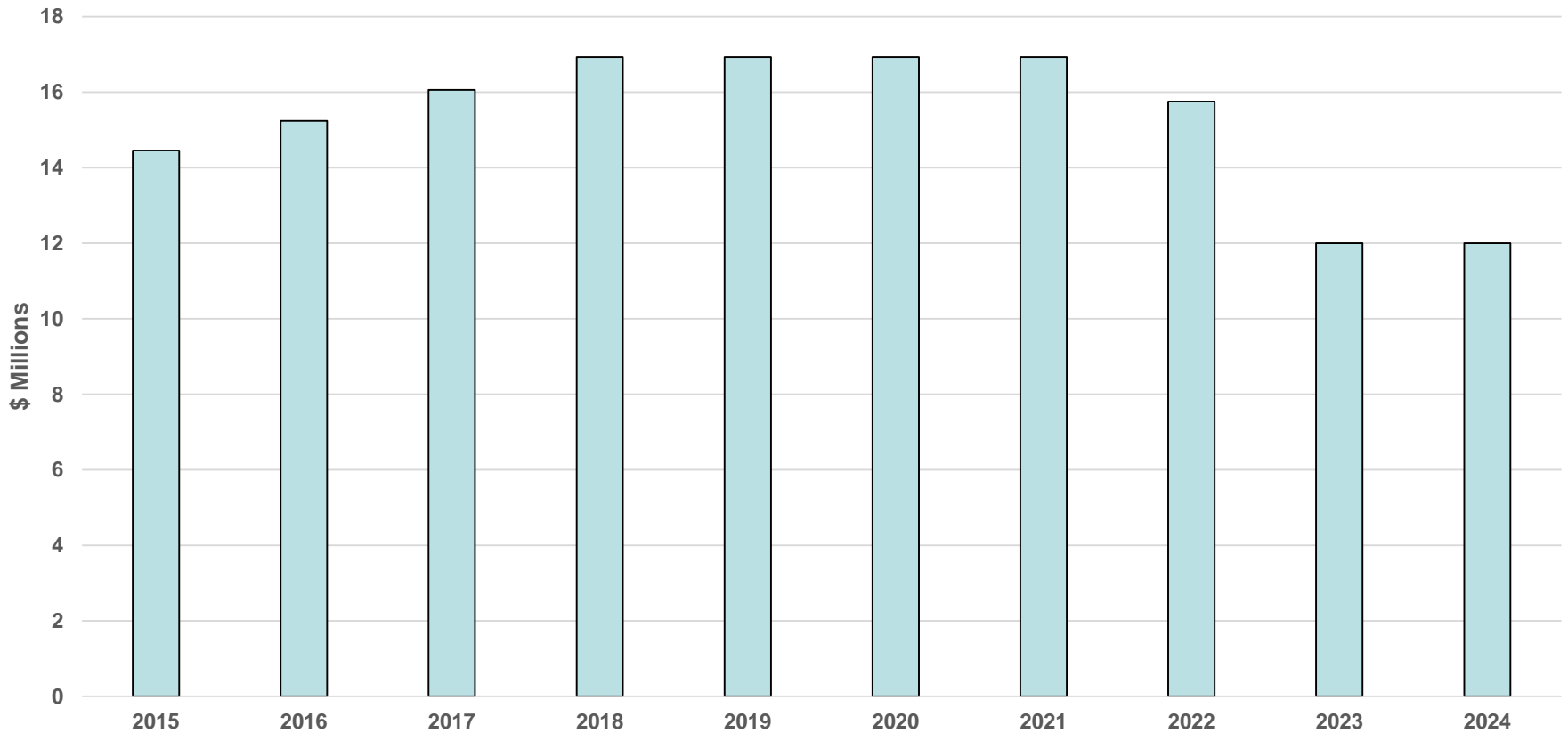
- New projects added
- Change to scope of existing projects
- Change to timeline of existing projects

### **Evaluation Criteria**

- Strategic priority
- Unique site / location
- Partnerships
- Alternative funding available
- Timing and cash flows
- Fiscal sustainability

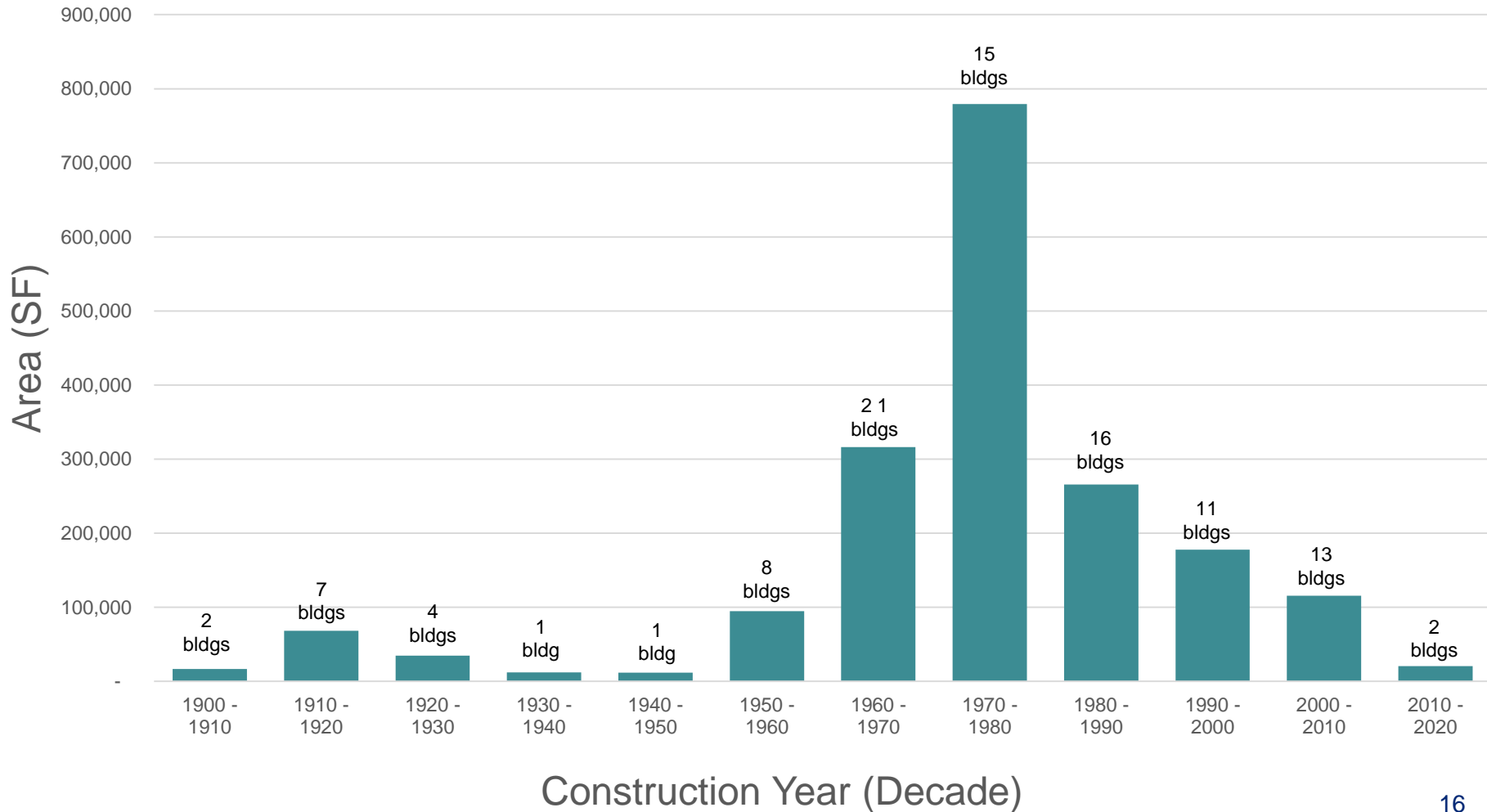
- Budget is the first year of 10-year plan
- Capital budget approved at project level
- Project multi-year cash flow commitments
- First year cash flows approved
- Annual debt targets
- Actual spending may vary from budget – managed through technical budget adjustments

# 2015 – 2024 Debt Targets



# State of Good Repair (SOGR)

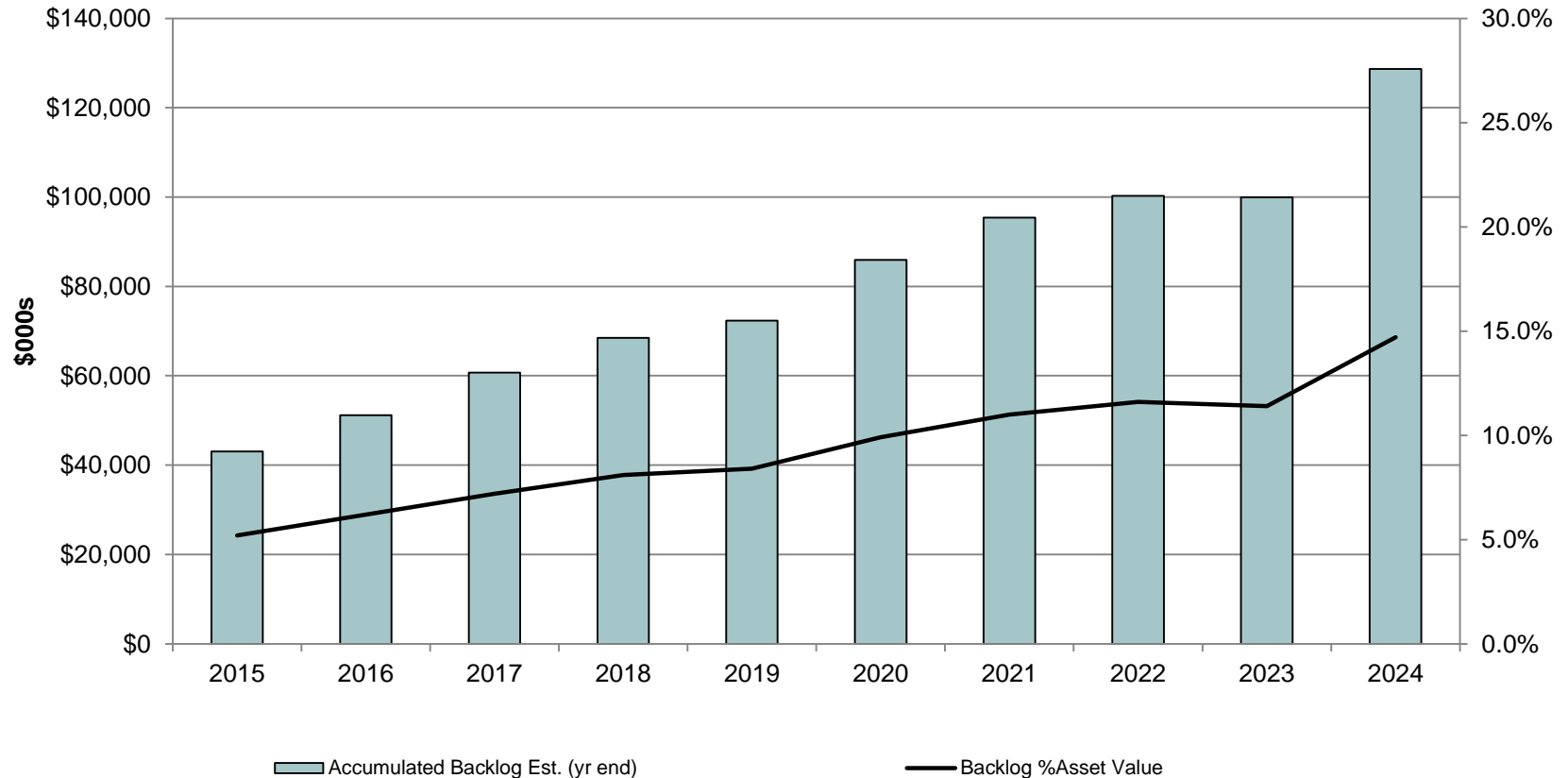
## Building Age Profile by Decade



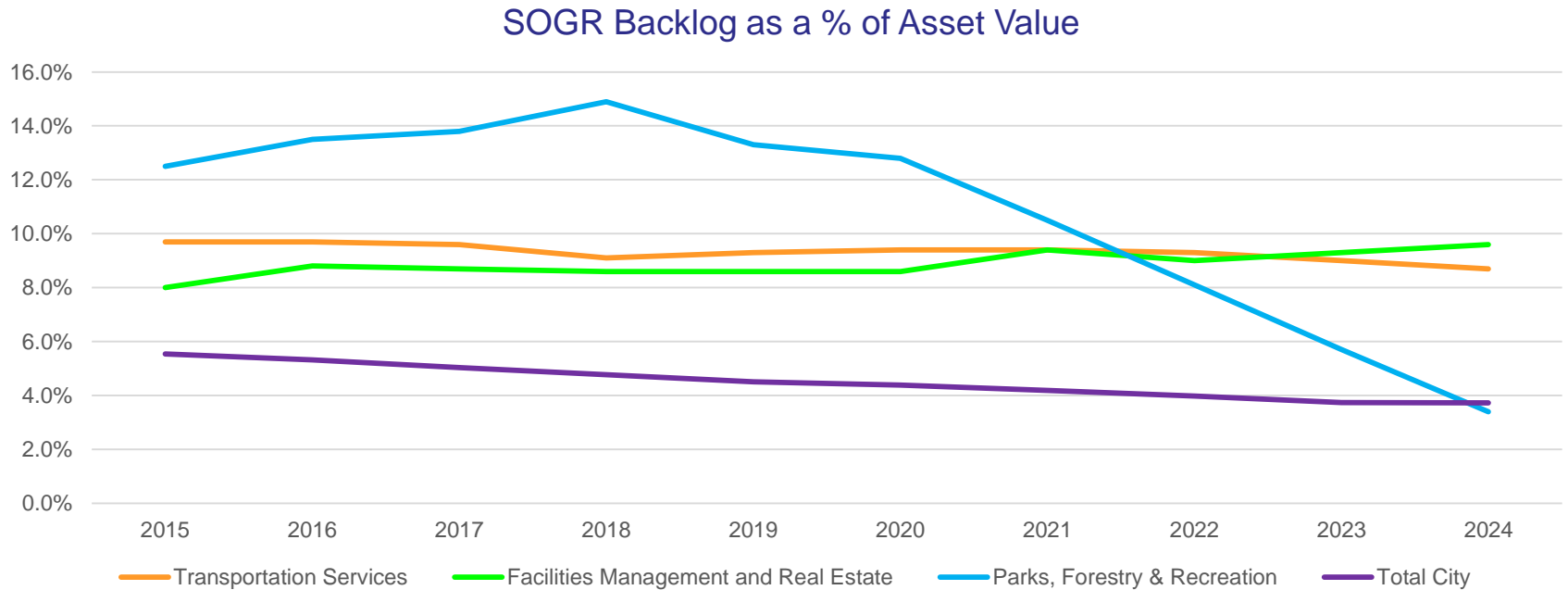


# State of Good Repair Backlog

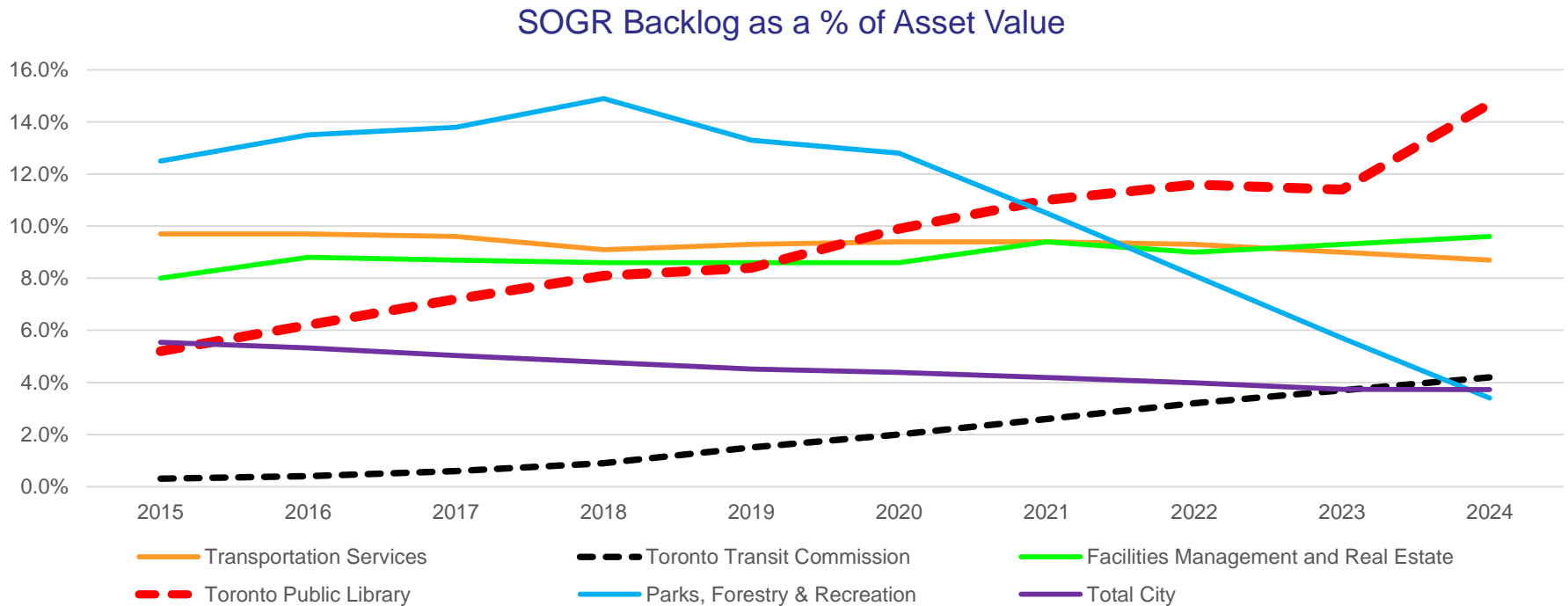
Increasing from \$44.2 M to \$128.7 M



## SOGR Backlog by Program



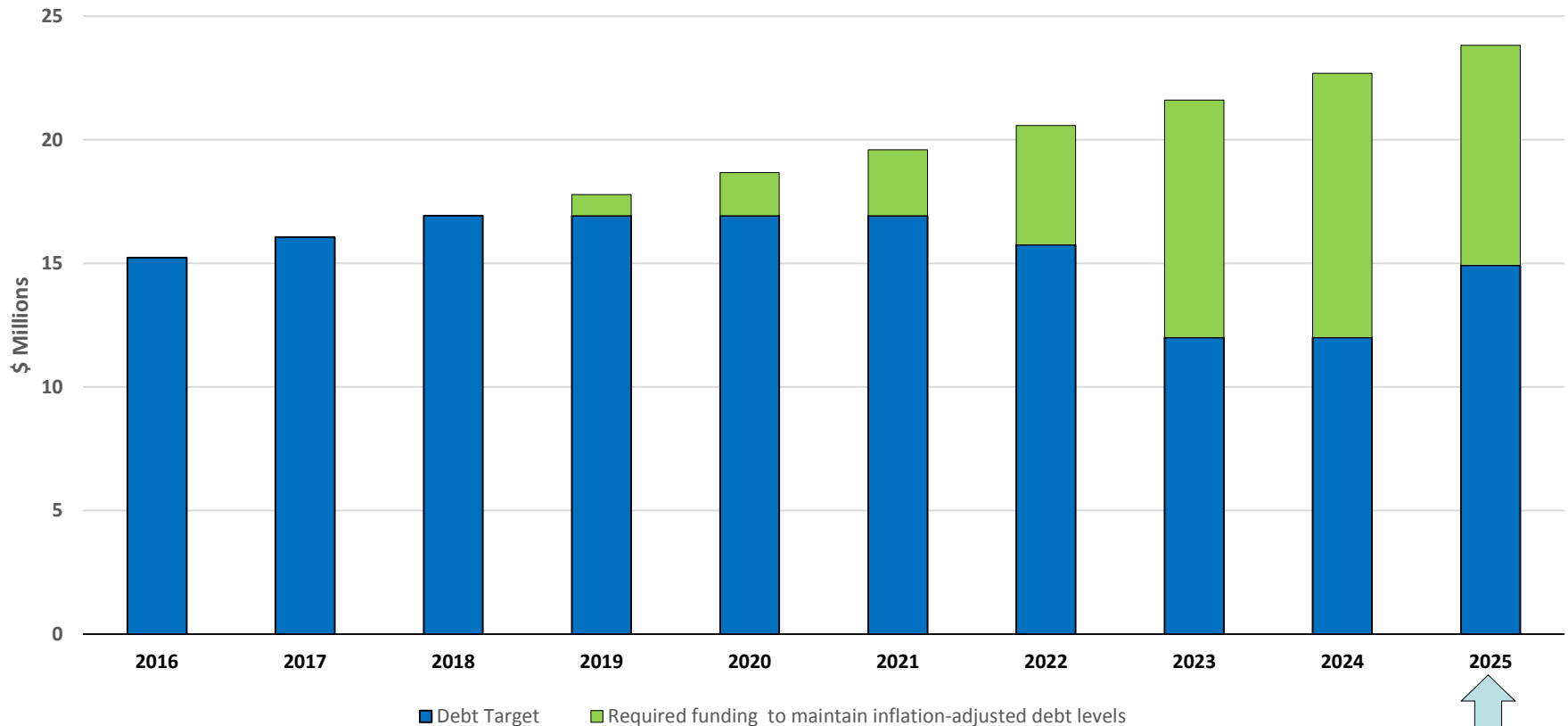
## SOGR Backlog by Program (continued)



# Option 1: Address 30% of SOGR Backlog

Maintain current debt level, adjusted for inflation

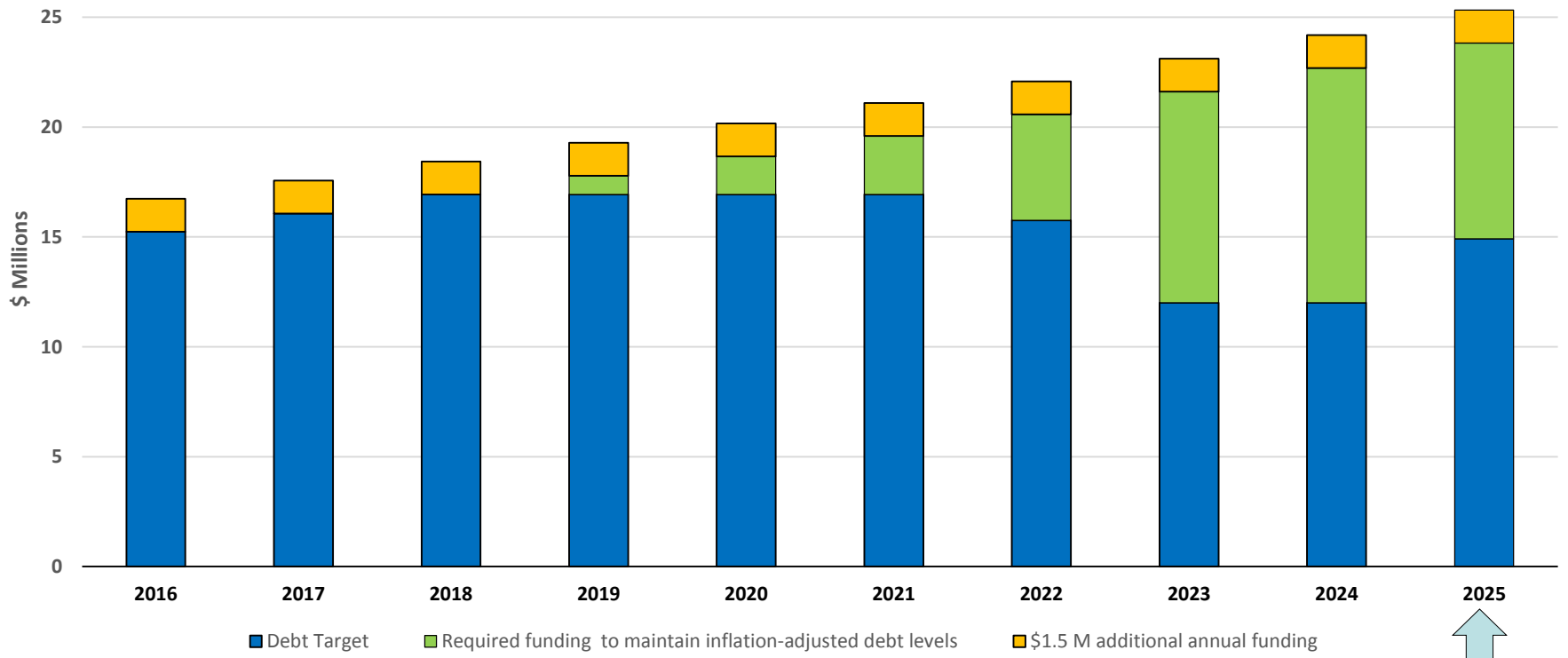
\$39 M additional funding



# Option 2: Address 40% of SOGR Backlog

Option 1 + \$1.5 M / yr

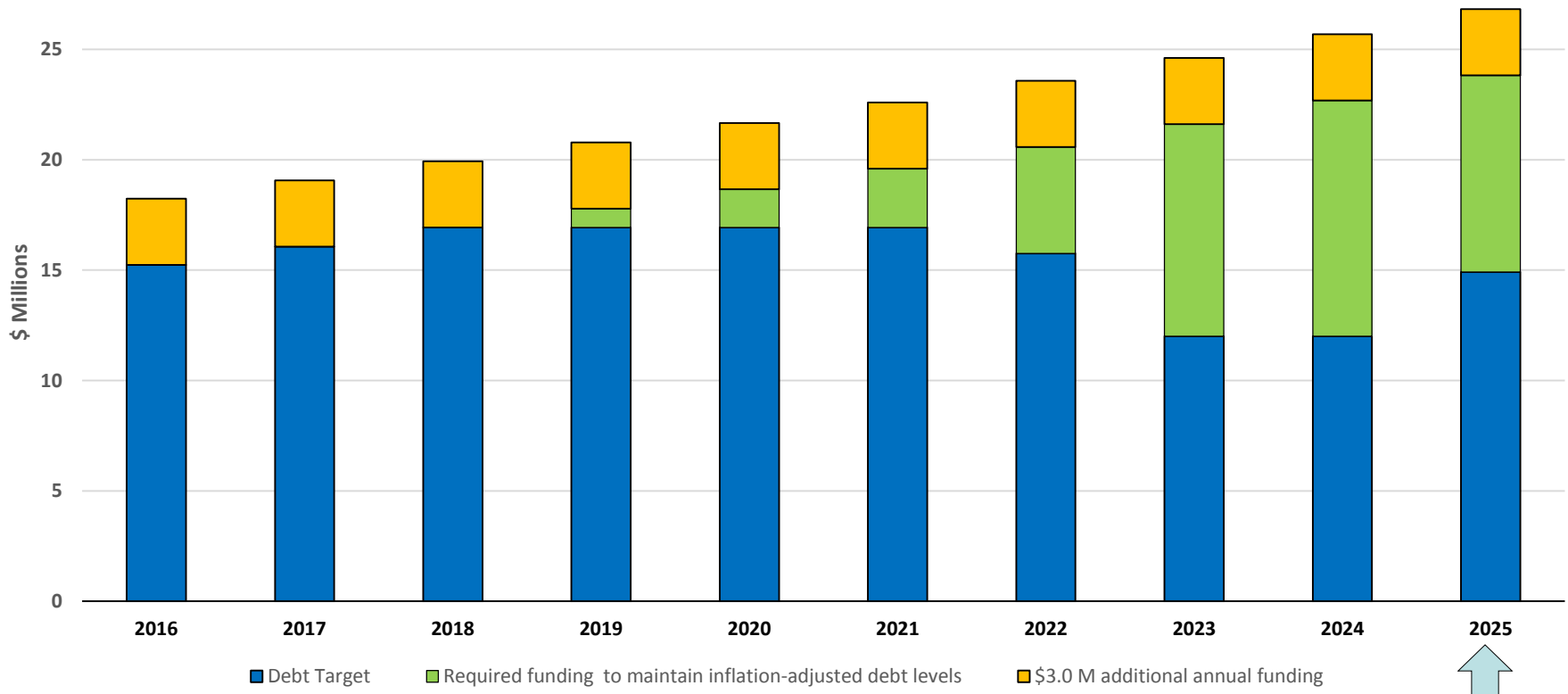
\$54 M additional funding



# Option 3: Address 50% of SOGR Backlog

Option 1 + \$3.0 M / yr

\$69 M additional funding



# Capital Completion Rate

Year	% Spent
2010	85.6%
2011	86.6%
2012	73.1%
2013	87.3%
2014	93.6%
<b>TPL Average</b>	<b>85.2%</b>
<b>City Average</b>	<b>58.3%</b>

## 2016 Recommended Budget Schedule

Activity	Capital Budget City Divisions & Agencies	Operating Budget City Divisions & Agencies
<b>Budget Submission Deadline</b>	<b>June 5, 2015</b>	<b>June 15, 2015</b>
<b>Standing Committee Review of Service Levels</b>	<b>N/A</b>	<b>June 15 - June 30, 2015</b>
Executive Director, Financial Planning Division Review with Programs and Agencies	July 2 - 16, 2015	
	September 9, 10, 11 & 14 ,2015	
<b>BC Members Informal Reviews</b>	<b>September 15 - October 16, 2015</b>	
CM/CFO Meeting with Programs	September 17 - October 20, 2015	
CM/DCM/CFO Final Meetings	October 26, 2015	
<b>Budget Launch - Budget Committee</b>	<b>December 15, 2015</b>	
Budget Briefings (Budget Committee)	January 5, 6, 8 & 11, 2016	
Public Presentations (Budget Committee)	January 12, 13 & 14, 2016	
Budget Committee Wrap-Up	January 18, 2016 <b>(Briefing Notes / Motions / Reports)</b>	
Budget Committee Final Wrap-Up	January 26, 2016	
Special Executive Committee	February 9, 2016 <b>(Special Executive)</b>	
<b>Special Council</b>	<b>February 17 &amp; 18, 2016</b> <b>(Special Council)</b>	



Thank You