

**Capital Budget Monitoring Report – December 31, 2012**

<b>Date:</b>	April 29, 2013
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

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The purpose of this report is to provide the Toronto Public Library Board with a summary of the Library’s capital expenditures for the twelve-month period ending December 31, 2012.

Capital spending during 2012 totalled \$21.670 million or 73% of the approved gross cash flow of \$29.657 million, leaving a balance of \$7.987 million to be carried forward to 2013.

**FINANCIAL IMPACT**

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Based on the \$21.670 million actual 2012 spending, the 2012 gross capital budget of \$29.657 million was 73% spent as of December 31, 2012, which results in a \$7.987 million balance to be carried forward to 2013.

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

**ISSUE BACKGROUND**

Toronto Public Library’s 2012 capital budget of \$29.657 million gross is comprised of \$25.274 million approved by Council in January 17, 2012; \$3.880 million of carry forwards from 2011; \$0.250 million 2012 in-year cash flow approval for the relocation of the Library processing centre; and \$0.503 million cash flow advance of Library Foundation Capital Campaign funding from 2013 for the Toronto Reference Library.

**COMMENTS**

As of December 31, 2012, TPL spent \$21.670 million or 73% of the 2012 approved cash-flow of \$29.657 million, resulting in an unspent balance of \$7.987 million to be carried over to 2013. This spending rate is below the annual level of capital expenditures in previous years (87% in 2011 and 86% in 2010).

The 73% spending level in 2012 is partly the result of having to prioritize the implementation of initiatives required to generate efficiency savings, the March 2012 Toronto Public Library Workers Union Local 4948 CUPE labour disruption and staff downsizing through the implementation of the 2012 Voluntary Separation Program (VSP).

Also, in the second half of 2012, Council approved an agreement to acquire the First Parliament Site at 271 Front Street East and one of the properties exchanged in the agreement is the site occupied by the Library's processing centre at 281 Front Street East. This requires the relocation of the processing centre and the immediate development of a plan to retrofit and expand an existing Library facility at 1076 Ellesmere Road to accommodate the relocation of services from 281 Front Street. Resources were reallocated to plan and implement this new project and the installation of a materials sorting system at 1076 Ellesmere had to be deferred until the building renovation and expansion are completed.

Attachment 1 includes a detailed list of all active projects, providing 2012 and life-to-date project status. A brief description of 2012 accomplishments, significant expenditure variances and the completion status of major projects is provided below:

- ***Brentwood (\$8.123M project cost; \$2.987M 2012 cash flow):*** Branch re-opened November 2, 2012. The balance of the work will be completed and paid in 2013. An unspent cash flow of \$0.425 million will be carried forward from 2012 to 2013.
- ***Fort York (\$8.697M project cost; \$2.377M 2012 cash flow):*** Due to a delay in agreements with other parties, construction did not start until September, resulting in \$0.664 million of cash flow funding to be carried forward from 2012 to 2013.
- ***Toronto Reference Library (\$26.781 M project cost; \$5.527M 2012 cash flow):*** The Yonge Street enclosure is complete, Special Collections construction is on schedule for mid 2013 completion, work is progressing in the upper floors and the third floor learning theatre area has been cleared to facilitate the start of construction. The acceleration of \$1.5 million gross cash flow from 2013 to 2012 was required. Substantial completion of the project will be achieved in 2013.
- ***Scarborough Civic Centre (\$8.797M project cost; \$1.108M 2012 cash flow):*** Site plan approval conditions were issued in September, but the process of securing agreements with other parties and obtaining permits delayed the construction phase for this project. The construction tender was awarded in February 2013 and construction begins in April 2013. An unspent cash flow balance of \$0.715 million will be carried forward from 2012 to 2013.
- ***Fairview (\$4.641M project cost; \$1.495M 2012 cash flow):*** The preparation of the construction tender was delayed due to design changes required to accommodate the implementation of efficiency measures including an automated sorter within the

available funding. Construction started in October 2012. An unspent cash flow balance of \$0.086 million will be carried forward from 2012 to 2013.

- ***Self Service Circulation and Automated Sorters (\$10.590M project cost; \$5.393M 2012 cash flow)***: The implementation of Self Service Circulation is proceeding as planned, but the installation of automated sorters is behind schedule due partly to the mid-2012 approval of the relocation of the Library Processing Centre to Ellesmere. Sorters were installed at the Woodside Square, Richview and Agincourt branches. Five in-branch sorting systems will be installed in 2013 and the installation of the sorting system at the Ellesmere distribution centre has been delayed until the building retrofit and expansion are completed. An unspent cash flow balance of \$3.989 million will be carried forward to 2013.
- ***Technology Asset Management Program (\$15.683M project cost; \$3.839M 2012 cash flow)***: PC, network and server replacements were completed as planned. Delays in the library circulation systems integration project are due to the delay in the installation of the central sorter at Ellesmere. The building automation system upgrade and work orders system upgrade projects were deferred due to resources assigned to revenue and efficiency priorities. An unspent cash flow balance of \$0.874 million will be carried forward to 2013.
- ***Multi-Branch State of Good Repair Program (\$9.270M project cost; \$1.395M 2012 cash flow)***: Various circumstances affected the level of completion of the 2012 workplan for this project including: the timing of work for the Gerrard windows installation, the Fairview fire alarm and Eatonville renovations, where tenders were issued in 2012 but the work and invoicing will be completed in 2013; the deferral of work to match the timing of donation funding expected to supplement the Barbara Frum project; and deferral of phase one renovations at Don Mills to consolidate with the second phase in 2013 so as to reduce the disruption to public service. An unspent cash flow balance of \$0.369 million will be carried forward to 2013.
- ***Virtual Branch Services (\$2.679M project cost; \$1.002M 2012 cash flow)***: This project experienced delays due to requirements associated with the implementation of the 2012 cost efficiency projects, including the introduction of new fines, customer overdue e-mail notices and the development of an affiliate program for customers who wish to purchase library materials. An unspent cash flow balance of \$0.669 million will be carried forward to 2013.
- ***Library Processing Centre (\$9.330M project cost; \$0.250M 2012 cash flow)***: This project was approved in July 2012. The design-build agreement has been signed and planning is underway; construction is scheduled to start in the Spring of 2013.

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian

## **ATTACHMENTS**

Attachment 1: Capital Budget Monitoring Report for the Period Ending December 31,  
2012