



STAFF REPORT INFORMATION ONLY

Capital Budget Monitoring Report – March 31, 2017

Date:	May 15, 2017
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with the Toronto Public Library (TPL) capital expenditures for the three-month period ended March 31, 2017, as well as projected actual expenditures to December 31, 2017.

As detailed in Appendix A, capital spending during the first three months of 2017 totalled \$4.902 million or 16.7% of the gross cash flow of \$29.304 million and is projected to be \$24.583 million or 83.9% by the end of the year. Capital expenditures are monitored and managed on an on-going basis to ensure that spending is within the approved budget.

FINANCIAL IMPACT

Based on the \$4.902 million actual spending, the 2017 gross capital budget of \$29.304 million is 16.7% spent as of March 31, 2017.

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

ISSUE BACKGROUND

Toronto Public Library's 2017 capital budget of \$29.304 million gross is comprised of \$29.524 million approved, \$2.688 million of unspent balances carried forward from 2016 and a \$2.908 million cash flow decrease from the 2017 capital budget to the 2016 capital budget for three projects that exceeded the 2016 cash flow forecasts at the end of 2016.

COMMENTS

2016 Year-End Capital Budget Adjustments

At the March 20, 2017 meeting, the Board received the [Capital Budget Monitoring Report – December 31, 2016](#) report for information, which reported a preliminary spend rate of 95.8%. Three projects exceeded 2016 cash flow forecasts while some others fell behind

schedule. The three projects are Albion Library Renovation, North York Central Library Renovation (Phase 1) and Virtual Branch Services. Financial control policies for the City and the Library allow for cash flows to be advanced and spent on accelerated projects to offset cash-flow deferrals resulting from projects that are experiencing delays, as long as the overall approved debt level is not exceeded in any year. Any reallocation of budget between capital projects of more than \$250,000 requires Board and Council approval.

A report to reallocate the cash flows to the approved 2016 capital budget from the approved 2017 capital budget in the amount of \$2.908 million gross (\$2.847 million debt and \$0.061 million development charges funding) has been submitted to the May 11, 2017 Budget Committee meeting for consideration. Given that these are technical adjustments and will not affect overall project cost for any individual project and will align both the 2016 capital budget and 2017 capital budget cash flows with actual expenditures, the adjustments impacting the 2017 budget have been reflected in Appendix A. The unspent capital funding of \$2.688 million resulting from delayed projects, which was included in the [2017 Capital Budget Adjustments for Carry Forward Funding](#) report, was approved by City Council at its meeting on April 26, 2017.

With these year-end capital budget adjustments, which are expected to be approved by Council on July 5, 2017, the 2016 year-end spend rate would be revised to 86.7%.

First Quarter 2017 Capital Budget Spending

As of March 31, 2017, TPL has spent \$4.902 million or 16.7% of the 2016 approved cash-flow of \$27.766 million.

Appendix A includes a list of all active projects, providing 2017 year-to-date and life-to-date project expenditure status, as well as projected expenditures to the end of the year. The expenditure rate for 2017 is projected to be \$24.583 million or 83.9% by the end of the year.

Most of TPL's capital projects are progressing according to plan, with the following exceptions:

Cash flows ahead of schedule

- The *Albion Library Renovation* project is ahead of schedule. Board endorsement of a budget adjustment is being requested in a separate report to accelerate cash flow funding of \$0.500 million gross, funded by development charges from 2018 into 2017, offset by cash flow deferrals from capital projects that are currently behind schedule.
- The *Agincourt Partial Renovation* project's capital expenditures totaled \$0.279 million or 452.3% of the 2017 approved cash flow of \$0.062 million. This project is overspent as a result of delays in receiving the Section 37 funding. Due to the uncertainty of the timing of Section 37 funding; a budget transfer from the Multi-Branch Minor Renovation project will be done at a later date.

Cash flows behind schedule

- The *Wychwood Library Renovation* project's capital expenditure totaled \$0.008 million or 0.4% of the 2017 approved cash flow of \$1.899 million. Site plan approval is under City review. Contract award is dependent on site plan approval. It is estimated that \$1.000 million or 52.7% of the 2017 approved cash flow will be spent by year-end.
- The *Bayview-Bessarion Library Relocation* project, with a 2017 approved cash flow of \$1.553 million, had no capital spending during the three months ended March 31, 2017. This is a joint project with timelines managed by Parks, Forestry and Recreation. It is estimated that \$0.058 million or 3.8% of the 2017 approved cash flow will be spent by year-end.
- The *St. Clair/Silverthorn Renovation* project's capital expenditure totalled \$0.031 million or 2.0% of the 2017 approved cash flow of \$1.584 million. Board approval of a budget transfer is being requested in a separate report to reallocate \$0.650 million gross and debt to this project from the Multi-Branch Minor Renovation project (CLB196-01) for the construction tender that is expected to exceed the approved project budget. The contract award is dependent on site plan approval that is under City review. It is estimated that \$1.000 million or 63.1% of the 2017 approved cash flow will be spent by year-end.
- The *Albert Campbell Renovation* project's capital expenditure totalled \$0.004 million or 1.6% of the 2017 approved cash flow of \$0.225 million. The architect tender has been awarded and design is underway. It is estimated that \$0.150 million or 66.7% of the 2017 approved cash flow will be spent by year-end.
- The *Dawes Road Library Construction and Expansion* project's capital expenditure totalled \$0.005 million or 0.2 % of the 2017 approved cash flow of \$2.786 million project. City Facilities and Real Estate is continuing to work on negotiations regarding the site. There is uncertainty around spending for the year; at this time it is estimated that \$1.000 million or 35.9% of the 2017 approved cash flow will be spent by year-end.
- The *St. Lawrence Relocation and Expansion* project, with a 2017 approved cash flow of \$0.100 million for design costs, had no capital spending during the three months ended March 31, 2017. City Facilities and Real Estate will perform a Master Plan and Heritage assessment of the former First Parliament site. Given that the start date of this project is unknown at this time, the project is to be deferred to the future.

In-Year 2017 Budget Adjustments

A separate report, *2017 Capital Budget Adjustments*, requests Board endorsement for these in-year adjustments, which are summarized below.

Albion and Bayview-Bessarion Cash Flow Reallocation

As of March 31, 2017, the *Albion Library Renovation* project is ahead of schedule, requiring an acceleration of \$0.500 million cash flow, funded by development charges, from 2018 to 2017. In order to maintain unchanged the overall approved funding levels, the under-spent balance from the equivalent funding source for the *Bayview-Bessarion Library Relocation* project is deferred from 2017 to 2018 as the project is experiencing delays.

St. Clair/Silverthorn and Multi-Branch Minor Renovation Budget Transfer

The construction tender for the St. Clair/Silverthorn capital project is expected to exceed the approved project budget of \$2.247 million. The funding shortfall of \$0.650 million will be funded by a budget transfer from the Multi-Branch Minor Renovation project.

CONTACT

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SIGNATURE

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ATTACHMENTS

Appendix A: Capital Budget Monitoring Report for the Period Ended March 31, 2017

**Toronto Public Library
2017 Capital Budget Monitoring Report
For the Three Months Ended March 31, 2017**

APPENDIX A

Project/Sub-Project Name	2017 - Year-to-Date					2017 - Year End Projected Actuals to Year-end				Life To Date				Planned Year of Completion
	2017 Full Year Budget *	Spent		Unspent / (Overspent)		\$	% of Budget	On Budget	On Time	Budget \$	Actuals \$	Unspent / (Overspent)		
		\$	%	\$	%							\$	%	
		(a)	(b)	(c) = (a) / (b)	(d) = (a) - (b)							(e) = (d) / (a)	(f)	
Agincourt Partial Renovation	61,627	278,722	452.3%	(217,095)	(352.3%)	278,722	452.3%	Ⓡ	Ⓢ	1,172,000	1,389,095	(217,095)	(18.5%)	2019
Albert Campbell Library Renovation	224,950	3,681	1.6%	221,269	98.4%	150,000	66.7%	Ⓨ	Ⓨ	12,165,000	43,731	12,121,269	99.6%	2021
Albion Library Renovation	2,662,179	1,419,607	53.3%	1,242,572	46.7%	3,162,179	118.8%	Ⓡ	Ⓢ	15,007,000	13,064,427	1,942,573	12.9%	2018
Bayview-Bessarion Library Relocation	1,552,537	-	0.0%	1,552,537	100.0%	58,265	3.8%	Ⓡ	Ⓡ	12,622,000	191,735	12,430,265	98.5%	2019
Dawes Road Construction & Expansion	2,785,768	4,779	0.2%	2,780,989	99.8%	1,000,000	35.9%	Ⓡ	Ⓡ	13,263,000	11,011	13,251,989	99.9%	2020
Downsview Library Renovation	30,317	24,856	82.0%	5,461	18.0%	30,317	100.0%	Ⓢ	Ⓢ	436,875	431,414	5,461	1.3%	2017
Eglinton Square Library Expansion	754,204	430,108	57.0%	324,096	43.0%	754,204	100.0%	Ⓢ	Ⓢ	1,242,325	918,904	323,421	26.0%	2017
Fort York Library Construction	351,053	-	0.0%	351,053	100.0%	351,053	100.0%	Ⓢ	Ⓢ	9,192,000	8,840,947	351,053	3.8%	2014
North York Central Library Renovation	3,897,497	1,665,656	42.7%	2,231,841	57.3%	3,897,497	100.0%	Ⓢ	Ⓢ	14,974,000	6,419,158	8,554,842	57.1%	2019
Scarborough Civic Centre Library Construction	45,246	672	1.5%	44,574	98.5%	45,246	100.0%	Ⓢ	Ⓢ	10,276,000	10,231,426	44,574	0.4%	2015
St. Clair/Silverthorn Renovation	1,584,070	31,401	2.0%	1,552,669	98.0%	1,000,000	63.1%	Ⓨ	Ⓨ	2,247,000	194,331	2,052,669	91.4%	2018
St. Lawrence Relocation & Expansion	100,000	-	0.0%	100,000	100.0%	-	0.0%	Ⓡ	Ⓡ	100,000	-	100,000	100.0%	TBD
Wychwood Library Renovation	1,898,990	7,992	0.4%	1,890,998	99.6%	1,000,000	52.7%	Ⓨ	Ⓨ	9,533,000	398,002	9,134,998	95.8%	2019
Integrated Payment Solutions	1,150,000	-	0.0%	1,150,000	100.0%	1,150,000	100.0%	Ⓢ	Ⓢ	2,250,000	-	2,250,000	100.0%	2019
Equipment for Operational Efficiencies	1,456,000	-	0.0%	1,456,000	100.0%	1,456,000	100.0%	Ⓢ	Ⓢ	1,806,000	-	1,806,000	100.0%	2019
Technology Asset Management Program	3,653,708	458,395	12.5%	3,195,313	87.5%	3,653,708	100.0%	Ⓢ	Ⓢ	17,252,000	6,056,687	11,195,313	64.9%	Ongoing
Multi-Branch State of Good Repair Program	5,656,505	385,423	6.8%	5,271,082	93.2%	5,156,505	91.2%	Ⓢ	Ⓢ	15,039,090	4,059,419	10,979,671	73.0%	Ongoing
Virtual Branch Services	1,439,081	190,288	13.2%	1,248,793	86.8%	1,439,081	100.0%	Ⓢ	Ⓢ	6,842,000	2,643,207	4,198,793	61.4%	Ongoing
Total- 2017 Capital Projects Cash Flow Gross	29,303,732	4,901,580	16.7%	24,402,152	83.3%	24,582,777	83.9%	Ⓢ	Ⓢ	145,419,290	54,893,494	90,525,796	62.3%	

* The 2017 cash flows have been adjusted from approved Budget to include Q4 2016 in-year adjustments to be approved by Council

On Time

On / Ahead of Schedule

Minor Delays < 6 months

Significant Delays > 6 months

	On Budget
Ⓢ	>70% of Approved Cash Flow
Ⓨ	Between 50% and 70% of Approved Cash Flow
Ⓡ	< 50% or >100% of Approved Cash Flow