

Capital Budget Monitoring Report – December 31, 2019

Date:	April 27, 2020
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library (TPL) Board with a summary of the capital expenditures for the year ended December 31, 2019.

The capital spend rate in 2019 was 85.9%, with a five-year average of 86.8%, which results in an exceptionally high capital program delivery.

The unspent balance of \$5.011 million is comprised of \$5.743 million from nine capital projects that are underspent at year end partially offset by cash flows of \$0.732 million from five projects that are spending ahead of schedule.

FINANCIAL IMPACT

Capital spending during 2019 totalled \$30.576 million or 85.9% of the approved gross cash flow of \$35.587 million, resulting in a final unspent net balance of \$5.011 million, which is comprised of \$5.743 million from nine capital projects that are underspent at year end partially offset by cash flows of \$0.732 million from five projects that are spending ahead of schedule as shown on Table 1 below.

**Table 1: 2019 Over and Under Spend by Project
(\$ Millions)**

Projects	2019 Unspent Funding	2019 Over Spent	2019 Unspent Net Balance
Albert Campbell Library Renovation	1.404	-	1.404
Answerline & Community Space Rental Modernization	0.829	-	0.829
Centennial Library Renovation & Expansion - Design	0.122	-	0.122
Expansion of Technological Efficiencies	0.171	-	0.171
Integrated Payment Solutions	0.273	-	0.273
Richview Building Elements	0.175	-	0.175
Technology Asset Management Program	0.006	-	0.006
Wychwood Library Renovation	2.249	-	2.25
York Woods Library Renovation	0.514	-	0.514
Bayview-Bessarion Library Relocation	-	(0.225)	(0.225)
Dawes Road Reconstruction & Expansion	-	(0.170)	(0.170)
North York Central Library Phase 2	-	(0.006)	(0.006)
Multi-Branch State of Good Repair Program	-	(0.213)	(0.213)
Virtual Branch Services	-	(0.118)	(0.118)
Total	5.743	(0.732)	5.011

An in-year budget adjustment will be requested in Q1 2020 to reduce the 2020 cash flow to offset the 2019 cash flow over-expenditure of \$0.732 million from five projects that are spending ahead of schedule.

The unspent balance from nine capital projects of \$5.743 million will be carried forward to 2020-2022 as shown on Table 2 below.

**Table 2: Unspent cash flows carried forward
(\$ Millions)**

Projects	2019 unspent funding	Carry- Forward Funding to 2020 Budget	Carry- Forward Funding to 2021 Budget	Carry- Forward Funding to 2022 Budget
Albert Campbell Library Renovation	1.404	0.349	0.292	0.763
Answerline & Community Space Rental Modernization	0.829	0.829	-	-
Centennial Library Renovation & Expansion - Design	0.122	0.122	-	-
Expansion of Technological Efficiencies	0.171	0.171	-	-
Integrated Payment Solutions	0.273	0.273	-	-
Richview Building Elements	0.175	0.175	-	-
Technology Asset Management Program	0.006	0.006	-	-
Wychwood Library Renovation	2.249	0.372	0.909	0.968
York Woods Library Renovation	0.514	0.514	-	-
Total	5.743	2.811	1.201	1.731

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

ISSUE BACKGROUND

TPL's Council-approved [2019 capital budget](#) is \$35.587 million gross, which is comprised of \$28.674 million of new cash flows and \$6.913 million of unspent balances carried forward from 2018.

COMMENTS

For the year ending December 31, 2019, the Library spent \$30.576 million or 85.9% of the 2019 approved cash flow of \$35.587 million, resulting in a final unspent net balance of \$5.011 million. The average five-year capital spending rate is 86.8%, well above the City average.

These results should be considered draft until the external audit of the financial statements is completed.

Project Status

Attachment 1 includes a list of all active projects, providing 2019 year-end and life-to-date project expenditure status, and overspent and underspent cash flow balances. A brief description of 2019 accomplishments, significant expenditure variances and the completion status of capital projects is provided below:

- The *Albert Campbell Renovation* project's expenditure totalled \$1.359 million, or 49.2%, of the 2019 approved cash flow of \$2.763 million. Due to the length of the building permit approval process, the construction start was delayed. The unspent cash flow balance of \$1.404 million has been carried forward to 2020-2022 as detailed in Table 2 above.
- The *Albion Renovation* project's expenditure totalled \$0.099 million, or 100% of the 2019 approved cash flow. This project is completed.
- The *Bayview-Bessarion Relocation* project's expenditures totalled \$2.379 million or 110.4% of the 2019 approved cash flow of \$2.154 million. This project spending is ahead of schedule. The over-expenditure of \$0.225 million is due to pre-spending of 2020 budgeted cash flows in 2019. An in-year budget adjustment will be requested in Q1 2020 to reduce the 2020 cash flow to offset the pre-spending in 2019.
- The *Centennial Renovation & Expansion – Design* project's expenditure totalled \$0.167 million or 57.7% of the 2019 approved cash flow of \$0.289 million. The project is experiencing minor delays due to negotiations with external stakeholders and property owners. The unspent cash flow balance of \$0.122 million has been carried forward to 2020.
- The *Dawes Road Construction & Expansion* project's expenditure totalled \$0.450 million or 160.4% of the 2019 approved cash flow of \$0.281 million. This project spending is ahead of schedule. The over-expenditure of \$0.170 million is due to pre-spending of 2020 budgeted cash flows in 2019. An in-year budget adjustment will be requested in Q1 2020 to reduce the 2020 cash flow to offset the pre-spending in 2019.
- The *Fort York Library Construction* project's expenditure totalled \$0.084 million or 100% of the 2019 approved cash flow. This project is completed.
- The *Guildwood Renovation & Expansion* project's expenditure totalled \$1.077 million or 100% of the 2019 approved cash flow. This project is completed.
- The *North York Central Library Renovation Phase 2* project's expenditure totalled \$3.711 million representing 100.2% of the 2019 approved cash flow of \$3.705 million. This project spending is ahead of schedule. The over-expenditure of \$0.006 million is due to pre-spending of 2020 budgeted cash flows in 2019. An in-year budget adjustment will be requested in Q1 2020 to reduce the 2020 cash flow to offset the pre-spending in 2019.
- The *Perth / Dupont Relocation to 299 Campbell Ave - Design* project's expenditure totalled \$0.005 million or 100% of the 2019 approved cash flow. This project is completed.

- The *Richview Building Elements* project's expenditure totalled \$0.061 million or 26.0% of the 2019 approved cash flow of \$0.236 million. The unspent cash flow balance of \$0.175 million has been carried forward to 2020.
- The *St. Clair/Silverthorn Reconstruction* project's expenditure totalled \$1.728 million or 100% of the 2019 approved cash flow. This project is completed.
- The *Wychwood Library Renovation* project's expenditure totalled \$4.260 million or 65.5% of the 2019 approved cash flow of \$6.509 million. Construction was set back due to late delivery of structural steel. The unspent cash flow balance of \$2.249 million has been carried forward to 2020-2022 as detailed in Table 2 above.
- The *York Woods* project's expenditure totalled \$1.858 million or 78.3% of the 2019 approved cash flow of \$2.372 million. Construction did not start until late fall. The unspent cash flow balance of \$0.514 million has been carried forward to 2020.
- The *Multi-Branch State of Good Repair Program* expenditures totalled \$5.559 million or 104.0% of the 2019 approved cash flow of \$5.346 million. This state of good repair program is an effective way of keeping branches operational until a major renovation can be funded. This project spending is ahead of schedule. The over-expenditure of \$0.213 million is due to pre-spending of 2020 budgeted cash flows in 2019. An in-year budget adjustment will be requested in Q1 2020 to reduce the 2020 cash flow to offset the pre-spending in 2019.
- The *Technology Asset Management Program* expenditures totalled \$5.000 million or 99.9% of the 2019 approved cash flow of \$5.006 million. The unspent cash flow balance of \$0.006 million has been carried forward to 2020.
- The *Virtual Branch Services* project's expenditure totalled \$1.406 million or 109.1% of the 2019 approved cash flow of \$1.288 million. This project spending is ahead of schedule. The over-expenditure of \$0.118 million is due to pre-spending of 2020 budgeted cash flows in 2019. An in-year budget adjustment will be requested in Q1 2020 to reduce the 2020 cash flow to offset the pre-spending in 2019.
- The *Integrated Payment Solutions* project's expenditure totalled \$0.401 million or 59.5% of the 2019 approved cash flow of \$0.675 million. This project is comprised of rolling out new cash registers and fines payment at self checkout terminals. The development phase of cash registers took longer than expected, which resulted in delays in installation. The rollout of fines payment at self checkout terminals was also experiencing delays due to technical issues. The unspent cash flow balance of \$0.273 million has been carried forward to 2020.
- The *Expansion of Technological Efficiencies* project's expenditure totalled \$0.494 million or 74.3% of the 2019 approved cash flow of \$0.665 million. There were

minor delays in the implementation of the VOIP project. The unspent cash flow balance of \$0.171 million has been carried forward to 2020.

- The *Answerline & Community Space Rental Modernization* project's expenditure totalled \$0.475 million or 36.4% of the 2019 approved cash flow of \$1.304 million. Project is delayed due to ongoing contract negotiation with vendor. The unspent cash flow balance of \$0.829 million has been carried forward to 2020.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Year Ended December 31
2019.

**Toronto Public Library
2019 Capital Budget Monitoring Report
For the Year Ended December 31, 2019**

ATTACHMENT 1

Project/Sub-Project Name	2019 - Year-to-Date							Life To Date				Expected Year of Completion
	2019 Full Year Budget (a)	Spent		Unspent / (Overspent)		On Budget (h)	On Time (i)	Budget \$ (j)	Actuals \$ (k)	Unspent / (Overspent)		
		\$	%	\$	%					\$	%	
		(b)	(c) = (a) / (b)	(d) = (a) - (b)	(e) = (d) / (a)					(l) = (j) - (k)	(m) = (l) / (j)	
1 Albert Campbell Library Renovation	2,762,954	1,358,988	49.2%	1,403,966	50.8%	Y	Y	15,539,000	1,661,034	13,877,966	89.3%	2022
2 Albion Library Renovation	98,620	98,620	100.0%	-	0.0%	G	G	15,315,265	15,315,265	0	0.0%	2019
3 Bayview-Bessarion Library Relocation	2,154,380	2,379,316	110.4%	(224,936)	(10.4%)	R	G	15,322,000	4,063,671	11,258,329	73.5%	2022
4 Centennial Renovation & Expansion - Design	289,000	166,625	57.7%	122,375	42.3%	Y	Y	334,000	211,625	122,375	36.6%	2020
5 Dawes Road Construction & Expansion	280,924	450,553	160.4%	(169,629)	(60.4%)	R	G	23,624,000	5,274,629	18,349,371	77.7%	2025
6 Fort York Library Construction	83,956	83,956	100.0%	-	0.0%	G	G	9,147,468	9,147,468	0	0.0%	2019
7 Guilwood Renovation & Expansion	1,077,282	1,077,282	100.0%	-	0.0%	G	G	1,228,837	1,228,837	0	0.0%	2019
8 North York Central Library Renovation Phase 2	3,704,746	3,711,323	100.2%	(6,577)	(0.2%)	R	G	12,118,000	5,670,577	6,447,423	53.2%	2022
9 Perth/Dupont Relocation-299 Campbell Ave - Design	5,000	5,000	100.0%	-	0.0%	G	G	39,776	39,776	0	0.0%	2019
10 Richview Building Elements	236,017	61,407	26.0%	174,610	74.0%	R	Y	3,546,017	61,407	3,484,610	98.3%	2024
11 St. Clair/Silverthorn Renovation	1,728,147	1,728,147	100.0%	-	0.0%	G	G	4,374,363	4,374,363	0	0.0%	2019
12 Wychwood Library Renovation	6,508,956	4,260,124	65.5%	2,248,832	34.5%	Y	Y	15,795,600	6,257,168	9,538,432	60.4%	2022
13 York Woods Library Renovation	2,372,110	1,858,195	78.3%	513,915	21.7%	G	G	10,158,000	2,005,342	8,152,658	80.3%	2022
14 Multi-Branch State of Good Repair Program	5,346,383	5,559,015	104.0%	(212,632)	(4.0%)	R	G	22,157,946	17,715,979	4,441,967	20.0%	Ongoing
15 Technology Asset Management Program	5,005,991	5,000,153	99.9%	5,838	0.1%	G	G	16,540,568	9,472,673	7,067,895	42.7%	Ongoing
16 Virtual Branch Services	1,288,368	1,406,196	109.1%	(117,828)	(9.1%)	R	G	6,550,250	3,718,078	2,832,172	43.2%	Ongoing
17 Integrated Payment Solutions	674,735	401,501	59.5%	273,234	40.5%	Y	Y	2,250,000	1,976,766	273,234	12.1%	2020
18 Expansion of Technological Efficiencies	665,405	494,365	74.3%	171,040	25.7%	G	Y	1,600,000	1,428,960	171,040	10.7%	2020
19 Answerline & Community Space Rental Modernization	1,303,837	474,738	36.4%	829,099	63.6%	R	R	1,400,000	570,901	829,099	59.2%	2020
Total- 2019 Capital Projects Cash Flow Gross	35,586,811	30,575,504	85.9%	5,011,307	14.1%	G	G	177,041,090	90,194,519	86,846,571	49.1%	

On Time

On / Ahead of Schedule

Minor Delays < 6 months

Significant Delays > 6 months

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