

Capital Budget Monitoring Report – September 30, 2012

Date:	November 29, 2012
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with a summary of the Toronto Public Library's capital expenditures for the nine-month period ending September 30, 2012.

Capital spending during the first nine months in 2012 totalled \$12.206 million or 42% of the approved gross cash flow of \$29.154 million. Capital expenditures are monitored on an on-going basis to ensure that spending is within the approved budget.

FINANCIAL IMPACT

Based on the \$12.206 million actual spending and commitments, the 2012 gross capital budget of \$29.154 million is 42% spent as of September 30, 2012.

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 \$29.154 million gross is comprised of \$25.274 million of new approvals, including the \$0.250 million 2012 cash flow in-year approval of the relocation of the Library processing centre, and \$3.880 million of carry forwards from 2011.

COMMENTS

As of September 30, 2012, TPL has spent \$12.206 million or 42% of the 2012 approved cash-flow of \$29.154 million. This spending rate is below the level of expenditures at this time in previous years (47% in 2011) due to the delay of some major projects, and this is not expected to reoccur in 2013.

Attachment 1 includes a detailed list of all active projects, providing 2012 year-to-date and life-to-date project status, as well as projected expenditures to the end of the year. The expenditure rate for 2012 is projected to be \$21.571 million or 74% of the approved cash flow, mostly due to delays in various construction projects, and the major delays are described below:

- **Fort York (\$8.697M project cost; \$2.377M 2012 cash flow):** Public consultation and schematic design have been completed. Due to a delay in agreements with other parties, construction was delayed and started in September. It is estimated that \$0.800 million or 34% of the 2012 approved cash flow will be spent by year-end.
- **Toronto Reference Library (\$26.781 M project cost; \$4.027M 2012 cash flow):** The project has been expedited in 2012 by undertaking construction in multiple areas at the same time to achieve the targeted 2013 completion schedule. Most of the 2nd floor has been completed and is in service; Special Collections Centre construction is well advanced with steel structure and the new ceiling complete; HVAC and sprinkler installation is progressing and interior partitions have been erected. Hoarding for the learning theatre construction on the third floor is imminent. The project is expected to overspend its 2012 cash flow by \$1.5 million or 37% more than the 2012 approved cash flow and requires to have this amount accelerated from the 2013 available cash flow.
- **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 has delayed the construction phase for this project. The award of construction tender is planned for December 2012 and it is estimated that \$0.400 million or 36% of the 2012 approved cash flow will be spent by year-end.
- **Fairview (\$4.641M project cost; \$2.492M 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 automatic sorter within the available funding. Construction started in October 2012 and it is estimated that \$0.750 million or 30% of the 2012 approved cash flow will be spent by year-end.
- **Self Service Circulation (\$10.590M project cost; \$5.393M 2012 cash flow):** The implementation of Self Service Circulation is proceeding behind schedule due to the July 2012 approval of the relocation of the Library Processing Centre. Two sorters have been installed, and it is expected that two more sorters will be installed by the end of the year. It is expected that \$2.000 million or 37% of the 2012 approved cash flow will be spent by year-end.
- **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. It is estimated that \$0.692 million or 69% of the 2012 approved cash flow will be spent by year-end.

+

- ***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. It is estimated that \$0.050 million or 20% of the 2012 approved cash flow will be spent by year-end.

Capital expenditures are monitored on an on-going basis to ensure that spending is within the approved budget.

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.

A separate report: “*2012 – 2013 Capital Budget Adjustments*” requests approval of a \$1.5 million acceleration of cash flow from 2013 to 2012, comprised of \$0.997 debt and \$0.503 million in third party funding, to allow the Toronto Reference Library construction to continue uninterrupted, offset by the deferral of cash flow from 2012 to 2013 from another project that is experiencing a delay.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
Email: lhughsam@torontopubliclibrary.ca

SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Period Ending September 30, 2012