



STAFF REPORT INFORMATION ONLY

Capital Budget Monitoring Report – September 30, 2015

Date:	November 23, 2015
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, 2015.

Capital spending during the nine months in 2015 totalled \$11.242 million or 50.5% of the approved gross cash flow of \$22.245 million. Capital expenditures are monitored on an on-going basis to ensure that spending is within the approved budget.

FINANCIAL IMPACT

Based on the \$11.242 million actual spending, the 2015 gross capital budget of \$22.245 million is 50.5% spent as of September 30, 2014.

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

ISSUE BACKGROUND

Toronto Public Library's 2015 capital budget of \$22.245 million gross is comprised of \$20.193 million approved and \$2.052 million of unspent balances carried forward from 2014.

COMMENTS

As of September 30, 2015, TPL has spent \$11.242 million or 50.5% of the 2015 approved cash-flow of \$22.245 million and reflects some delays in capital projects.

Attachment 1 includes a list of all active projects, providing 2015 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 2015 is projected to be \$21.276 million or 95.6% by the end of the year.

Most of TPL's capital projects are on track, and the 2015 cash flow will be fully spent by year end, with the following exceptions:

Cash flows ahead of schedule:

- The *Albion Library Renovation* project's capital expenditure totalled \$1.350 million or 92.3% of the 2015 approved cash flow of \$1.462 million, and construction is proceeding ahead of schedule. Board approval of a budget adjustment is being requested in a separate report to accelerate cash flow funding of \$1.900 million gross and debt from 2016 into 2015, offset by a deferral of cash flows for the *Wychwood Library Renovation*, *Agincourt Building Element*, and *Multi-Branch State of Good Repair* projects, which are experiencing delays.

Cash flows behind schedule:

- Fort York Branch opened in May 2014 and final work is being completed. The *Fort York Library Construction* project's capital expenditure totalled \$0.096 million or 15.3% of the 2015 approved cash flow of \$0.626 million. Solutions to resolve ongoing HVAC issues and acoustic problems are taking longer than anticipated. It is estimated that \$0.326 million or 52.1% of the 2015 approved cash flow will be spent at year-end, requiring an estimated \$0.300 million carry forward.
- The *Wychwood Library Renovation & Expansion* project's capital expenditure totalled \$0.061 million or 14.0% of the 2015 approved cash flow of \$0.435 million. Issues with site plan and heritage approvals will delay the start of construction to 2016. It is estimated that \$0.135 million or 31.0% of the 2015 approved cash flow will be spent by year-end and \$0.300 million gross and debt of the unspent 2015 cash flow budget will be deferred to 2016.
- The *Agincourt Building Elements* project's capital expenditure totalled \$0.045 million or 4.5% of the 2015 approved cash flow of \$1.0 million. A later construction start is due to delays in the design phase. The construction tender is anticipated in the fourth quarter of 2015. It is estimated that \$0.100 million or 10.0% of the 2015 approved cash flow will be spent by year-end. An amount of \$0.800 million gross and debt of the \$0.900 million of unspent 2015 cash flow budget will be deferred to 2016 to offset accelerated cash-flow requirements of the Albion Library project. The remaining \$0.100 million of the unspent cash-flow balance will be carried forward to 2016.
- The *St. Clair/Silverthorn Reconstruction* project's capital expenditure totalled \$0.043 million or 21.3% of the 2015 approved cash flow of \$0.200 million. Public consultation is completed and working drawings are underway. The process required to obtain City approvals will delay the construction start to 2016. It is estimated that \$0.100 million or 50% of the 2015 approved cash flow will be spent by year-end, requiring an estimated \$0.100 million carry forward.
- The *North York Central Library Renovation* project's capital expenditure totalled \$0.550 million or 53.2% of the 2015 approved cash flow of \$1.035 million. A longer planning and design period due to the complexity of this project will delay the construction start.

It is estimated that \$0.835 million or 80.7% of the 2015 approved cash flow will be spent by year-end, requiring an estimated \$0.200 million carry forward.

- The *Dawes Road Library Construction and Expansion* project’s capital expenditure totalled \$0.001 million or 2.3% of the 2015 approved cash flow of \$0.050 million. The project status is dependent on securing funding for additional site costs, which are expected to be resolved with the approvals of the 2016-2025 capital budget and plan. It is estimated that \$0.006 million or 12.0% of the 2015 approved cash flow will be spent by year-end, requiring an estimated \$0.044 million carry forward.
- The *Multi-Branch Minor Renovation Program* project’s capital expenditure totalled \$4.068 million or 54.3% of the 2015 approved cash flow of \$7.486 million. There are delays in finalizing the engineering specification requirements to complete the approved design for some renovation projects. It is estimated that \$6.686 million or 89.3% of the 2015 approved cash flow will be spent by year-end, requiring an estimated \$0.800 million carry forward.
- The *Eglinton Square Expansion* project, with a 2015 approved cash flow of \$0.300 million, had no capital spending during the nine months ended September 30, 2015. This project was recently approved by Council. It is estimated that \$0.075 million or 25.0% of the 2015 approved cash flow will be spent by year-end, requiring an estimated \$0.225 million carry forward.

In-Year 2015 Budget Adjustments

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, 2015 Capital Budget Adjustments, requests Board approval for these in-year adjustments.

Description	2015		2016	
	Gross	Debt	Gross	Debt
Accelerate Albion cash flow	1.900	1.900	(1.900)	(1.900)
Defer Multi-branch cash flow	(0.800)	(0.800)	0.800	0.800
Defer Agincourt cash flow	(0.800)	(0.800)	0.800	0.800
Defer Wychwood cash flow	(0.300)	(0.300)	0.300	0.300
Net	0	0	0	0

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Period Ended September 30, 2015