

**Capital Budget Monitoring Report – June 30, 2015**

<b>Date:</b>	September 21, 2015
<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 Toronto Public Library’s capital expenditures for the six-month period ending June 30, 2015.

Capital spending during the first six months in 2015 totalled \$6.562 million or 30.7% of the approved gross cash flow of \$21.386 million. Capital expenditures are monitored and managed on an ongoing basis to ensure that spending is within the approved budget.

**FINANCIAL IMPACT**

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Based on the \$6.562 million actual spending, the 2015 gross capital budget of \$21.386 million is 30.7% spent as of June 30, 2015.

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 \$21.386 million gross is comprised of \$19.334 million approved and \$2.052 million of unspent balances carried forward from 2014.

**COMMENTS**

As of June 30, 2015, TPL has spent \$6.562 million or 30.7% of the 2015 approved cash flow of \$21.386 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 \$21.146 million or 98.9% 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 *Multi-Branch Minor Renovation Program* is moving ahead of schedule to take advantage of cash flow delays in other projects. Board approval of a budget adjustment is being requested in a separate report to accelerate cash flow funding of \$1.507 million gross and debt funding from 2016 into 2015, offset by a deferral of cash flows for the *Albion Library Renovation*, *St.Clair/Silverthorn Renovation*, *Bayview Library Relocation*, and *North York Central Library Renovation* as these projects are experiencing delays.
- The *Virtual Branch Services Program* is slightly ahead of schedule. Board approval of a budget adjustment is being requested in a separate report to accelerate cash flow funding of \$0.178 million gross, funded by development charges (DC), from 2016 into 2015, offset by a deferral of cash flows for the *Bayview Library Relocation* and *St.Clair/Silverthorn Renovation* which are experiencing delays.

#### Cash flows behind schedule

- The *Albion Library Renovation* project's capital expenditure totalled \$0.174 million or 10.2% of the 2015 approved cash flow of \$1.712 million. Due to the site plan approval process, construction start was delayed to August. It is estimated that \$1.462 million or 85.4% of the 2015 approved cash flow will be spent by year-end and \$0.250 million gross and debt of the unspent 2015 cash flow budget will be deferred to 2016.
- The *Wychwood Library Renovation* project's capital expenditure totalled \$0.036 million or 8.3% of the 2015 approved cash flow of \$0.435 million. The public consultation is ongoing and the site plan approval process will delay the start of construction to 2016. As a result, it is estimated that \$0.235 million or 54.0% of the 2015 approved cash flow will be spent by year-end and the unspent balance of \$0.200 million will be carried forward to 2016.
- The *Bayview Library Relocation* project, with a 2015 approved cash flow of \$0.385 million, had no capital spending during the six months ended June 30, 2015. The project is still in the planning stage with timelines managed by Parks, Forestry and Recreation. It is estimated that \$0.250 million or 65.0% of the 2015 approved cash flow will be spent by year-end and \$0.135 million gross (\$0.023 million debt and \$0.112 million DC funded) of the unspent 2015 cash flow budget will be deferred to 2016.
- The *St.Clair/Silverthorn Renovation* project's capital expenditure totalled \$0.022 million or 2.2% of the 2015 approved cash flow of \$1.000 million. Working drawings are in process. The site plan approval process is underway and will delay construction to start in 2016. It is estimated that \$0.200 million or 20% of the 2015 approved cash flow will be spent by year-end and \$0.800 million gross (\$0.734 million debt, \$0.066 million DC funded) of the unspent 2015 cash flow budget will be deferred to 2016.
- The *North York Central Library Renovation* project's capital expenditure totalled \$0.012 million or 0.8% of the 2015 approved cash flow of \$1.535 million project. The design process is underway for this multiple-phase project and replacement of the exterior

cladding will be completed in 2015. It is estimated that \$1.035 million or 67.4% of the 2015 approved cash flow will be spent by year-end and \$0.500 million gross and debt of the unspent 2015 cash flow budget will be deferred to 2016.

- The *Dawes Road Library Construction and Expansion* project, with a 2015 approved cash flow of \$0.050 million, had no capital spending during the six months ended June 30, 2015. The project is in the planning stage with a site location to construct a new library still to be determined. It is estimated that \$0.010 million or 20.0% of the 2015 approved cash flow will be spent by year-end and \$0.040 million will be carried forward to 2016.

### 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, which are summarized below.

#### **1. Debt funded cash flow re-allocation**

Description	2015		2016	
	Gross	Debt	Gross	Debt
Accelerate Multi-branch cash flow	<b>1.507</b>	1.507	<b>(1.507)</b>	(1.507)
Defer Albion cash flow	<b>(0.250)</b>	(0.250)	<b>0.250</b>	0.250
Defer Bayview cash flow	<b>(0.023)</b>	(0.023)	<b>0.023</b>	0.023
Defer St. Clair/Silverthorn cash flow	<b>(0.734)</b>	(0.734)	<b>0.734</b>	0.734
Defer North York Central cash flow	<b>(0.500)</b>	(0.500)	<b>0.500</b>	0.500
Net	<b>0</b>	0	<b>0</b>	0

#### **2. Development charges (DC) funded cash flow re-allocation**

Description	2015		2016	
	Gross	DC	Gross	DC
Accelerate Virtual Branch Services cash flow	<b>0.178</b>	0.178	<b>(0.178)</b>	(0.178)
Defer Bayview cash flow	<b>(0.112)</b>	(0.112)	<b>0.112</b>	0.112
Defer St. Clair/Silverthorn cash flow	<b>(0.066)</b>	(0.066)	<b>0.066</b>	0.066
Net	<b>0</b>	0	<b>0</b>	0

## **CONTACT**

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## **SIGNATURE**

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Vickery Bowles  
City Librarian

## **ATTACHMENTS**

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