

Capital Budget Monitoring Report – April 30, 2019

Date:	June 17, 2019
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library (TPL) Board with the TPL capital expenditures for the four-month period ended April 30, 2019, as well as projected expenditures to December 31, 2019.

As detailed in Attachment 1, capital spending during the first four months of 2019 totalled \$5.257 million or 14.3% of the gross cash flow of \$36.752 million, and is projected to be \$32.252 million or 87.8% 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 \$5.257 million actual spending, the 2019 gross capital budget of \$36.752 million is 14.3% spent as of April 30, 2019.

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

ISSUE BACKGROUND

TPL’s Council-approved [2019 capital budget](#) is \$36.752 million gross, which is comprised of \$28.674 million of new cash flows and \$8.078 million of unspent balances carried forward from 2018. Capital expenditure results are usually reported to the Toronto Public Library Board and the City on a quarterly basis. Due to the 2018 municipal elections and the late approval of the 2019-2028 capital budget and plan, City Council requested the capital variance submission for the four months ended April 30, 2019.

COMMENTS

2018 Year-End Capital Budget Adjustments

At the March 25, 2019 meeting, the Board received the [Capital Budget Monitoring Report – December 31, 2018](#) report for information, which reported a spend rate of 80.4%. Three projects exceeded 2018 cash flow forecasts while some others fell behind schedule. The three projects are Bayview/Bessarion Library Relocation, Dawes Road Library Construction and Expansion and Virtual Branch Services (VBS). 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. Only the Bayview/Bessarion reallocation was above this limit. Therefore, a technical adjustment request to adjust the 2019 budgeted cash flow for this project has been submitted to the June 17, 2019 Budget Committee meeting for consideration through the Capital Variance Report for the Four Months ended April 30, 2019. Dawes Road and VBS adjustments were made by City staff under delegated authority. As these are technical adjustments, the overall project cost for the individual projects are not affected, and will align 2019 Capital Budget cash flows with actual expenditures.

Four Months 2019 Capital Budget Spending

Attachment 1 includes a list of all active projects, providing 2019 year-to-date and life-to-date project expenditure status, as well as projected expenditures to the end of the year. As of April 30, 2019, TPL has spent \$5.257 million or 14.3% of the 2019 approved cash-flow of \$36.752 million. The budget expenditure for 2019 is projected to be \$32.252 million or 87.8% by the end of the year.

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

- The *Albert Campbell Renovation* project's capital expenditure totaled \$0.217 million or 7.8% of the 2019 approved cash flow of \$2.763 million. Due to a longer than expected design and consultation phase, the construction tender is anticipated in Summer 2019 with construction to start in the Fall. It is estimated that \$2.250 million or 81.4% of the 2019 approved cash flow will be spent by year-end.
- The *Bayview-Bessarion Library Relocation* project, with a 2019 approved cash flow of \$3.067 million, had no capital spending during the four months ended April 30, 2019. This is a shared use facility with timelines managed by Parks, Forestry and Recreation. It is estimated that \$2.154 million or 70% of the 2019 cash flow will be spent by year end as the 2019 cash flow needs to be underspent by \$0.913 million to offset the over expenditure at the end of 2018.
- The *Centennial Renovation & Expansion Library* project, with a 2019 approved cash flow of \$0.289 million, is experiencing minor delays due to required negotiations with

external stakeholders and property owners. It is estimated that \$0.070 million or 24.2% of the 2019 approved cash flow will be spent by year-end.

- The *Dawes Road Library Construction and Expansion* project, with a 2019 approved cash flow of \$0.322 million, had no capital spending during the four months ended April 30, 2019. An expropriation process is underway for the two remaining condos. Possession is expected in the Fall. It is estimated that \$0.281 million or 87% of the 2019 cash flow will be spent by year end as the 2019 cash flow needs to be underspent by \$0.041 million to offset the over expenditure at the end of 2018.
- The *Wychwood Library Renovation* project's capital expenditure totalled \$0.972 million or 14.9% of the 2019 approved cash flow of \$6.509 million. Approval delays in 2018 resulted in delays to the overall construction schedule, which continue to impact future timelines. It is estimated that \$5.206 million or 80% of the 2019 approved cash flow will be spent by year-end.
- The *York Woods Library Renovation* project's capital expenditure totalled \$0.343 million or 9.9% of the 2019 approved cash flow of \$3.450 million. The construction tender is expected in summer 2019 with construction to commence in early fall. It is estimated that \$2.150 million or 62.3% of the 2019 approved cash flow will be spent by year-end.
- The *Virtual Branch Services* project's capital expenditure totalled \$0.381 million or 25.4% of the 2019 approved cash-flow of \$1.500 million. The project is progressing according to schedule. It is estimated that \$1.288 million or 86% of the 2019 cash flow will be spent by year end as the 2019 cash flow needs to be underspent by \$0.212 million to offset the over expenditure at the end of 2018.

In-Year 2019 Budget Adjustments

A separate report, *2019 Capital Budget Adjustments*, requests Board endorsement for these in-year adjustments, which are summarized below.

Capital Budget Acceleration

Based on the current work schedule for 2019, the Technology Asset Management Program (TAMP) spending will exceed the current cash flow budget as the project is ahead of schedule. A cash flow acceleration of \$1.078 million from 2020 is required in order to proceed with the work in 2019.

Capital Budget Deferral

In order for the overall approved funding levels to be maintained unchanged, a \$1.078 million cash flow amount allocated for the York Woods Renovation project in 2019 can be deferred to 2020. As the project is still in the design/consultation stage, cash flow is being deferred to realign with the project schedule as construction funds will not be fully spent in 2019 and can be deferred to 2020.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Period Ended April 30, 2019

**Toronto Public Library
2019 Capital Budget Monitoring Report
For the Four Month Period Ended April 30, 2019**

ATTACHMENT 1

Project/Sub-Project Name	2019 - Year-to-Date					2019 - Year End				Life To Date				Expected Year of Completion
	2019 Full Year Budget (a)	Spent		Unspent / (Overspent)		Projected Actuals to Year-end				Budget \$ (j)	Actuals \$ (k)	Unspent / (Overspent)		
		\$	%	\$	%	\$	% of Budget	On Budget	On Time			\$	%	
		(b)	(c) = (a) / (b)	(d) = (a) - (b)	(e) = (d) / (a)	(f)	(g)	(h)	(i)			(l) = (j) - (k)	(m) = (l) / (j)	
1 Albert Campbell Library Renovation	2,762,954	216,871	7.8%	2,546,083	92.2%	2,250,000	81.4%	Ⓞ	Ⓢ	15,539,000	518,917	15,020,083	96.7%	2021
2 Albion Library Renovation	90,355	42,632	47.2%	47,723	52.8%	90,355	100%	Ⓞ	Ⓞ	15,307,000	15,259,277	47,723	0.3%	2019
3 Bayview-Bessarion Library Relocation	3,067,000	-	0.0%	3,067,000	100.0%	2,154,380	70%	Ⓞ	Ⓞ	15,322,000	1,684,355	13,637,645	89.0%	2021
4 Centennial Renovation & Expansion - Design	289,000	76	0.0%	288,924	100.0%	70,000	24%	Ⓡ	Ⓢ	11,340,000	45,076	11,294,924	99.6%	2020
5 Dawes Road Construction & Expansion	322,000	-	0.0%	322,000	100.0%	280,924	87%	Ⓞ	Ⓞ	23,624,000	4,824,076	18,799,924	79.6%	2023
6 Fort York Library Construction	128,488	53,884	41.9%	74,604	58.1%	128,488	100%	Ⓞ	Ⓞ	9,192,000	9,117,396	74,604	0.8%	2019
7 Guilwood Renovation & Expansion	1,031,445	653,600	63.4%	377,845	36.6%	1,031,445	100%	Ⓞ	Ⓞ	1,183,000	805,155	377,845	31.9%	2019
8 North York Central Library Renovation Phase 2	3,704,746	197,119	5.3%	3,507,627	94.7%	3,704,746	100%	Ⓞ	Ⓞ	12,118,000	2,156,373	9,961,627	82.2%	2021
9 Perth/Dupont Relocation-299 Campbell Ave - Design	45,224	-	0.0%	45,224	100.0%	45,224	100%	Ⓞ	Ⓞ	4,405,000	34,776	4,370,224	99.2%	2019
10 Richview Building Elements	199,000	-	0.0%	199,000	100.0%	199,000	100%	Ⓞ	Ⓞ	3,509,000	-	3,509,000	100.0%	2022
11 St. Clair/Silverthorn Renovation	1,169,184	489,050	41.8%	680,134	58.2%	1,169,184	100%	Ⓞ	Ⓞ	3,815,400	3,135,266	680,134	17.8%	2019
12 Wychwood Library Renovation	6,508,956	972,227	14.9%	5,536,729	85.1%	5,205,956	80%	Ⓞ	Ⓢ	15,795,600	2,969,271	12,826,329	81.2%	2021
13 York Woods Library Renovation	3,450,053	342,612	9.9%	3,107,441	90.1%	2,150,000	62%	Ⓢ	Ⓢ	10,158,000	489,759	9,668,241	95.2%	2021
14 Multi-Branch State of Good Repair Program	5,912,527	858,594	14.5%	5,053,933	85.5%	5,912,527	100%	Ⓞ	Ⓞ	22,724,090	13,015,558	9,708,532	42.7%	Ongoing
15 Technology Asset Management Program	3,927,480	537,904	13.7%	3,389,576	86.3%	3,927,480	100%	Ⓞ	Ⓞ	16,540,000	5,010,424	11,529,576	69.7%	Ongoing
16 Virtual Branch Services	1,500,000	381,332	25.4%	1,118,668	74.6%	1,288,118	86%	Ⓞ	Ⓞ	6,550,000	2,693,214	3,856,786	58.9%	Ongoing
17 Integrated Payment Solutions	674,735	145,421	21.6%	529,314	78.4%	674,735	100%	Ⓞ	Ⓞ	2,250,000	1,720,686	529,314	23.5%	2019
18 Expansion of Technological Efficiencies	665,405	171,637	25.8%	493,768	74.2%	665,405	100%	Ⓞ	Ⓞ	1,600,000	1,106,232	493,768	30.9%	2019
19 Answerline & Community Space Rental Modernization	1,303,837	193,843	14.9%	1,109,994	85.1%	1,303,837	100%	Ⓞ	Ⓞ	1,400,000	290,006	1,109,994	79.3%	2019
Total- 2019 Capital Projects Cash Flow Gross	36,752,389	5,256,803	14.3%	31,495,586	85.7%	32,251,804	87.8%	Ⓞ	Ⓞ	192,372,090	64,875,818	127,496,272	66.3%	

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

