

**Capital Budget Monitoring Report – December 31, 2017**

<b>Date:</b>	April 30, 2018
<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 Toronto Public Library’s capital expenditures for the year ending December 31, 2017.

Capital spending during 2017 totalled \$28.403 million or 75.8% of the approved gross cash flow of \$37.490 million. After adjusting for the \$2.908 million of pre-spending of 2017 budget in 2016, the 2017 spending rate is increased to 82.1% of the available budget. The five-year average capital spend rate is 87.5%.

**FINANCIAL IMPACT**

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Capital spending during 2017 totalled \$28.403 million or 75.8% of the approved gross cash flow of \$37.490 million, resulting in a final unspent balance of \$9.087 million. After adjusting for \$2.908 million of pre-spending of the 2017 budget in 2016, \$0.359 million of 2017 cash-flow overspending and other minor adjustments, there remains \$6.428 million of unspent 2017 cash flow to be carried forward and added to the 2018 budget, as shown in Table 1.

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

**ISSUE BACKGROUND**

Toronto Public Library’s 2017 capital budget of \$37.490 million gross is comprised of \$29.524 million approved, \$2.688 million of unspent balances carried forward from 2016, \$4.000 million cash-flow acceleration of the North York Central Library (NYCL) Phase 1 project funded by operating savings arising from the NYCL closure, and an increase of \$1.278 million of development charge funding for the Multi-Branch State of Good Repair Program and the Albion Library Reconstruction.

## COMMENTS

For the year ending December 31, 2017, the Library spent \$28.403 million or 75.8% of the 2017 approved cash flow of \$37.490 million, resulting in a final unspent balance of \$9.087 million. After adjusting for the \$2.908 million of pre-spending of 2017 budget in 2016, the 2017 spending rate is increased to 82.1% of the available budget. The average five-year capital spending rate is 87.5%, 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 2017 year-end and life-to-date project expenditure status, and overspent and underspent cash-flow balances. A brief description of 2017 accomplishments, significant expenditure variances and the completion status of capital projects is provided below:

- The *Agincourt Building Elements* project's capital expenditure totalled \$0.0623 million or 101.2% of the 2017 approved cash flow of \$0.0616 million, essentially on budget. The project is completed.
- The *Albert Campbell Renovation* project's capital expenditure totalled \$0.042 million or 18.6% of the 2017 approved cash flow of \$0.225 million. The architect contract was awarded at the June 27, 2016 Library Board meeting and planning is underway. The unspent cash-flow balance of \$0.183 million will be carried forward to 2018.
- The *Albion Library Reconstruction* project's capital expenditure totalled \$3.433 million or 72.7% of the 2017 approved cash flow of \$4.721 million. This equates to 99.2% spending of available 2017 cash flows as a \$1.259 million underspending was required to offset the pre-spending of 2017 budgeted cash flows in 2016 due to the project being ahead of schedule. The remaining unspent cash-flow balance of \$0.029 million will be carried forward to 2018.
- The *Bayview-Bessarion Relocation* project's capital expenditures totalled \$0.480 million or 82.8% of the 2017 approved cash flow of \$0.580 million. The unspent cash-flow balance of \$0.100 million will be carried forward to 2018.
- The *Dawes Road Library Construction and Expansion* project's capital expenditure totalled \$1.441 million or 57.4% of the 2017 approved cash flow of \$2.509 million. City Facilities and Real Estate are continuing to work on negotiations regarding the site. An unspent cash-flow balance of \$1.068 million will be carried forward to 2018.
- The *Downsview Renovation* project's capital expenditure totalled \$0.030 million representing 100% of the 2017 approved cash flow of \$0.030 million. The project is completed.

- The *Eglinton Square Expansion* project's capital expenditure totalled \$0.754 million representing 100% of the 2017 approved cash flow of \$0.754 million. The project is completed.
- The *Fort York Library Construction* project's capital expenditure totalled \$0.168 million representing 47.9% of the 2017 approved cash flow of \$0.351 million. While the branch has been open since May 2014, outstanding work such as acoustic problems are taking longer than anticipated. An unspent cash-flow balance of \$0.183 million will be carried forward to 2018.
- The *North York Central Library Renovation Phase 1* project's capital expenditure totalled \$7.439 million or 78.4% of the 2017 approved cash flow of \$9.486 million. This equates to a spending rate of 94.2% of available 2017 cash flows as a \$1.588 million underspending was required in 2017 to offset the pre-spending of 2017 budgeted cash flows in 2016 due to the project being ahead of schedule. The remaining unspent cash-flow balance of \$0.458 million will be carried forward to 2018.
- The *Scarborough Civic Centre Library Construction* project's capital expenditure totalled \$0.045 million representing 100% of the 2017 approved cash flow. The project is completed.
- The *St. Clair/Silverthorn Reconstruction* project's capital expenditure totalled \$0.178 million or 19.6% of the 2017 approved cash flow of \$0.905 million. Delays in awarding the construction contract due to initial bids above budget resulted in \$0.727 million of unspent cash-flow balance to be carried forward to 2018.
- The *St. Lawrence Relocation and Expansion* project, with a 2017 approved cash flow of \$0.100 million for design costs, had no capital spending in 2017. City Facilities and Real Estate will perform a Master Plan and Heritage assessment of the former First Parliament site. Given that the start date of this project is uncertain at this time, the project is deferred to 2022.
- The *Wychwood Library Renovation* project's capital expenditure totalled \$0.151 million or 12.3% of the 2017 approved cash flow of \$1.232 million. As a result of a lengthy site plan approval process, an unspent cash-flow balance of \$1.081 million will be carried forward to 2018.
- *Integrated Payment Solutions* initiatives offer technological improvements to the customer experience in the branch in order to provide more modern library services and improve the efficiency of the customer interaction. The project capital expenditure totalled \$0.186 million or 16.2% of the 2017 approved cash flow. An unspent cash-flow balance of \$0.964 million will be carried forward to 2018.
- The *Equipment for Operational Efficiencies* project supports various branch technologies including phones, printing hardware and sorters. The project capital expenditure totalled \$1.096 million or 75.3% of the 2017 approved cash flow. An unspent cash-flow balance of \$0.360 million will be carried forward to 2018.

- The *Technology Asset Management Program* capital expenditures totalled \$4.096 million or 105.8% of the 2017 approved cash flow of \$3.871 million. This project spending is ahead of schedule resulting in pre-spending of \$0.225 million 2018 budgeted cash flows in 2017. An underspending of the same amount is required in 2018 to offset the over expenditure in 2017.
- The *Multi Branch State of Good Repair Program* capital expenditures totalled \$7.227 million or 84.9% of the 2017 approved cash flow of \$8.513 million. This state of good repair program is an effective way of keeping some branches operational until a major renovation can be funded. Four sub-projects are completed with an unspent funding of \$0.010 million, which will be used to offset over expenditures of other completed projects. The remaining six sub-projects with an unspent cash-flow balance of \$1.275 million will be carried forward to 2018.
- The *Virtual Branch Services* project's capital expenditure totalled \$1.573 million or 104.8% of the 2017 approved cash flow of \$1.500 million. This equates to a spending rate of 109.3% of available 2017 cash flows as a \$0.061 million underspending was required in 2017 to offset pre-spending of 2017 budgeted cash flows in 2016. A total of \$0.134 million (\$0.073 million pre-spending of 2018 budgeted cash flows in 2017 plus \$0.061 million pre-spending of 2017 budgeted cash flows in 2016) will be required to be underspent in 2018.

### **2017 Carry-forwards**

The total underspending balance at the end of 2017 is \$9.087 million, of which \$6.428 million will be carried forward to 2018 and will increase the total available capital budget in 2018. Detail of the \$6.428 million carry-forward to 2018 and the 2017 overspent \$0.359 million for projects ahead of schedule are shown on the following table:

**Table 1: 2017 Over and Under Spend by Project and Impact on 2018 Capital Budget  
(\$ Millions)**

<b>Projects</b>	<b>Approved 2018 Budget</b>	<b>Carry forward from 2017</b>	<b>2017 Overspent</b>	<b>Adjusted 2018 Budget</b>
Albert Campbell Library Renovation	0.300	0.183		0.483
Albion Library Renovation	0.200	0.029		0.229
Answerline & Community Space Rental Modernization	0.550			0.550
Bayview-Bessarion Library Relocation	-	0.100		0.100
Centennial Library Renovation & Expansion	0.167			0.167
Dawes Road Construction & Expansion	1.114	1.068		2.182
Equipment for Operational Efficiencies	0.350	0.360		0.710
Expansion of Technological Efficiencies	0.950			0.950
Fort York Library Construction	-	0.183		0.183
Guildwood Library Leasehold Improvement	0.592			0.592
Integrated Payment Solutions	1.100	0.964		2.064
Multi-Branch State of Good Repair Program	6.164	1.275		7.439
North York Central Library Renovation Phase 1	2.323	0.458		2.781
North York Central Library Renovation Phase 2	2.664			2.664
Parliament Street Library Relocation & Expansion	0.407			0.407
Perth / Dupont Library Relocation - 299 Campbell Ave.	0.080			0.080
St.Clair/Silverthorn Renovation	1.529	0.727		2.256
Technology Asset Management Program	4.100		(0.225)	3.875
Virtual Branch Services	1.500		(0.134)	1.366
Wychwood Library Renovation	2.678	1.081		3.759
York Woods Library Renovation	2.070			2.070
<b>Total</b>	<b>28.838</b>	<b>6.428</b>	<b>(0.359)</b>	<b>34.907</b>

## CONTACT

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## SIGNATURE

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Vickery Bowles  
City Librarian

## ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Year Ended December 31, 2017

**Toronto Public Library  
2017 Capital Budget Monitoring Report  
For the Year Ended December 31, 2017**

**ATTACHMENT 1**

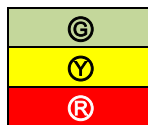
Project/Sub-Project Name	2017 - Year End						Life To Date				Planned Year of Completion (k)
	2017 Full Year Budget (a)	Spent		Underspent/ (Overspent) \$ (d)=(a) - (b)	On Budget (e)	On Time (f)	Budget \$ (g)	Actuals \$ (h)	Unspent / (Overspent)		
		\$ (b)	% (c)=(b) / (a)						\$ (i) = (h) - (g)	% (j) = (i) / (g)	
1 Agincourt Partial Renovation	61,627	62,339	101.2%	(712)	Ⓞ	Ⓞ	1,478,000	1,478,712	(712)	(0.0%)	2017
2 Albert Campbell Library Renovation	224,950	41,853	18.6%	183,097	Ⓡ	Ⓡ	12,165,000	81,903	12,083,097	99.3%	2021
3 Albion Library Renovation	4,721,000	3,433,158	72.7%	1,287,842	Ⓞ	Ⓞ	15,307,000	15,077,979	229,021	1.5%	2018
4 Bayview-Bessarion Library Relocation	580,000	480,330	82.8%	99,670	Ⓞ	Ⓞ	12,622,000	672,065	11,949,935	94.7%	2020
5 Dawes Road Construction & Expansion	2,508,768	1,440,632	57.4%	1,068,136	Ⓢ	Ⓢ	13,263,000	1,446,864	11,816,136	89.1%	2020
6 Downsview Library Renovation	30,317	30,317	100.0%	-	Ⓞ	Ⓞ	436,875	436,875	-	0.0%	2017
7 Eglinton Square Library Expansion	754,204	754,204	100.0%	-	Ⓞ	Ⓞ	1,243,000	1,243,000	-	0.0%	2017
8 Fort York Library Construction	351,053	168,135	47.9%	182,918	Ⓡ	Ⓡ	9,192,000	9,009,082	182,918	2.0%	2014
9 North York Central Library Renovation	9,486,000	7,439,542	78.4%	2,046,458	Ⓞ	Ⓞ	14,974,000	12,193,044	2,780,956	18.6%	2019
10 Scarborough Civic Centre Library Construction	45,246	45,246	100.0%	0	Ⓞ	Ⓞ	10,276,000	10,276,000	0	0.0%	2015
11 St. Clair/Silverthorn Renovation	905,000	177,740	19.6%	727,260	Ⓡ	Ⓡ	2,897,000	340,670	2,556,330	88.2%	2018
12 St. Lawrence Relocation & Expansion	100,000	-	0.0%	100,000	Ⓞ	Ⓞ	100,000	-	100,000	100.0%	2017
13 Wychwood Library Renovation	1,232,019	151,256	12.3%	1,080,763	Ⓡ	Ⓡ	9,533,000	541,266	8,991,734	94.3%	2019
14 Integrated Payment Solutions	1,150,000	186,385	16.2%	963,615	Ⓡ	Ⓡ	2,250,000	186,385	2,063,615	91.7%	2018
15 Equipment for Operational Efficiencies	1,456,000	1,095,646	75.3%	360,354	Ⓞ	Ⓞ	1,806,000	1,095,646	710,354	39.3%	2018
16 Technology Asset Management Program	3,870,708	4,095,615	105.8%	(224,907)	Ⓞ	Ⓞ	17,252,000	9,693,907	7,558,093	43.8%	Ongoing
17 Multi-Branch State of Good Repair Program	8,513,083	7,227,513	84.9%	1,285,570	Ⓞ	Ⓞ	15,367,090	10,835,240	4,531,850	29.5%	Ongoing
18 Virtual Branch Services	1,500,000	1,572,682	104.8%	(72,682)	Ⓞ	Ⓞ	6,842,000	4,032,350	2,809,650	41.1%	Ongoing
<b>Total- 2017 Capital Projects Cash Flow Gross</b>	<b>37,489,975</b>	<b>28,402,593</b>	<b>75.8%</b>	<b>9,087,382</b>	<b>Ⓞ</b>	<b>Ⓞ</b>	<b>147,003,965</b>	<b>78,640,988</b>	<b>68,362,977</b>	<b>46.5%</b>	

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% of Approved Cash Flow