



## STAFF REPORT INFORMATION ONLY

### Capital Budget Monitoring Report – December 31, 2018

<b>Date:</b>	March 25, 2019
<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 (TPL) Board with a summary of the capital expenditures for year ended December 31, 2018.

Capital spending during 2018 totalled \$31.441 million, or 80.4%, of the gross cash flow of \$39.119 million, resulting in a final unspent balance of \$7.678 million. The five-year average capital spend rate is 86.8%.

The unspent balance of \$7.678 million is comprised of \$8.710 million from capital projects that are under-spent at year-end partially offset by cash flows of \$1.032 million from three projects that are spending ahead of schedule. The preliminary carry-forward is \$2.389 million debt (\$8.772 million gross).

#### FINANCIAL IMPACT

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Capital spending during 2018 totalled \$31.441 million or 80.4% of the approved gross cash flow of \$39.119 million, resulting in a final unspent balance of \$7.678 million, which is comprised of \$8.710 million from capital projects that are under-spent at year-end partially offset by cash flows of \$1.032 million from three projects that are spending ahead of schedule. After adjusting the \$8.710 million unspent funding for \$0.225 million of pre-spending of 2018 budget in 2017 and the deferral of \$0.407 million Parliament Street Library project in the 2019 Budget Submission, there remains \$8.078 million of unspent 2018 cash flow to be carried forward to the 2019 budget as shown on Table 1 below.

**Table 1: Unspent cash flows carried forward**  
(\$ Millions)

Projects	2018 unspent funding	Required underspending due to pre-spending of 2018 cash flow in 2017	Deferred to 2021 in 2019 Budget Submission	Carry-Forward Funding to 2019 Budget
Albert Campbell Library Renovation	0.263			0.263
Albion Library Renovation	0.09			0.09
Answerline & Community Space Rental Modernization	0.454			0.454
Centennial Library Renovation & Expansion	0.122			0.122
Expansion of Technological Efficiencies	0.015			0.015
Fort York Library Construction	0.128			0.128
Guildwood Library Renovation & Expansion	0.441			0.441
Integrated Payment Solutions	0.675			0.675
Multi-Branch State of Good Repair Program	0.201			0.201
North York Central Library Renovation Phase 2	0.705			0.705
Parliament Street Library Relocation	0.407		0.407	-
Perth/Dupont Library Relocation	0.045			0.045
St.Clair/Silverthorn Library Renovation	0.669			0.669
Technology Asset Management Program	0.269	0.225		0.044
Wychwood Library Renovation	2.303			2.303
York Woods Library Renovation	1.923			1.923
<b>Total</b>	<b>8.710</b>	<b>0.225</b>	<b>0.407</b>	<b>8.078</b>

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

## ISSUE BACKGROUND

TPL's 2018 capital budget of \$39.119 million gross is comprised of \$28.839 million approved; \$6.428 million of unspent balances carried forward from 2017; and \$3.852 million cost increases due to cost escalation for Wychwood and St. Clair/Silverthorn capital projects, property acquisition for Dawes Road capital project, and capital improvements to the Oakwood Village Branch which is part of the Multi-Branch State of Good Repair project.

## COMMENTS

For the year ending December 31, 2018, the Library spent \$31.441 million or 80.4% of the 2018 approved cash flow of \$39.119 million, resulting in a final unspent balance of \$8.710 million. The average five-year capital spending rate is 86.8%, 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 2018 year-end and life-to-date project expenditure status, and overspent and underspent cash flow balances. A brief description of 2018 accomplishments, significant expenditure variances and the completion status of capital projects is provided below:

- The *Albert Campbell Renovation* project's capital expenditure totalled \$0.220 million, or 45.6%, of the 2018 approved cash flow of \$0.483 million. Construction start is delayed to 2020 as the design/consultation stage took longer than expected. The unspent cash flow balance of \$0.263 million has been carried forward to 2019.
- The *Albion Renovation* project's capital expenditure totalled \$0.139 million, or 60.5%, of the 2018 approved cash flow of \$0.229 million. The branch opened on June 5, 2017 but there are outstanding deficiencies. The unspent cash flow balance of \$0.090 million has been carried forward to 2019.
- The *Bayview-Bessarion Relocation* project's capital expenditures totalled \$1.012 million or 1,015.6% of the 2018 approved cash flow of \$0.100 million. This project spending is ahead of schedule and the 2018 cash flow over-expenditure of \$0.913 million will be required to be underspent in 2019.
- The *Centennial Renovation & Expansion* project's capital expenditure totalled \$0.045 million or 26.9% of the 2018 approved cash flow of \$0.167 million. The Architectural Services contract was awarded in February 2019. The unspent cash flow balance of \$0.122 million has been carried forward to 2019.
- The *Dawes Road Construction & Expansion* project's capital expenditure totalled \$3.377 million or 101.2% of the 2018 approved cash flow of \$3.336 million. City Real Estate Services is continuing to work on negotiations for site acquisition. The over-expenditure of \$0.041 million will be required to be underspent in 2019.
- The *Fort York Library Construction* project's capital expenditure totalled \$0.054 million or 29.8% of the 2018 approved cash flow of \$0.183 million. There are outstanding acoustic problems that still need to be resolved. The unspent cash flow balance of \$0.128 million has been carried forward to 2019.
- The *Guildwood Renovation & Expansion* project's capital expenditure totalled \$0.152 million or 25.6% of the 2018 approved cash flow of \$0.592 million. Construction started in December, later than originally planned, due to late handover of the new lease space. The unspent cash flow balance of \$0.440 million has been carried forward to 2019.
- The *North York Central Library Renovation Phase 1* project's capital expenditure totalled \$5.281 million representing 100% of the 2018 approved cash flow of \$5.281 million. This project is completed.
- The *North York Central Library Renovation Phase 2* project's capital expenditure totalled \$1.959 million or 73.5% of the 2018 approved cash flow of \$2.664 million. Construction is

delayed to 2019 as the construction contract could not be awarded until Phase 1 project was complete. The unspent cash flow balance of \$0.705 million has been carried forward to 2019.

- The *Parliament Street Relocation and Expansion* capital project, with a 2018 approved cash flow of \$0.407 million for design costs, had no capital spending in 2018. The City's overall plan for site development has not been finalized. Given that the start date of this project is uncertain at this time, the project was deferred to 2021 as part of the 2019 Budget submission.
- The *Perth / Dupont Relocation to 299 Campbell Ave* project's capital expenditure totalled \$0.035 million or 43.5% of the 2018 approved cash flow of \$0.080 million. Architect has been selected and concept design has been completed. The Library is waiting for Developer scheduling as branch is in the base of a new rental building. The unspent cash flow balance of \$0.045 million has been carried forward to 2019.
- The *St. Clair/Silverthorn Reconstruction* project's capital expenditure totalled \$2.306 million or 77.5% of the 2018 approved cash flow of \$2.975 million. Construction is progressing well. The unspent cash flow balance of \$0.669 million has been carried forward to 2019.
- The *Wychwood Library Renovation* project's capital expenditure totalled \$1.456 million or 38.7% of the 2018 approved cash flow of \$3.759 million. Construction started in August after experiencing a two-year delay on the site plan approval and building permit process. The unspent cash flow balance of \$2.303 million has been carried forward to 2019.
- The *York Woods* project's capital expenditure totalled \$0.147 million or 7.1% of the 2018 approved cash flow of \$2.070 million. The Architect selection is complete. As the project is still in the design/consultation stage, construction is not anticipated to start until 2019. The unspent cash flow balance of \$1.923 million has been carried forward to 2019.
- The *Multi-Branch State of Good Repair Program* capital expenditures totalled \$6.719 million or 97.1% of the 2018 approved cash flow of \$6.919 million. This state of good repair program is an effective way of keeping branches operational until a major renovation can be funded. Three sub-projects are completed. The remaining five sub-projects with total unspent cash flow balance of \$0.201 million which has been carried forward to 2019.
- The *Technology Asset Management Program* capital expenditures totalled \$3.831 million or 93.4% of the 2018 approved cash flow of \$4.100 million. This equates to a spending rate of 98.9% of available 2018 cash flows as a \$0.225 million underspending was required in 2018 to offset the pre-spending of 2018 budgeted cash flows in 2017 due to the project being ahead of schedule. The remaining unspent cash flow balance of \$0.044 million has been carried forward to 2019.
- The *Virtual Branch Services* project's capital expenditure totalled \$1.578 million or 105.2% of the 2018 approved cash flow of \$1.500 million. This equates to a spending rate of 115.5% of available 2018 cash flows as a \$0.134 million underspending was required in 2018 to offset pre-spending of 2018 budgeted cash flows in 2017. A total of \$0.212 million

(\$0.078 million pre-spending of 2019 budgeted cash flows in 2018 plus \$0.134 million pre-spending of 2018 budgeted cash flows in 2017) will be required to be underspent in 2019.

- The *Integrated Payment Solutions* project's capital expenditure totalled \$1.389 million or 67.3% of the 2018 approved cash flow of \$2.064 million. Project expenditure is lower than planned due to contract negotiation delays. Full Implementation is expected in 2019. The unspent cash flow balance of \$0.675 million has been carried forward to 2019.
- The *Equipment for Operational Efficiencies* project's capital expenditure totalled \$0.710 million representing 100% of the 2018 approved cash flow of \$0.710 million. This project is completed.
- The *Expansion of Technological Efficiencies* project's capital expenditure totalled \$0.935 million or 98.4% of the 2018 approved cash flow of \$0.950 million. The unspent cash flow balance of \$0.015 million has been carried forward to 2019.
- The *Answerline & Community Space Rental Modernization* project's capital expenditure totalled \$0.096 million or 17.5% of the 2018 approved cash flow of \$0.550 million. Project is delayed due to ongoing contract negotiation with vendor. The unspent cash flow balance of \$0.454 million has been carried forward to 2019.

## 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 2018

**Toronto Public Library  
2018 Capital Budget Monitoring Report  
For the Year Ended December 31, 2018**

**ATTACHMENT 1**

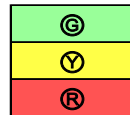
Project/Sub-Project Name	2018 - Year-to-Date							Life To Date				Expected Year of Completion
	2018 Full Year Budget (a)	Spent		Unspent / (Overspent)		On Budget (h)	On Time (i)	Budget \$ (j)	Actuals \$ (k)	Unspent / (Overspent)		
		\$	%	\$	%					\$	%	
		(b)	(c) = (a) / (b)	(d) = (a) - (b)	(e) = (d) / (a)					(l) = (j) - (k)	(m) = (l) / (j)	
1 Albert Campbell Library Renovation	483,097	220,143	45.6%	262,954	54.4%	Ⓡ	Ⓡ	12,165,000	302,046	11,862,954	97.5%	2021
2 Albion Library Renovation	229,021	138,666	60.5%	90,355	39.5%	Ⓨ	Ⓨ	15,307,000	15,216,645	90,355	0.6%	2019
3 Bayview-Bessarion Library Relocation	99,670	1,012,290	1,015.6%	(912,620)	(915.6%)	Ⓢ	Ⓢ	15,322,000	1,684,355	13,637,645	89.0%	2021
4 Centennial Renovation & Expansion - Design	167,000	45,000	26.9%	122,000	73.1%	Ⓡ	Ⓨ	334,000	45,000	289,000	86.5%	2019
5 Dawes Road Construction & Expansion	3,336,136	3,377,212	101.2%	(41,076)	(1.2%)	Ⓢ	Ⓢ	23,624,000	4,824,076	18,799,924	79.6%	2023
6 Fort York Library Construction	182,918	54,430	29.8%	128,488	70.2%	Ⓡ	Ⓨ	9,192,000	9,063,512	128,488	1.4%	2019
7 Guilwood Renovation & Expansion	592,000	151,555	25.6%	440,445	74.4%	Ⓡ	Ⓨ	1,183,000	151,555	1,031,445	87.2%	2019
8 North York Central Library Renovation Phase 1	5,280,955	5,280,955	100.0%	-	0.0%	Ⓢ	Ⓢ	17,474,000	17,474,000	0	0.0%	2018
9 North York Central Library Renovation Phase 2	2,664,000	1,959,254	73.5%	704,746	26.5%	Ⓢ	Ⓢ	10,880,000	1,959,254	8,920,746	82.0%	2021
10 Parliament Street Relocation and Expansion - Design	407,000	-	0.0%	407,000	100.0%	Ⓡ	Ⓡ	815,000	-	815,000	100.0%	2022
11 Perth/Dupont Relocation-299 Campbell ave - Design	80,000	34,776	43.5%	45,224	56.5%	Ⓡ	Ⓨ	80,000	34,776	45,224	56.5%	2019
12 St. Clair/Silverthorn Renovation	2,974,730	2,305,546	77.5%	669,184	22.5%	Ⓢ	Ⓢ	3,815,400	2,646,216	1,169,184	30.6%	2019
13 Wychwood Library Renovation	3,758,734	1,455,778	38.7%	2,302,956	61.3%	Ⓡ	Ⓡ	15,795,600	1,997,044	13,798,556	87.4%	2021
14 York Woods Library Renovation	2,070,000	147,147	7.1%	1,922,853	92.9%	Ⓡ	Ⓡ	8,344,000	147,147	8,196,853	98.2%	2021
15 Multi-Branch State of Good Repair Program	6,919,405	6,718,848	97.1%	200,557	2.9%	Ⓢ	Ⓢ	26,978,090	17,620,357	9,357,733	34.7%	Ongoing
16 Technology Asset Management Program	4,100,000	3,830,613	93.4%	269,387	6.6%	Ⓢ	Ⓢ	8,200,000	4,472,520	3,727,480	45.5%	Ongoing
17 Virtual Branch Services	1,500,000	1,578,281	105.2%	(78,281)	(5.2%)	Ⓢ	Ⓢ	3,550,000	2,311,882	1,238,118	34.9%	Ongoing
18 Integrated Payment Solutions	2,063,615	1,388,880	67.3%	674,735	32.7%	Ⓨ	Ⓨ	2,250,000	1,575,265	674,735	30.0%	2019
19 Equipment for Operational Efficiencies	710,354	710,354	100.0%	-	0.0%	Ⓢ	Ⓢ	1,806,000	1,806,000	0	0.0%	2018
20 Expansion of Technological Efficiencies	950,000	934,595	98.4%	15,405	1.6%	Ⓢ	Ⓢ	1,600,000	934,595	665,405	41.6%	2019
21 Answerline & Community Space Rental Modernization	550,000	96,163	17.5%	453,837	82.5%	Ⓡ	Ⓡ	1,400,000	96,163	1,303,837	93.1%	2019
<b>Total- 2018 Capital Projects Cash Flow Gross</b>	<b>39,118,635</b>	<b>31,440,486</b>	<b>80.4%</b>	<b>7,678,149</b>	<b>19.6%</b>	<b>Ⓢ</b>	<b>Ⓢ</b>	<b>180,115,090</b>	<b>84,362,408</b>	<b>95,752,682</b>	<b>53.2%</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% or >100% of Approved Cash Flow