

Capital Budget Monitoring Report – December 31, 2020

Date:	February 22, 2021
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 capital expenditures for the year ended December 31, 2020.

Capital spending during 2020 totalled \$34.965 million or 76.5% of the adjusted gross budget of \$45.711 million and this is based on new budget adjustment requirements introduced in 2020. The 2020 spending rate, using prior years' budget adjustment methodology, would be 91.2%. Despite the new method for calculating spending, the five-year average capital spend rate is 83% which is a significant achievement.

The unspent balance of \$10.746 million from 16 capital projects that are under-spent at year-end will be carried forward to 2021.

FINANCIAL IMPACT

Capital spending during 2020 totalled \$34.965 million or 76.5% of the adjusted gross cash flow budget of \$45.711 million, resulting in a final unspent net balance of \$10.746 million from 16 capital projects that are under-spent at year-end. This unspent balance will be carried forward to 2021.

Details of capital projects' spending are in Attachment 1.

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

ISSUE BACKGROUND

Toronto Public Library's (TPL) final adjusted gross capital budget of \$45.711 million in 2020 includes the original Council-approved Capital Budget of \$38.497 million, in-year capital adjustments totaling \$5.884 million and a year-end adjustment of \$1.329 million to bring forward cash flows from 2021 for projects spending ahead of schedule.

Capital expenditure results are usually reported to the Library Board and the City on a quarterly basis.

COMMENTS

For the year ending December 31, 2020, the Library spent \$34.965 million or 76.5% of the adjusted gross budget of \$45.711 million and this is based on new budget adjustment requirements introduced in 2020. The 2020 spending rate, using prior years' budget adjustment methodology, would be 91.2%. Despite the new method for calculating spending, the five-year average capital spend rate is 83%, which is a significant achievement.

Attachment 1 includes a list of all active projects, providing 2020 year-to-date and life-to-date project expenditure status, and overspent and underspent cash flow balances.

Two capital projects are spending ahead of schedule. A year-end budget adjustment of \$1.329 million will be included in the final carry forward report for Council's approval. This will bring forward 2021 cash flows to fund the over spending in 2020 for the Albert Campbell and Digital Experiences projects. The year-end budget adjustments are summarized in Table 1 below:

Table 1: 2020 CAPITAL YEAR-END ADJUSTMENTS REQUIRED

Budget Adjustment (\$ million)						
Description	2020			2021		
	Gross	Debt	Other	Gross	Debt	Other
Advance cash flow						
Accelerate Albert Campbell cash flow	1.152	1.152		(1.152)	(1.152)	
Accelerate Digital Experiences cash flow	0.177	0.177		(0.177)	(0.177)	
Net	1.329	1.329	0.000	(1.329)	(1.329)	0.000

The new budget adjustment process requires projects that are spending ahead of schedule to have their current year budgets adjusted using budgeted cash flows brought forward from a future budget year. This results in an increase to the current year's gross budget and therefore a reduced spending rate.

The lower spending rate was also impacted by the COVID-19 pandemic, particularly in the planning and execution of some of the smaller capital projects, especially state of good repair work and new projects approved in 2020 which had not already started.

These results should be considered draft until the external audit of the financial statements is completed.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Year Ended December 31,
2020

**Toronto Public Library
2020 Capital Budget Monitoring Report
For the Year Ended December 31, 2020**

ATTACHMENT 1

Project/Sub-Project Name	2020 - Year-to-Date						Life To Date				Expected Year of Completion	
	2020 Full Year Budget	Spent		Unspent / (Overspent)		On Budget	On Time	Budget \$	Actuals \$	Unspent / (Overspent)		
		\$	%	\$	%					\$		%
	(a)	(b)	(c) = (a) / (b)	(d) = (a) - (b)	(e) = (d) / (a)	(h)	(i)	(j)	(k)	(l) = (j) - (k)		(m) = (l) / (j)
1 Albert Campbell Renovation - Construction	5,473,966	6,625,665	121.0%	(1,151,699)	(21.0%)	Ⓞ	Ⓞ	17,939,000	8,286,700	9,652,300	53.8%	2022
2 Answerline and Community Space Rental Modernization	829,099	85,494	10.3%	743,605	89.7%	Ⓡ	Ⓡ	1,400,000	656,396	743,604	53.1%	2021
3 Bayview-Bessarion Library Relocation	3,857,064	3,187,783	82.6%	669,281	17.4%	Ⓞ	Ⓞ	15,322,000	7,251,454	8,070,546	52.7%	2022
4 Centennial - Design	477,641	477,641	100.0%	-	0.0%	Ⓞ	Ⓞ	608,070	689,266	(81,196)	(13.4%)	2020
5 Dawes Road Reconstruction & Expansion	30,371	-	0.0%	30,371	100.0%	Ⓡ	Ⓞ	19,824,000	5,274,629	14,549,371	73.4%	2025
6 Digital Experiences (Virtual Branch Services)	1,382,172	1,559,662	112.8%	(177,490)	(12.8%)	Ⓞ	Ⓞ	7,500,000	1,727,490	5,772,510	77.0%	ongoing
7 Expansion of Technological Efficiencies	171,040	171,040	100.0%	(0)	(0.0%)	Ⓞ	Ⓞ	1,600,000	1,600,001	(1)	(0.0%)	2020
8 Integrated Payment Solutions	273,234	129,435	47.4%	143,799	52.6%	Ⓡ	Ⓨ	2,250,000	2,106,201	143,799	6.4%	2021
9 Mall Branch Relocation	100,000	7,632	7.6%	92,368	92.4%	Ⓡ	Ⓡ	6,119,000	7,632	6,111,368	99.9%	2023
10 Maryvale Relocation	1,648,000	77,112	4.7%	1,570,888	95.3%	Ⓡ	Ⓡ	2,714,000	77,112	2,636,888	97.2%	2022
11 Multi-Branch Minor Renovation Program	5,676,572	3,840,341	67.7%	1,836,231	32.3%	Ⓞ	Ⓨ	48,040,697	17,759,070	30,281,627	63.0%	ongoing
12 North York Central Library Phase 2	5,842,423	5,734,058	98.1%	108,365	1.9%	Ⓞ	Ⓞ	12,718,000	11,404,636	1,313,364	10.3%	2021
13 Northern District Renovation - Design	100,000	-	0.0%	100,000	100.0%	Ⓡ	Ⓡ	251,000	-	251,000	100.0%	2022
14 Northern District Streetscaping	495,000	21,923	4.4%	473,077	95.6%	Ⓡ	Ⓡ	990,000	21,923	968,077	97.8%	2022
15 Richview Building Elements (SOGR)	174,610	-	0.0%	174,610	100.0%	Ⓡ	Ⓡ	3,546,017	61,407	3,484,610	98.3%	2024
16 Service Modernization and Transformation	1,000,000	305,153	30.5%	694,847	69.5%	Ⓡ	Ⓨ	5,153,000	305,153	4,847,847	94.1%	ongoing
17 Technology Asset Management Program	5,129,895	3,030,485	59.1%	2,099,410	40.9%	Ⓨ	Ⓨ	28,364,000	4,302,590	24,061,410	84.8%	ongoing
18 Toronto Reference Library Renovation	1,500,000	56,258	3.8%	1,443,742	96.2%	Ⓡ	Ⓡ	9,960,000	56,258	9,903,742	99.4%	ongoing
19 Wychwood Library Renovation	4,161,600	3,790,146	91.1%	371,454	8.9%	Ⓞ	Ⓞ	15,795,600	10,047,313	5,748,287	36.4%	2022
20 York Woods Renovation	6,058,658	5,864,705	96.8%	193,953	3.2%	Ⓞ	Ⓞ	11,758,000	7,870,047	3,887,953	33.1%	2021
Total 2020 Capital Projects Cash Flow Gross - Before Budget Adjustment	44,381,345	34,964,533	78.8%	9,416,812	21.2%	Ⓞ	Ⓞ	211,852,384	79,505,277	132,347,107	62.5%	
Budget acceleration adjustment for Albert Campbell and Digital Experiences projects	1,329,189			1,329,189	100.0%	Ⓞ	Ⓞ					
Total 2020 Capital Projects Cash Flow Gross - After Budget Adjustment	45,710,534	34,964,533	76.5%	10,746,001	23.5%	Ⓞ	Ⓞ	211,852,384	79,505,277	132,347,107	62.5%	

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