



STAFF REPORT INFORMATION ONLY

Capital Budget Monitoring Report – March 31, 2016

Date:	May 30, 2016
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 Library's capital expenditures for the three-month period ending March 31, 2016.

Capital spending during the first three months in 2016 totalled \$2.846 million or 10.3% of the approved gross cash flow of \$27.724 million. Capital expenditures are monitored on an on-going basis to ensure that spending is within the approved budget.

FINANCIAL IMPACT

Based on the \$2.846 million actual spending, the 2016 gross capital budget of \$27.724 million is 10.3% spent as of March 31, 2016.

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

ISSUE BACKGROUND

Toronto Public Library's 2016 capital budget of \$27.724 million gross is comprised of \$25.155 million approved and \$2.569 million of unspent balances carried forward from 2015.

COMMENTS

As of March 31, 2016, TPL has spent \$2.846 million or 10.3% of the 2016 approved cash-flow of \$27.724 million. This spending rate is above the level of expenditures at this time in 2015 which was at 8.7%.

Attachment 1 includes a detailed list of all active projects, providing 2016 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 2016 is projected to be \$22.572 million or 81.4% by year-end.

Most of TPL's capital projects are on track, and the 2016 cash flow is expected to be fully spent by year end, with the following exceptions:

Cash flows ahead of schedule

- The *Albion Library Renovation* project's capital expenditure totalled \$0.686 million or 17.1% of the 2016 approved cash flow of \$4.007 million and construction is proceeding ahead of schedule. Budget adjustment is being requested in a separate report to accelerate cash flow funding of \$2.019 million gross and debt from 2017 into 2016.
- The 2016 cash flow in the *Dawes Road Library* project's capital expenditure totalled \$0.001 million or 0.1% of the 2016 cash flow of \$1.025 million as of March 31, 2016. Budget adjustment is being requested in a separate report to accelerate cash flow funding related to the site of \$0.681 million gross and DC from 2017 into 2016.
- The *Multi-Branch Minor Renovation Program* is moving ahead of schedule to take advantage of cash flow delays in other projects. Budget adjustment is being requested in a separate report to accelerate cash flow funding of \$0.383 million gross, comprised of \$0.183 million debt and \$0.200 million DC funding, from 2017 into 2016.

Cash flows behind schedule

- The *Wychwood Library Renovation* project's capital expenditure totalled \$0.027 million or 1.5% of the 2016 approved cash flow of \$1.760 million. Site plan application was submitted to the City in March. Due to the lengthy site plan approval process, construction start will be delayed to 2017. It is estimated that \$0.050 million or 2.8% of the 2016 approved cash flow will be spent by year-end. Budget adjustment is being requested in a separate report to defer cash flow funding of \$1.460 million gross (comprised of \$0.579 million debt and \$0.881 million DC funding) of the projected \$1.710 million of unspent funds from 2016 to 2017 to offset accelerated cash-flow requirements of projects that are ahead of schedule. The remaining cash flow; Section 42 funding of \$0.250 million; will be carried forward to 2017.
- The *Bayview Library Relocation* project, with a 2016 approved cash flow of \$0.694 million, had no capital spending during the three months ended March 31, 2016. This is a joint project with timelines managed by Parks, Forestry and Recreation. Due to the lengthy site plan approval process, it is estimated that only \$0.050 million or 7.2% of the 2016 approved cash flow will be spent by year-end. Budget adjustment is being requested in a separate report to defer cash flow funding of \$0.644 million gross and debt from 2016 to 2017 to offset accelerated cash-flow requirements of projects that are ahead of schedule.
- The *Agincourt Building Elements* project's capital expenditure totalled \$0.021 million or 1.0% of the 2016 approved cash flow of \$2.111 million. As the Section 37 funds are not anticipated to be received this year, it is estimated that \$0.986 million or 46.7% of the 2016 approved cash flow will be spent by year-end and the Section 37 funding of \$1.125 million will be carried forward to 2017.
- The *St.Clair/Silverthorn Renovation* project's capital expenditure totalled \$0.002 million or 0.2% of the 2016 approved cash flow of \$1.390 million. Site plan application was submitted to the City in April. Due to the lengthy site plan approval process, construction

start will be delayed to 2017. It is estimated that \$0.050 million or 3.6% of the 2016 approved cash flow will be spent by year-end. Budget adjustment is being requested in a separate report to defer cash flow funding of \$0.979 million gross and debt of the projected \$1.340 million of unspent funds from 2016 to 2017 to offset accelerated cash-flow requirements of projects that are ahead of schedule. The remaining \$0.361 million of the unspent cash-flow balance will be carried forward to 2017.

- The *Eglinton Square Expansion* project, with a 2016 approved cash flow of \$1.178 million, had no capital spending during the three months ended March 31, 2016. Construction is expected to commence in the third quarter of 2016. It is estimated that \$1.060 million or 90.0% of the 2016 approved cash flow will be spent by year-end and \$0.118 million will be carried forward to 2017.
- The *Albert Campbell Renovation* project, with a 2016 approved cash flow of \$0.265 million, had no capital spending during the three months ended March 31, 2016. The Request for Proposal for the architect was closed on April 26, 2016 with award of the tender expected in June. It is estimated that \$0.050 million or 18.9% of the 2016 approved cash flow will be spent by year-end and \$0.215 million will be carried forward to 2017.

In-Year 2016 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.

Board approval of a budget adjustment for three projects with forecasted cash flows ahead of schedule is being requested in a separate report; *2016 Capital Budget Adjustments*; to accelerate cash flow funding of \$3.083 million gross (comprised of \$2.202 million debt financing and \$0.881 million development charge (DC) financing) from 2017 into 2016. The funding for these adjustments is from three other capital projects that are currently behind schedule and have cash flow deferrals available from the identical funding sources. The details of these proposed budget adjustments are shown in the table below which shows the balancing of the cash flow advancements and deferrals by funding source.

Budget Adjustment (\$ million)

Description	2016			2017		
	Gross	Debt	DC	Gross	Debt	DC
Advance cash flow						
Accelerate Albion cash flow	2.019	2.019		(2.019)	(2.019)	
Accelerate Dawes Road cash flow	0.681		0.681	(0.681)		(0.681)
Accelerate Multi-branch cash flow	0.383	0.183	0.200	(0.383)	(0.183)	(0.200)
Subtotal	3.083	2.202	0.881	(3.083)	(2.202)	(0.881)
Defer cash flow						
Defer Wychwood cash flow	(1.460)	(0.579)	(0.881)	1.460	0.579	0.881
Defer Bayview cash flow	(0.644)	(0.644)		0.644	0.644	
Defer St. Clair/Silverthorn cash flow	(0.979)	(0.979)		0.979	0.979	
Subtotal	(3.083)	(2.202)	(0.881)	3.083	2.202	0.881
Net	0	0	0	0	0	0

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Period Ended March 31, 2016