



**STAFF REPORT
INFORMATION
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19.

Capital Budget Monitoring Report – September 30, 2018

Date:	November 19, 2018
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library (TPL) Board with a summary of the capital expenditures for the nine-month period ended September 30, 2018, as well as projected expenditures to December 31, 2018.

Capital spending during the first nine months of 2018 totalled \$18.922 million, or 48.4%, of the gross cash flow of \$39.119 million and is projected to be \$28.581 million, or 73.1%, by the end of the year. Major reasons for project underspending are mainly attributable to delays in receiving necessary approvals, site negotiation and contract negotiation delays. 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 \$18.922 million actual spending, the 2018 gross capital budget of \$39.119 million is 48.4% spent as of September 30, 2018.

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: \$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

As of September 30, 2018, TPL has spent \$18.922 million, or 48.4%, of the 2018 approved cash-flow of \$39.119 million.

Appendix A includes a list of all active projects, providing 2018 year-to-date and life-to-date project expenditure status, as well as projected expenditures to the end of the year. TPL's projected year-end expenditure for 2018 is \$28.581 million, resulting in a projected expenditure rate of 73.1% by the end of the year.

More details of project variances are shown below:

- The *Albert Campbell Renovation* project's capital expenditure totaled \$0.094 million, or 19.5%, of the 2018 approved cash flow of \$0.483 million. Construction is delayed to next year as the project is still in the design/consultation stage. It is estimated that \$0.183 million or 37.9% of the 2018 approved cash flow will be spent by year-end.
- The *Albion Renovation* project's capital expenditure totaled \$0.079 million, or 34.5%, of the 2018 approved cash flow of \$0.229 million. The branch opened on June 5, 2017 but there are outstanding deficiencies. It is estimated that \$0.150 million or 65.3% of the 2018 approved cash flow will be spent by year-end.
- 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. A Request for Proposal for Architectural Services has been issued with a closing date of November 2018. It is estimated that \$0.045 million, or 26.9% of the 2018 approved cash flow will be spent by year-end.
- The *Dawes Road Construction & Expansion* project's capital expenditure totalled \$1.296 million or 38.9% of the 2018 approved cash flow of \$3.336 million. City Real Estate Services is continuing to work on negotiations for site acquisition. There is uncertainty around spending for the year but at this time it is estimated that \$2.336 million, or 70.0% of the 2018 approved cash flow will be spent by year-end.
- The *Fort York Library Construction* project's capital expenditure totalled \$0.006 million or 3.3% of the 2018 approved cash flow of \$0.183 million. There are outstanding acoustic problems that still need to be resolved. It is estimated that \$0.111 million or 60.7% of the 2018 approved cash flow will be spent by year-end.
- The *Guildwood Renovation & Expansion* project's capital expenditure totalled \$0.017 million or 2.9% of the 2018 approved cash flow of \$0.592 million. Architect has been selected and a schematic design is being developed. It is estimated that \$0.200 million or 33.8% of the 2018 approved cash flow will be spent by year-end.
- The *North York Central Library Renovation Phase 2* project's capital expenditure totalled \$0.379 million or 14.2% of the 2018 approved cash flow of \$2.664 million. Construction is

delayed to next year as the project is still in the design/consultation stage. It is estimated that \$1.400 million, or 52.6% of the 2018 approved cash flow will be spent by year-end.

- The *Parliament Street Relocation and Expansion* capital project, with a 2018 approved cash flow of \$0.407 million had no capital spending during the nine months ended September 30, 2018. Project Expenditures is dependent on the City's overall plan for site development. It is expected that none of the 2018 approved cash flow will be spent by year-end.
- 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 a concept design completed. Staff are waiting for Developer scheduling as branch is in the base of a new rental building. It is estimated that \$0.050 million or 62.5% of the 2018 approved cash flow will be spent by year-end.
- The *Wychwood Library Renovation* project's capital expenditure totalled \$0.945 million or 25.1% 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. It is estimated that \$1.600 million or 42.6% of the 2018 approved cash flow will be spent by year-end.
- The *York Woods* project's capital expenditure totalled \$0.080 million or 3.8% 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. It is estimated that \$0.100 million or 4.8% of the 2018 approved cash flow will be spent by year-end.
- The *Multi-Branch State of Good Repair Program* capital expenditures totalled \$4.083 million or 59.0% of the 2018 approved cash-flow of \$6.919 million. Renovations at Don Mills branch have to be deferred to next year as the library site was used as an Election Day voting place. It is estimated that \$5.900 million or 85.3% of the 2018 approved cash flow will be spent by year-end.
- The *Technology Asset Management Program* capital expenditures totalled \$2.674 million or 65.2% of the 2018 approved cash-flow of \$4.100 million. Projected year-end spending is \$3.875 million or 94.5% of the 2018 approved cash flows, which is the maximum allowed, due to pre-spending of \$0.225 million of 2018 budgeted cash-flows in 2017.
- The *Virtual Branch Services* project's capital expenditure totalled \$1.076 million or 71.7% of the 2018 approved cash-flow of \$1.500 million. Projected year-end spending is \$1.366 million or 91.1% of the 2018 approved cash flows, which is the maximum allowed, due to pre-spending of \$0.134 million of 2018 budgeted cash-flows in 2017.
- The *Integrated Payment Solutions* project's capital expenditure totalled \$0.158 million or 7.6% 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. It is

estimated that \$1.300 million or 63.0% of the 2018 approved cash flow will be spent by year-end.

- The *Answerline & Community Space Rental Modernization* project's capital expenditure totalled \$0.058 million or 10.5% of the 2018 approved cash flow of \$0.550 million. Project is delayed due to ongoing contract negotiation with vendor. It is estimated that \$0.085 million or 15.4% of the 2018 approved cash flow will be spent by year-end.

In-Year 2018 Budget Adjustment

Dawes Road Library Project

The approved Dawes Road capital project includes funding from Social Development Finance and Administration (SDFA) amounting to \$1.200 million for a Community Hub. While the construction has not started, the City would like to transfer the \$1.200 million for the Community Hub to TPL in 2018. To accommodate this adjustment, while not impacting the overall cash flows, \$1.2 million of Development Charges funding in 2018 will be replaced with the \$1.2 million Partnership Opportunities Legacy (POL) funding for the Community Hub. This adjustment will be made by the City and will not impact the overall Dawes Road project.

CONTACT

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SIGNATURE

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ATTACHMENTS

Appendix A: Capital Budget Monitoring Report for the Period Ended September 30, 2018

**Toronto Public Library
2018 Capital Budget Monitoring Report
For the Nine Months Ended September 30, 2018**

APPENDIX A

Project/Sub-Project Name	2018 - Year-to-Date					2018 - Year End Projected Actuals * to Year-end				Life To Date				Planned Year of Completion
	2018 Full Year Budget	Spent		Unspent / (Overspent)		\$	% of Budget	On Budget	On Time	Budget \$	Actuals \$	Unspent / (Overspent)		
		\$	%	\$	%							\$	%	
		(a)	(b)	(c) = (a) / (b)	(d) = (a) - (b)							(e) = (d) / (a)	(f)	
1 Albert Campbell Library Renovation	483,097	94,001	19.5%	389,096	80.5%	183,097	37.9%	Ⓡ	Ⓡ	12,165,000	175,904	11,989,096	98.6%	2021
2 Albion Library Renovation	229,021	78,918	34.5%	150,103	65.5%	149,651	65.3%	Ⓢ	Ⓢ	15,307,000	15,156,897	150,103	1.0%	2018
3 Bayview-Bessarion Library Relocation	99,670	99,670	100.0%	-	0.0%	99,670	100.0%	Ⓢ	Ⓢ	15,322,000	771,735	14,550,265	95.0%	2021
4 Centennial Renovation & Expansion - Design	167,000	45,000	26.9%	122,000	73.1%	45,000	26.9%	Ⓢ	Ⓢ	334,000	45,000	289,000	86.5%	2019
5 Dawes Road Construction & Expansion	3,336,136	1,296,446	38.9%	2,039,690	61.1%	2,336,136	70.0%	Ⓢ	Ⓢ	23,624,000	2,743,310	20,880,690	88.4%	2020
6 Fort York Library Construction	182,918	6,083	3.3%	176,835	96.7%	111,083	60.7%	Ⓢ	Ⓢ	9,192,000	9,015,165	176,835	1.9%	2014
7 Guilwood Renovation & Expansion	592,000	16,988	2.9%	575,012	97.1%	200,000	33.8%	Ⓢ	Ⓢ	1,183,000	16,988	1,166,012	98.6%	2019
8 North York Central Library Renovation Phase 1	5,280,955	4,755,040	90.0%	525,915	10.0%	5,280,955	100.0%	Ⓢ	Ⓢ	17,474,000	16,948,085	525,915	3.0%	2019
9 North York Central Library Renovation Phase 2	2,664,000	378,958	14.2%	2,285,042	85.8%	1,400,000	52.6%	Ⓢ	Ⓢ	10,880,000	378,958	10,501,042	96.5%	2020
10 Parliament Street Relocation and Expansion - Design	407,000	-	0.0%	407,000	100.0%	-	0.0%	Ⓡ	Ⓡ	815,000	-	815,000	100.0%	2019
11 Perth/Dupont Relocation-299 Campbell ave - Design	80,000	34,776	43.5%	45,224	56.5%	50,000	62.5%	Ⓢ	Ⓢ	80,000	34,776	45,224	56.5%	2018
12 St. Clair/Silverthorn Renovation	2,974,730	1,741,645	58.5%	1,233,085	41.5%	2,974,730	100.0%	Ⓢ	Ⓢ	3,815,400	2,082,315	1,733,085	45.4%	2018
13 Wychwood Library Renovation	3,758,734	945,293	25.1%	2,813,441	74.9%	1,600,000	42.6%	Ⓡ	Ⓡ	15,795,600	1,486,559	14,309,041	90.6%	2018
14 York Woods	2,070,000	79,530	3.8%	1,990,470	96.2%	100,000	4.8%	Ⓡ	Ⓡ	8,344,000	79,530	8,264,470	99.0%	2021
15 Multi-Branch State of Good Repair Program	6,919,405	4,083,412	59.0%	2,835,993	41.0%	5,900,001	85.3%	Ⓢ	Ⓢ	26,978,090	13,775,497	13,202,593	48.9%	Ongoing
16 Technology Asset Management Program	4,100,000	2,673,865	65.2%	1,426,135	34.8%	3,875,093	94.5%	Ⓢ	Ⓢ	8,200,000	3,315,772	4,884,228	59.6%	Ongoing
17 Virtual Branch Services	1,500,000	1,076,236	71.7%	423,764	28.3%	1,366,399	91.1%	Ⓢ	Ⓢ	3,550,000	1,809,837	1,740,163	49.0%	Ongoing
18 Integrated Payment Solutions	2,063,615	157,605	7.6%	1,906,010	92.4%	1,300,000	63.0%	Ⓢ	Ⓢ	2,250,000	343,990	1,906,010	84.7%	2018
19 Equipment for Operational Efficiencies	710,354	710,354	100.0%	-	0.0%	710,354	100.0%	Ⓢ	Ⓢ	1,806,000	1,806,000	0	0.0%	2018
20 Expansion of Technological Efficiencies	950,000	590,706	62.2%	359,294	37.8%	814,000	85.7%	Ⓢ	Ⓢ	1,600,000	590,706	1,009,294	63.1%	2019
21 Answerline & Community Space Rental Modernization	550,000	57,698	10.5%	492,302	89.5%	84,700	15.4%	Ⓡ	Ⓡ	1,400,000	57,698	1,342,302	95.9%	2019
Total- 2018 Capital Projects Cash Flow Gross	39,118,635	18,922,224	48.4%	20,196,411	51.6%	28,580,869	73.1%	Ⓢ	Ⓢ	180,115,090	70,634,722	109,480,368	60.8%	

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