

**2014 Capital Budget Adjustments**

<b>Date:</b>	September 8, 2014
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	Acting City Librarian

**SUMMARY**

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The purpose of this report is to request Toronto Public Library Board approval of budget adjustments to capital projects consisting of cash flow acceleration and deferral, which do not affect the annual debt funding level approved by Council.

**RECOMMENDATIONS**

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**The Acting City Librarian recommends that the Toronto Public Library Board:**

1. approves the following cash flow reallocations, which have no impact on annual debt levels:
  - a. defer \$1,400,000 gross and debt funding from 2014 to 2015 from the Albion Library Renovation project;
  - b. accelerate \$1,400,000 gross and debt funding from 2015 to 2014 for the Multi-Branch Minor Renovation project; and
2. authorizes and directs staff to take the necessary actions to give effect thereto.

**FINANCIAL IMPACT**

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A cash flow deferral of \$1,400,000 gross and debt funding from 2014 to 2015 is required to reflect a delay in the start of construction of the Albion Library Renovation project.

A cash flow advance of \$1,400,000 gross and debt funding from 2015 to 2014 for the Multi-Branch Minor Renovation project is required to address SOGR projects and offset the cash flow deferral from the Albion project.

**2014 CAPITAL IN-YEAR ADJUSTMENTS REQUIRED**  
(\$000's)

Description	2014	2015
	Gross and Debt	Gross and Debt
a) Defer Albion cash flow	<b>(1,400)</b>	<b>1,400</b>
b) Accelerate Multi-branch cash flow	<b>1,400</b>	<b>(1,400)</b>
Total cash flow adjustment	<b>0</b>	<b>0</b>

There is no net impact on the Council-approved annual gross and debt levels and no change in the total approved capital budget funding.

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

## **ISSUE BACKGROUND**

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. Effectively, to overcome timing issues, debt room freed up from delayed projects is replaced by additional debt spending on other approved accelerated projects in a single year, resulting in a better match of funding and expenditures and an efficient capital program delivery.

Any transfer of budget between capital projects in an amount in excess of \$250,000 requires approval of the Board and Council. This report seeks Board approval for these budget adjustments.

## **COMMENTS**

Site plan approval timelines will delay the start of construction of the Albion Library renovation to 2015, which would result in a 2014 cash flow under-expenditure of \$1.4 million. Accelerating \$1.4 million cash flow from 2015 to 2014 for the Multi-branch budget will allow TPL to address additional state of good repair priorities, while utilizing the cash flow not required by Albion in 2014. There is no impact on annual gross or debt capital funding.

Due to the timing of the 2014 Municipal Elections, Council approval for the cash flow adjustments in this report were considered as part of the May 31, 2014 City of Toronto consolidated capital variance report approved at the August 25 - 28, 2014 Council meeting.

## **CONTACT**

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## **SIGNATURE**

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