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To: Toronto Public Library Board – October 16, 2006

From: City Librarian

Subject: **Capital Budget Monitoring Report – June 30, 2006**

Purpose:

To provide the Toronto Public Library Board with a summary of the Library capital expenditures and commitments for the six-month period ending June 30, 2006.

Funding Implications and Impact Statement:

Based on actual spending and commitments, the 2006 capital budget of \$15.411 million was 32.5 percent spent as of June 30, 2006, and projected to be over 90 percent spent by the end of the year.

Recommendation:

It is recommended that the Toronto Public Library Board receive the *Capital Budget Monitoring Report – June 30, 2006* for information.

Background:

The Library's 2006 Capital Budget of \$15.411 million is comprised of \$13.071 million of new approvals plus an additional \$2.340 million in 2005 carry-forward spending.

The \$2.340 million 2005 carry-forward includes \$0.427 million for the Jane / Sheppard Neighbourhood Library project, \$0.430 million for the Integrated Library System and \$0.021 million for the Bloor / Gladstone District Library project. The remaining \$1.462 million carry-forward balance will be spent in 2006 to complete and close seven building projects and two Information Technology projects.

Administrative reallocations of cash flows between capital projects are permitted to manage the overall capital program, accelerating cash flows in one project when another project is experiencing delays, while staying within the overall approved budget debt levels. Any change to the cost of a project, or how a project is financed, or the introduction of any new project commitments, will be reported to the Board for approval before seeking Council approval.

Comments:

As of June 30, 2006, Toronto Public Library has spent and committed \$5.016 million or 32.5 percent of the 2006 approved cash flow of \$15.411 million. This spending rate is in line with the level of expenditure at this time in prior years. Currently, most projects are progressing as planned, with the following exceptions:

- the Jane / Sheppard Neighbourhood Library Relocation is a joint project with Shelter, Support & Housing and has experienced delays obtaining development approval, resulting in a projected carry-forward to 2007 of \$0.367 million;
- as a result of delays obtaining site plan approval of the Bloor / Gladstone Library due to the heritage listing of this 1919 historical building and the landscape plan, the earliest that construction is likely to start will be near the end of the year. The delay will not permit the full utilization of the \$2.6 million cash flow approved for this project in 2006, allowing a cash flow reallocation of \$2.082 million, which provides \$0.826 million for an earlier start of the Jane / Dundas construction, \$0.281 million to complete the restoration of the Dufferin / St. Clair murals in 2006 and the reallocation of \$0.975 million to 2007;
- the planning process of the Jane / Dundas Library renovation is complete and the construction phase proceeding ahead of schedule using \$0.826 million debt room created by the Bloor / Gladstone project delay;
- an architect has been selected and the design process is underway for the Dufferin / St. Clair Library renovation. The restoration of interior murals prior to the start of construction will be completed in 2006, ahead of schedule, utilizing \$0.281 million of debt room created by the delay in the Bloor / Gladstone project.

Conclusion:

Capital expenditures are monitored on an on-going basis to ensure that spending is within the approved budget.

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Josephine Bryant
City Librarian

List of Attachments:

Attachment 1: Capital Budget Monitoring Report for the Period Ending June 30, 2006