



**STAFF REPORT
ACTION REQUIRED**

10.

2014 Capital Budget Adjustments

Date:	November 17, 2014
To:	Toronto Public Library Board
From:	Acting City Librarian

SUMMARY

The purpose of this report is to request Toronto Public Library Board approval of a 2014 in-year capital budget transfer of \$366,392 gross and debt from the Mount Dennis Library Renovation project, which has been completed under budget, to the Self-Service Circulation and Bridlewood Library Renovation projects.

RECOMMENDATIONS

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

1. approves the transfer of \$366,392 gross and debt underspent budget from the Mount Dennis Library Renovation project, now completed, to:
 - a. the Self-Service Circulation project of \$329,348 gross and debt;
 - b. the Bridlewood Library Renovation project of \$37,044 gross and debt; and
2. authorizes staff to forward this report to the City to obtain Council approval.

FINANCIAL IMPACT

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

	Total Project Cost			2014 Cash Flow		
	Approved Cost	Adjustment	Adjusted Cost	2014 Approved Cash Flow	Adjustment	Adjusted 2014 Approved Cash Flow
GROSS						
Mount Dennis Library	3,926	(366)	3,560	383	(366)	17
Self-Service Circulation	10,590	329	10,919	1,431	329	1,760
Bridlewood Library	2,400	37	2,437	182	37	219
Total Gross	16,916	0	16,916	1,996	0	1,996
DEBT						
Mount Dennis Library	3,789	(366)	3,423	383	(366)	17
Self-Service Circulation	7,850	329	8,179	1,431	329	1,760
Bridlewood Library	0	37	37	0	37	37
Total Debt	11,639	0	11,639	1,814	0	1,814

The Mount Dennis Library Renovation project has an approved budget of \$3.926 million and has been completed below budget. The 2014 approved cash flow of \$0.383 million is only 4.4% spent as of September 30, 2014, leaving an unspent balance of \$0.366 million, which can be transferred to other projects and reduce the project cost from \$3.926 million gross (\$3.789 million debt) to \$3.560 million gross (\$3.423 million debt). The 2014 approved cash flow decreases from \$0.383 million gross and debt to \$0.017 million gross and debt.

The addition of \$0.329 million gross and debt funding for the Self-Service Circulation project increases the total project cost from \$10.590 million gross (\$7.850 million debt) to \$10.919 million gross (\$8.179 million debt). The 2014 approved cash flow increases from \$1.431 million gross and debt to \$1.760 million gross and debt.

The addition of \$0.037 million gross and debt funding for the Bridlewood Library increases the total cost of this project from \$2.400 million (\$0 debt) to \$2.437 million gross (\$0.037 million debt). The 2014 approved cash flow increases from \$0.182 million gross (\$0 debt) to \$0.219 million gross (\$0.037 million debt).

There is no net impact on the Council approved annual gross and debt levels as a result of these adjustments.

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 the reallocation of budget between capital projects to offset anticipated over-expenditures in one project with available funding from another project. Any reallocation of budget between capital projects of more than \$250,000 requires Board and Council approval.

COMMENTS

Mount Dennis Library

The Mount Dennis Library Renovation project has an approved budget of \$3.926 million. The branch reopened in March 2013 and the project has been completed below budget. The 2014 capital expenditures of \$0.017 million represent 4.4% of the 2014 approved cash flow of \$0.383 million, leaving a balance of \$0.366 million underspent due to lower than anticipated costs required to address deficiencies after construction. The proposal is to transfer \$0.366 million from the Mount Dennis renovation project to the Self-Service Circulation project (\$0.329 million) and the Bridlewood Renovation project (\$0.037 million).

Self-Service Circulation

This is the final year of this seven-year \$10.590 million project, which included the installation of self-service check-in and check-out equipment throughout the library system, sorting equipment at the busiest locations, as well as the main sorting system at the library processing and distribution centre. The \$1.431 million approved 2014 cash flow is for the remaining equipment installation, including the main sorting system at 1076 Ellesmere. The project has a funding shortfall of \$0.329 million, which is 0.3% of the total project cost, and this will be funded by a budget transfer from the Mount Dennis project.

Bridlewood Library

This project is taking place in several phases. The first phase, completed in 2011, relocated the branch to an 8,000 sq. ft. site with minimum changes to existing fixtures. This is the second phase of the project with an approved \$0.182 million cash flow in 2014 for floor plan improvements to enhance zoning of children's, teen and meeting spaces as well as installation of new shelving, mill work, furniture and express check-in. Unexpected site conditions, resulted in additional costs of \$0.037 million required in 2014 to complete this phase of the project, to be funded by a budget transfer from the Mount Dennis project. Future renovation phases are subject to the receipt of approved Section 37 funds from two development sites.

CONTACT

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SIGNATURE

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