

To: Toronto Public Library Board – November 20, 2006

From: City Librarian

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

Purpose:

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

Funding Implications and Impact Statement:

Based on actual spending and commitments, the 2006 capital budget of \$15.411 million was 60.1 percent spent as of September 30, 2006, and projected to be approximately 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 – September 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 project 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 September 30, 2006, the Library has spent and committed \$9.269 million or 60.1 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, a joint project with Shelter, Support & Housing, experienced delays obtaining development approval, which will result in a second year carry-forward to 2007 of \$0.318 million (funded by Library capital reserve funds and development charges);
- construction of the Bloor / Gladstone Library is expected to start in early 2007 due to delays in obtaining site plan approval of this 1919 historical building. The late start did not permit the full utilization of the \$2.6 million cash flow approved for this project in 2006, leading to a cash flow reallocation of \$2.082 million, which provides \$0.826 million for an early 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 development charges funding to 2007. A carry-forward of \$0.200 million to 2007 is projected;
- the construction phase of the Jane / Dundas Library renovation is proceeding ahead of schedule (utilizing the \$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. Restoration of interior murals prior to the start of construction will be completed in the fourth quarter, using \$0.281 million of debt room created by the delay in the Bloor / Gladstone project;
- a contract was awarded in July 2006 for the renovation of the S.Walter Stewart Branch. Unexpected construction delays are projected to require a carry-forward of \$0.773 million to 2007;
- project specifications and vendor selections are underway for the upgrade of the Toronto Reference Library fire alarm system. The contract will be awarded in the first quarter of 2007, requiring a carry-forward of \$0.200 million to 2007.

Conclusion:

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

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City Librarian

List of Attachments:

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