



## STAFF REPORT ACTION REQUIRED

### 2007 Capital Budget Reallocations

<b>Date:</b>	September 17, 2007
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

#### **SUMMARY**

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The purpose of this report is to obtain Toronto Public Library Board approval for budget adjustments which reallocate project cash flows on certain projects between years, but which has no net impact on the total funding of any capital project and no impact on the Council-approved 2007 debt level.

Approval of the budget adjustments would allow Toronto Public Library (TPL) to achieve a projected 99 percent spending level and almost complete delivery of the capital program.

#### **RECOMMENDATIONS**

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The City Librarian recommends that the Toronto Public Library Board:

1. Approves the 2007 capital budget reallocation adjustments as detailed in Attachment 1;
2. Authorizes and directs the appropriate staff to take the necessary action to give effect thereto.

#### **FINANCIAL IMPACT**

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Approval of the budget reallocation adjustments would allow TPL to achieve a projected 99 percent spending level and almost complete delivery of the capital program.

The cash flow reallocations will not impact the Council-approved 2007 debt level, nor the total funding of any capital project.

The Director, Finance and Treasurer has reviewed this report and agrees with the financial impact information.

## **ISSUE BACKGROUND**

As reported in more detail under separate cover, "Capital Budget Monitoring Report – June 30, 2007", four projects - Jane/Sheppard, Brentwood, Thorncliffe and Cedarbrae - are experiencing delays which result in under-expenditure of their project funding in 2007. In addition, two projects – Bloor/Gladstone and Jane/Dundas – are reported as being accelerated. The City's budget process allows for cash flows to be advanced and spent on accelerated projects to offset cash flow deferrals resulting from projects which are experiencing delays, as long as the overall approved debt level is not exceeded in any year. Effectively, debt room freed up from delayed projects is replaced by additional debt spending on other approved accelerated projects in a single year. Using this budget reallocation process, TPL has been able to manage its projects and achieve a high level of expenditure and capital program delivery.

## **COMMENTS**

Using the most current project spending forecast within the described City framework for budget adjustments, the proposed budget reallocation adjustments described in Attachment 1 would allow TPL to achieve a projected 99 percent level of expenditure by the end of the year. In managing adjustments to project funding, both gross and debt funding levels need to be considered. Non-debt sources of funding include contributions from developers, referred to as development charges and Section 37 contributions.

TPL's Financial Control Policy specifies that capital budget adjustments over \$250,000 require Board and Council approval. The cash flow reallocations will have a no net impact on the total funding for any capital project and no net impact on the approved capital debt levels in 2007 to 2010.

The proposed budget adjustments will be included with the second quarter 2007 capital variance report going to Council for approval in October 2007.

## **CONTACT**

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## **SIGNATURE**

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Josephine Bryant  
City Librarian

## **ATTACHMENTS**

Attachment 1: 2007 Capital Budget Reallocations Adjustments