

2022 Capital Budget Adjustment

Date:	June 20, 2022
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

This report requests Toronto Public Library Board endorsement to amend the Toronto Public Library (TPL) 2022 Capital Budget and 2023-2031 Capital Plan by adjusting cash flows to align forecasted project accelerations and deferrals. These adjustments will align the 2022 cash flows to TPL's capital project delivery schedule and program requirements. These technical budget adjustments require City of Toronto approval.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. endorses the following cash flow acceleration and deferral of projects:
 - 1.1. accelerate a total of \$1.124 million gross and debt cash flow from 2023 to 2022 for the Albert Campbell Library project; and
 - 1.2. defer a total of \$1.124 million gross and development charges cash flow from 2022 to 2023 for the Centennial Library project;
2. endorses a 2022 cash flow reallocation of \$0.744 million gross and debt from the Answerline and Community Space Rental Modernization project to the North York Central Library Phase 2 project; and
3. authorizes staff to forward these capital budget adjustments to the City for approval.

FINANCIAL IMPACT

The approval of this report will authorize the acceleration and deferral of funds in TPL's approved 2022 Capital Budget and 2023 Capital Plan in the total amount of \$1.124 million gross and a budget transfer of \$0.744 million gross and debt funding from the Answerline and Community Space Rental Modernization project to the North York Central Library Phase 2 project. These budget adjustments are summarized in Table 1 below.

Table 1: 2022 CAPITAL IN-YEAR ADJUSTMENTS (\$ millions)

Description	2022			2023		
	Gross	Debt	Development Charges	Gross	Debt	Development Charges
Cash flow acceleration/deferral						
Accelerate Albert Campbell cash flow	1.124	1.124		(1.124)	(1.124)	
Defer Centennial cash flow	(1.124)		(1.124)	1.124		1.124
Subtotal	0.000	1.124	(1.124)	0.000	(1.124)	1.124
Budget transfer						
Answerline and Community Space Rental Modernization	(0.744)	(0.744)	(0.744)			
North York Central Library Phase 2	0.744	0.744	0.744			
Subtotal	0.000	0.000	0.000	0.000	0.000	0.000
Total Adjustment	0.000	1.124	(1.124)	0.000	(1.124)	1.124

The cash flow in-year budget adjustment will result in an increase of \$1.124 million debt funding in 2022 and the budget transfer amendment will change the scope of the North York Central Library Phase 2 project and increase the total project cost to \$13.462 million.

The Director, Finance and Treasurer has reviewed this financial impact statement and agrees with it.

ISSUE BACKGROUND

Financial control policies for the City and the Library allow for cash flows to be adjusted for projects whose spending is ahead of or behind schedule, in certain situations.

Any budget adjustments of more than \$250,000 require Board endorsement and City approval.

COMMENTS

A separate report at this meeting, *Capital Budget Monitoring Report –April 30, 2022*, provides a status update on all 2022 capital projects.

TPL is seeking to amend the 2022 Capital Budget and 2023-2031 Capital Plan to align the 2022 cash flows to TPL's capital project delivery schedule and program requirements.

Capital Budget Acceleration

The cash flow for the Albert Campbell project is projected to be spent well ahead of schedule and a cash flow acceleration of \$1.124 million gross and debt from 2023 to 2022 is required. This in-year budget adjustment will not impact the total project cost and the debt funding in 2022 will increase by \$1.124 million.

Capital Budget Deferral

Delays in the site plan approval process for Centennial project will enable the deferral of \$1.124 million gross cash flow (100% funded by development charges) from 2022 to 2023. This in-year budget adjustment will not impact the total project cost and will have a zero debt impact on the 2022 Council Approved Capital Budget.

Capital Budget Transfers

The North York Central Library Phase 2 project scope now includes renovation of washrooms on all floors, thus requiring additional cash flow funding in 2022. An in-year budget reallocation of \$0.744 million from the Answerline and Community Space Rental Modernization project will provide the funding needed for the change in scope of the North York Central Library Phase 2 project and increase the total project cost to \$13.462 million. The reallocation will also allow for the closure of the Answerline and Community Space Rental Modernization project, which has no remaining budget. Any future work to modernize Answerline or Community Space Rental will require a strategic review with consideration of the City's standard Customer Relationship Management system, and will be included as part of the TPL's service modernization program. This in-year budget reallocation will have a net zero debt impact on the 2022 Council Approved Capital Budget.

These budget adjustments will be forwarded to the City for approval.

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SIGNATURE

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