

2021 Capital Budget Adjustment

Date:	October 25, 2021
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

This report requests Toronto Public Library Board endorsement to amend the Toronto Public Library (TPL) 2021 capital budget. The cash flow for the Albert Campbell Library project is spending ahead of schedule and an in-year budget adjustment is being requested to accelerate cash flows. This adjustment will align the 2021 cash flows to TPL's capital project delivery schedule and program requirements. This technical budget adjustment requires City approval.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. endorses the acceleration of \$3.649 million gross and debt cash flow from 2022 to 2021 for the Albert Campbell Library project; and
2. authorizes staff to forward this capital budget adjustment request to the City for approval.

FINANCIAL IMPACT

The proposed cash flow acceleration for the Albert Campbell Library project will increase the 2021 budget by \$3.649 million gross and debt, for a revised amount of \$8.556 million as shown below. There are no additional costs as a result of this technical capital budget adjustment.

Table 1: 2021 Capital In-Year Budget Adjustment (\$ millions)

Albert Campbell Project	Council Approved				Adjustment Request				Revised			
	Total Project Cost	Prior Year Cash Flow	2021 Cash Flow	2022-2030 Plan	Total Adjustment	Prior Year Cash Flow	2021 Cash Flow	2022-2030 Plan	Total Project Cost	Prior Year Cash Flow	2021 Cash Flow	2022-2030 Plan
Debt	19.450	7.818	4.907	6.725	-		3.649	(3.649)	19.450	7.818	8.556	3.076
Development Charges	0.766	0.469		0.297	-				0.766	0.469	-	0.297
Total	20.216	8.287	4.907	7.022	-	-	3.649	(3.649)	20.216	8.287	8.556	3.373

Not shown in the table above is an increase to the total project cost for the Albert Campbell Library project of \$1.136 million gross, which would revise the project cost to \$21.352 million, to ensure sufficient budget is available to accommodate all anticipated project needs. This amount is included in the 2022-2031 Capital Budget and Plan submission, presented in a separate report at this meeting.

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

DECISION HISTORY

At its meeting on June 27, 2016, the Board approved the [award of contract for architectural services](#) for the Albert Campbell Branch Renovation capital project to LGA Architectural Partners, for a fee of 6.9% of the estimate construction budget.

At its meeting on September 23, 2019, the Board approved the [award of construction contract](#) to Pre-Eng Contracting Ltd. for the renovation of the Albert Campbell Branch, with a commitment value of \$17,237,000, including a contingency of \$1,567,000.

At its meeting on September 21, 2020, the Board approved an [increase to the architect's contract](#) with LGA Architectural Partners based on the increase to the construction cost.

At its meeting on September 27, 2021 the Board approved an [increase to the construction contract](#) to Pre-Eng Contracting Ltd. of \$1,063,000 for a revised total of \$18,300,000.

ISSUE BACKGROUND

Financial control policies for the City and the Library allow for cash flows to be advanced for projects whose spending is ahead of schedule.

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 – September 30, 2021*, provides a status update on all 2021 capital projects.

As of September 30, 2021, the cash flow for the Albert Campbell Library project is projected to be spent well ahead of schedule and a cash flow acceleration of \$3.649 million gross and debt from 2022 to 2021 is required. This adjustment will align the 2021 cash flows to TPL's capital project delivery schedule and program requirements.

This budget adjustment will be forwarded to the City for approval. Once approved, this budget adjustment will increase the current year's gross budget and therefore reduce the spending rate.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946;
Email: lhughsam@tpl.ca

Howard Balter; Manager, Budget & Financial Reporting; Tel: 416-393-7003;
Email: hbalter@tpl.ca

SIGNATURE

Vickery Bowles
City Librarian