



STAFF REPORT ACTION REQUIRED

2022 Capital Budget Adjustment

Date: February 27, 2023

To: Toronto Public Library Board

From: City Librarian

SUMMARY

This report requests Toronto Public Library Board approval to amend the Toronto Public Library (TPL) 2022-2031 capital budget and plan by adjusting cash flows to match the timing of expenditure requirements for projects. These technical budget adjustments require City of Toronto approval.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the following year-end cash flow acceleration of projects:
 - a. accelerate a total of \$0.332 million gross and debt cash flow from 2023 to 2022 for Dawes Road Reconstruction & Expansion; and
 - b. accelerate a total of \$0.952 million gross and debt cash flow from 2023 to 2022 for Technology Asset Management Program;

2. approves a budget transfer of \$0.620 million gross (\$0.335 million debt and \$0.285 million development charges) from three projects with unspent cash flow balances (Multi-Branch Minor Renovation Program, Northern District Renovation – Design, and High Park - Design) to three projects with overspent budgets (Albert Campbell Renovation - Construction, North York Central Library Phase 2, and York Woods Renovation); 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 of funds in TPL's approved 2022 capital budget and 2023 capital plan in the total amount of \$1.284 million gross and debt funding and a budget transfer of \$0.620 million gross (\$0.335 million debt and \$0.285 million development charges) from the Multi-Branch Minor Renovation Program, Northern District Renovation – Design, and High Park - Design projects to fund the overspending in the Albert Campbell Renovation - Construction, North York Central Library Phase 2, and York Woods Renovation projects. These budget adjustments are summarized in Table 1 below.

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

Description	2022			2023		
	Gross	Debt	Development Charges	Gross	Debt	Development Charges
Advance and accelerate cash flows						
Dawes Road Renovation & Expansion	0.332	0.332		(0.332)	(0.332)	
Technology Asset Management Program	0.952	0.952		(0.952)	(0.952)	
Subtotal	1.284	1.284	0.000	(1.284)	(1.284)	0.000
Budget transfer						
Albert Campbell Renovation - Construction	0.117	0.117				
North York Central Library Phase 2	0.382	0.218	0.164			
York Woods Renovation	0.121		0.121			
Multi-Branch Minor Renovation Program	(0.335)	(0.335)				
Northern District Renovation - Design	(0.059)		(0.059)			
High Park - Design	(0.226)		(0.226)			
Subtotal	0.000	0.000	0.000	0.000	0.000	0.000
Total Adjustment	1.284	1.284	0.000	(1.284)	(1.284)	0.000

The cash flow in-year budget adjustment will result in an increase of \$1.284 million debt funding in 2022.

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

ALIGNMENT WITH STRATEGIC PLAN

The 2022 capital budget supports TPL's strategic plan objectives, in particular: provide quality, accessible & inclusive public spaces; increase access to technology & digital literacy; and deliver exceptional customer experiences.

TPL's 2022 capital budget aligns and supports Council's strategic vision to make Toronto a centre of innovation and growth. The capital program builds and maintains beautiful public space in every neighbourhood and leverages digital advances and technology to create smart and efficient services. By enhancing the accessibility and inclusivity of library branches and expanding digital access, the plan supports equitable access to library services for all and enhances investment and quality of life in neighbourhoods across the city.

EQUITY IMPACT STATEMENT

The 2022 capital budget is informed by the principles of equity and access and advances the work required under the Accessibility for Ontarians with Disabilities Act (AODA). The capital budget was developed using the facilities master plan with access as one of the key drivers for investment in capital projects. The budget will increase TPL's capacity to align the investment in Library facilities and services with need and demand across the city. It seeks to improve equity with respect to facility and service access for all residents, including equity-seeking groups in the city of Toronto.

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 schedule, in certain situations.

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

COMMENTS

A separate report, *Capital Budget Monitoring Report – December 31, 2022*, provides a status update on all 2022 capital projects.

TPL is seeking to amend the 2022-2031 capital budget and plan to align the 2022 cash flows to TPL's capital project delivery schedule and program requirements.

Capital Cash Flow Acceleration

The cash flow spending for the Dawes Road Renovation & Expansion and Technology Asset Management Program projects are currently ahead of schedule and a cash flow acceleration of \$1.284 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 \$1.284 million.

Capital Budget Transfer

As part of the close-out of the year-end capital spending, the City requires that cash flows overspent be offset by underspent amounts between projects on a gross basis. To meet this requirement, the following adjustments are required:

Table 2: 2022 CAPITAL YEAR-END BUDGET TRANSFER ADJUSTMENTS (\$ millions)

Description	2022		
	Gross	Debt	Development Charges
Budget transfer			
Albert Campbell Renovation - Construction	0.117	0.117	
North York Central Library Phase 2	0.382	0.218	0.164
York Woods Renovation	0.121		0.121
Multi-Branch Minor Renovation Program	(0.335)	(0.335)	
Northern District Renovation - Design	(0.059)		(0.059)
High Park - Design	(0.226)		(0.226)
Total Adjustment	0.000	0.000	0.000

At the end of December 31, 2022, three completed capital projects (Albert Campbell Renovation - Construction, North York Central Library Phase 2 and York Woods Renovation) required additional funding. A year-end budget adjustment of \$0.620 million will be included in the year end capital variance report for Council's approval to transfer \$0.620 million gross (\$0.335 million debt and \$0.285 million development charges) from the Multi-Branch Minor Renovation Program, Northern District Renovation - Design, and High Park - Design projects to fund the overspending in the Albert Campbell Renovation - Construction, North York Central Library Phase 2 and York Woods Renovation projects.

There is no net impact on the Council approved annual gross and debt levels for 2022 as a result of these adjustments.

CONCLUSION

These adjustments will align the 2022 cash flows to TPL's capital project delivery schedule and program requirements.

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