

Capital Budget Cash Flow Reallocations – April 30, 2008

Date:	June 16, 2008
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board approval for budget adjustments to reallocate project cash flows on certain projects between years. There is no impact on the total funding of any capital project and no impact on the Council-approved 2008 debt level.

Approval of the budget adjustments would assist Toronto Public Library (TPL) to maximize spending of its approved 2008 capital budget by the end of the year.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the April 30, 2008 capital budget reallocation adjustments as detailed in Attachment 1;
2. requests Council approval of the April 30, 2008 capital budget adjustments through the City's Capital Variance report; and
2. authorizes and directs the appropriate staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Approval of the budget reallocation adjustments would assist TPL to maximize spending of its approved 2008 capital budget by the end of the year.

The cash flow reallocations will not impact the Council-approved 2008 debt level, nor affect the total funding of any capital project.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

ISSUE BACKGROUND

As reported in more detail under Agenda Item 22, “Capital Budget Monitoring Report – April 30, 2008”, three projects - West Waterfront, Brentwood and Cedarbrae projects - are experiencing delays which result in under-expenditure of their project funding in 2008. In addition, three projects – Bloor/Gladstone, Dufferin/St. Clair and S. Walter Stewart – are proceeding ahead of planned cash flows. 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 assist TPL to maximize spending of its approved 2008 capital budget 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 2008 and 2009.

The proposed budget adjustments will be included with the City’s April 30, 2008 capital variance report going to Council for approval in July 2008.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
E-mail: lhughsam@torontopubliclibrary.ca

SIGNATURE

Josephine Bryant
City Librarian

ATTACHMENTS

Attachment 1: Capital Budget Cash Flow Reallocations – April 30, 2008