

**Capital Budget Monitoring Report – June 30, 2008**

<b>Date:</b>	September 15, 2008
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

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The purpose of this report is to provide the Toronto Public Library Board with a summary of the Toronto Public Library’s capital expenditures for the six-month period ending June 30, 2008 and budget adjustments to increase the gross budgets of Kennedy / Eglinton and multi-branch renovation capital projects, with no impact on the Council-approved 2008 debt level.

Capital spending during the six months in 2008 totalled \$7.271 million or 32.2 percent of the approved gross cash flow of \$22.550 million. Capital expenditures are monitored on an on-going basis to ensure that the capital program is delivered as planned.

**FINANCIAL IMPACT**

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Based on the \$7.271 million actual spending and commitments, the 2008 gross capital budget of \$22.550 million is 32.2 percent spent as of June 30, 2008, and projected to be approximately 90 percent spent by the end of the year.

Budget adjustments to be approved by Council as part of the City’s second quarter capital variance report will add \$0.185 million to the Library’s gross capital budget with funding of \$0.125 million from Section 37 contributions and \$0.060 million from third party contributions.

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

**ISSUE BACKGROUND**

Funds received as a result of agreements with developers under Section 37 and Section 45 of the Planning Act are deposited into the Planning Act Reserve Fund. Council approval is required to withdraw funds from a reserve fund, which can be obtained as part of the budget process, a special report to Council and, after June 30, 2008, as part of the

quarterly variance reports. This variance report includes a request for approval to withdraw available Section 37 funds.

## **COMMENTS**

TPL's 2008 approved capital budget of \$22.550 million gross is comprised of \$19.009 million of new approvals and \$3.541 million of funding balances carried forward from 2007.

### Capital Expenditure

As of June 30, 2008, TPL has spent \$7.271 million or 32.2 percent of the 2008 approved cash flow of \$22.550 million. This spending rate is in line with the level of expenditure at this time in prior years and supports a projected 90 percent rate of expenditures by the end of the year. Attachment 1 includes a detailed list of all active projects, providing 2008 year-to-date and life-to-date project status, as well as projected expenditures by the end of the year. Most projects are progressing as planned, with the following exceptions:

- the implementation of the **Virtual Branch Services** project is experiencing delays in 2008 due to the complexity and scope of the work and the need to coordinate it with the new Integrated Library System, which was also delayed. This will result in an estimated \$0.377 million carry forward to 2009; and
- the start of construction of the **Kennedy / Eglinton** Library expansion may be delayed and the project will likely not be completed until 2009, resulting in an estimated 2009 carry forward of \$0.450 million

### Budget Adjustments

As part of the second quarter capital variance report which was submitted to the City in August, Council approval was requested to increase the gross capital funding for two projects, as follows:

- increase the gross budget of the **2008 Multi-branch Renovation** Capital Project from \$1.446 million to \$1.571 million, leaving the approved \$1.381 million debt unchanged. City Planning has confirmed the availability of Section 37 funding of \$0.125 million for a new heating, ventilation and air conditioning system for the Yorkville Public Library. This renovation can be undertaken in 2008, as part of the Multi-branch renovation program.
- increase the gross budget of the **Kennedy / Eglinton** Library branch expansion capital project from \$0.950 million to \$1.010 million, leaving the approved \$0.850 million debt unchanged. This project was included in TPL's 2008 approved capital budget as part of the Partnership Opportunities Legacy Funding for projects located in the City's designated Priority Neighbourhoods. The landlord of this storefront library located in the Liberty Square Shopping Plaza is contributing an amount of \$0.060

million to supplement the branch renovation costs. Ongoing discussions with the landlord may result in additional contributions.

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian

## **ATTACHMENTS**

Attachment 1: Capital Budget Monitoring Report for the Period Ending June 30, 2008