

Capital Budget Monitoring Report – September 30, 2011

Date:	November 21, 2011
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Board with a summary of the Toronto Public Library's (TPL) capital expenditures for the nine-month period ending September 30, 2011.

Capital spending during the nine months in 2011 totalled \$12.821 million or 46.7% of the approved gross cash-flow of \$27.451 million. Capital expenditures are monitored on an on-going basis to ensure that spending is within the approved budget.

FINANCIAL IMPACT

Based on the \$12.821 million actual spending and commitments, the 2011 gross capital budget of \$27.451 million is 46.7% spent as of September 30, 2011, and projected to be over 90% spent by the end of the year.

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

ISSUE BACKGROUND

TPL's 2011 capital budget of \$27.451 million gross is comprised of \$23.486 million of new approvals and \$3.965 million of unspent carry-forwards from 2010.

DECISION HISTORY

At the September 13, 2011 meeting, the Library Board approved the 2011 capital budget adjustments described below to provide funding for efficiencies through consolidations and the introduction of technology and automation, which will generate annual savings of approximately \$1.1 million.

- Increase the 2011 Self-Service Circulation project by \$1.0 million, funded by a corresponding reduction in Virtual Branch Services.

- Advance \$0.7 million cash-flow to 2011 from 2012 for the Multi-branch State of Good Repair project, funded by a corresponding cash-flow deferral for 2011 to 2012 for the Malvern Branch project, which is experiencing delays.

At its meeting on November 1, 2011, the City's Executive Committee approved these capital adjustments. Council approval is expected at the end of November 2011.

COMMENTS

As of September 30, 2011, TPL has spent \$12.821 million or 46.7% of the 2011 approved cash-flow of \$27.451 million. Although most TPL projects are progressing according to plan, projects not expected to be fully spent by the end of the year are described below. Attachment 1 includes a detailed list of all active projects, providing 2011 year-to-date and life-to-date project status, as well as projected expenditures to the end of the year.

- Cedarbrae District Library (\$9.151 M project cost, \$0.406 M 2011 cash-flow)
The Cedarbrae Branch re-opened to the public in December 2010 and deficiencies are being addressed. An estimated \$0.280 million may be carried forward into 2012 if the deficiencies remain unresolved at year end.
- Malvern Library Media Lab (\$2.250 M project cost, \$1.404 M 2011 cash-flow)
The Malvern Library Media Lab known as The S.P.O.T. Initiative (Success, Power, Opportunities, Teamwork) is a project funded through the City's Partnership Opportunities Legacy Fund and the Youth Challenge Fund. The start of this project was delayed due to late permit approvals. The project is now under construction, but it is projected that \$0.700 million or 50% of the approved 2011 cash-flow will be spent by the end of the year.
- Scarborough Centre Neighbourhood Branch (\$8.797 M project cost, \$0.521 M 2011 cash-flow)
The Scarborough capital project is for the construction of a new neighbourhood library. Public consultation has taken place and the project design is completed. Site plan application will be submitted in December 2011. It is projected that \$0.100 of the approved 2011 cash-flow for this project will be spent in 2011 and \$0.421 million will be carried forward into 2012.
- Mount Dennis Neighbourhood Branch (\$4.303 M project cost, \$0.764 M 2011 cash-flow)
The public consultation and design work of the Mount Dennis Library renovation project is completed. The tender has been awarded and the branch closed on October 29, 2011 and construction commenced. TPL anticipates \$0.264 million of this project will be carried forward into 2012.

- Virtual Branch Services (VBS) (\$3.679 M project cost, \$0.904 M 2011 cash-flow)
VBS is a multi-year, multi-phase project of enhancements to the Library's online services. The focus in 2011 is on the integration of self-service enhancements, including: online fines payment; upgraded search technology to support search improvements; integration of distributed content tools for emergency and service alerting; implementation of low-cost content management tools, including staff blogs and list building options; and digital archives of rare and unique material. As of September 30, 2011, \$0.150 million under-expenditure is anticipated to be carried forward into 2012.
- Technology Asset Management Program (TAMP) (\$15.683 M project cost, \$4.744 M 2011 cash-flow)
The Technology Asset Management Program is for the acquisition, maintenance and replacement of all Information Technology hardware and software owned by the Library. The 2011 cash-flow also includes \$1.217 million of funding for the replacement of public computers previously owned and replaced by the City. Priority has been given to projects that will result in efficiencies and revenue in 2012, and therefore, lower priority projects have been delayed. TPL anticipates \$0.300 million in planned 2011 expenditures will be deferred to 2012.

CONTACT

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

SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Period Ending September 30, 2011