

Capital Budget Monitoring Report – September 30, 2010

Date:	November 22, 2010
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

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 nine-month period ending September 30, 2010.

Capital spending during the nine months in 2010 totalled \$13.966 million or 50.6% of the approved gross cash flow of \$27.581 million. Capital expenditures are monitored on an ongoing basis to ensure that spending is within the approved budget.

FINANCIAL IMPACT

Based on the \$13.966 million actual spending and commitments, the 2010 gross capital budget of \$27.581 million is 50.6% spent as of September 30, 2010, 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 2010 capital budget of \$27.581 million gross is comprised of \$28.352 million of new approvals, \$2.614 million funding deferred from 2009 and \$3.385 million funding deferred to future years.

COMMENTS

As of September 30, 2010, TPL has spent \$13.966 million or 50.6% of the 2010 approved cash flow of \$27.581 million. Although most TPL projects are progressing according to plan, projects experiencing significant delays are described below. Attachment 1 includes a detailed list of all active projects, providing 2010 year-to-date and life-to-date project status, as well as projected expenditures by the end of the year.

Projects Experiencing Delays

- Brentwood Library Reconstruction (\$8.1 M project cost, \$1.1 M 2010 cash flow)
The start of this project was delayed due to an appeal to the OMB, which was resolved favourably. Construction tender documents were completed in August and the branch was closed in late September 2010 to commence construction. TPL will continue to monitor the progress of this project to quantify any funding which may need to be carried forward at year-end.
- Malvern District Library Youth Centre (\$2.251 M project cost, \$0.788 M 2010 cash flow)
Site Plan approval of the Malvern Library Youth Centre was received. A building permit application is being submitted and a tender is to be issued. TPL anticipates \$0.700 million of this project will be carried forward into 2011.
- Federal Infrastructure Stimulus Fund (ISF) Projects (\$13.26 M project cost, \$10.1 M 2010 cash flow)
As of September 30, 2010 ISF projects have spent 39.3% of the approved 2010 cash flow. The construction phase of these projects was delayed due to the time required to obtain permits, prepare drawings, prepare tender documents, schedule the work to minimize service disruptions and time-consuming, but necessary site preparation work, such as the removal of asbestos. Work at the six sites has reached the most active phase and projected to be fully spent by the end of the year with the exception of a possible \$0.300 million under-spending of the TRL renovation project, which was approved as an ISF project at a later date.
- Thorncliffe Reconstruction (\$2.590 M project cost, \$0.685 M 2010 cash flow)
This is a co-development project with Parks, Forestry & Recreation and Children's Services. The branch has reopened to the public, but deficiencies are being addressed. TPL will monitor the progress of this project to determine if any funding needs to be carried forward at year-end.
- Virtual Branch Services (VBS) (\$4.386M project cost, \$0.990 M 2010 cash flow)
VBS is a multi-year, multi-phase project of enhancements to the Library's online services. As part of the development of the new TPL website, a Beta site was launched at the beginning of the year, which allowed over 100,000 customers to try out and test the new site with hundreds of people providing valuable feedback on the Beta version. The Beta test period was very successful, but it delayed the start of the next phase of online development in 2010, resulting in a projected under-expenditure of approximately \$0.1 million of the 2010 approved cash flow.

- Fairview District Library Renovation (\$4.411 M project cost, \$0.126 M 2010 cash flow)
The 2010 funding is for the renovation of the library entrance. An architect has been selected and design process is underway. No spending is projected in 2010; therefore, the \$0.126 million 2010 cash flow budget can be deferred to 2011.

Budget Adjustments

Deferral of projected under-expenditures for some of the projects listed above will create opportunities to accelerate cash flow for projects proceeding ahead of schedule, such as the Cedarbrae Library Renovation and the Self-Service for Open Hours program. The necessary budget adjustments to address this, as well as other technical budget adjustments are covered in the *2010 Capital Budget – Technical Adjustments at October 31, 2010* report being presented at the November 22, 2010 Library Board Meeting.

CONTACT

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SIGNATURE

Jane Pyper
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ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Period Ending September 30, 2010