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STAFF REPORT INFORMATION ONLY

Capital Budget Monitoring Report – December 31, 2022

Date: February 27, 2023
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 capital expenditures for the year ended December 31, 2022.

Capital spending during 2022 totalled \$32.666 million or 73.4% of the adjusted gross cash flow budget. This spending is lower than average due to delays in City approvals, supply chain disruptions, and late construction start in four projects. Furthermore, the City requested Toronto Public Library (TPL) pause capital spending of \$7.690 million due to uncertainties around funding from other levels of government regarding 2022 COVID-19 costs. The five-year average capital spend rate is 77.5%.

The unspent balance of \$11.849 million from capital projects that are under-spent at year-end will be carried forward to future years (\$4.159 million with the remaining \$7.690 million reserved for the potential budget reduction).

FINANCIAL IMPACT

Capital spending during 2022 totalled \$32.666 million or 73.4% of the adjusted gross cash flow budget of \$44.515 million, resulting in a final unspent net balance of \$11.849 million from capital projects that are underspent at year-end. This unspent balance will be carried forward to future years and may be reduced by the City's potential COVID-19 related budget reduction of \$7.690 million.

Details of capital projects' spending are shown on Attachment 1.

These results should be considered draft until the external audit of the financial statements is completed.

The Director, Finance and 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.

The capital budget monitoring report is a public-facing reporting and tracking tool that demonstrates openness and accountability and is a key performance indicator to support the Financial Stewardship strategic objective within TPL's 2020-2024 Strategic Plan.

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

TPL's Council-approved [2022 Capital Budget](#) is \$43.230 million gross, which is comprised of \$38.448 million of new cash flows, \$6.896 million of unspent balances carried forward from 2021 and a decrease of \$2.114 million from a technical adjustment to reduce the 2022 cash flow for three projects that were overspent in 2021.

At its meeting on February 28, 2022, the Library Board considered [2022-2031 Capital Budget and Plan - Adoption](#) and adopted the Council-approved 2022-2031 capital budget and plan. The report also identified a potential 2022 capital budget reduction, if the funding for the City's COVID-19 costs is not received from other levels of government, the City would need to reduce its capital budget by up to \$300 million, and TPL's share would total \$7.690 million or 20% of debt funding.

Capital expenditure results are usually reported to the Library Board and the City on a quarterly basis.

COMMENTS

For the year ending December 31, 2022, the Library spent \$32.666 million or 73.4% of the adjusted gross budget of \$44.515 million based on new budget adjustment requirements introduced in 2020. The five-year average capital spend rate is now 77.5%.

Attachment 1 includes a list of all active projects, providing 2022 year-to-date and life-to-date project expenditure status, and overspent and underspent cash flow balances.

Two capital projects are spending ahead of schedule. A year-end budget adjustment of \$1.284 million will be included in the final carry forward report for Council's approval to bring forward 2023 cash flows to fund the over spending in 2022 for the Dawes Road and Technology Asset Management Program projects.

At the end of December 31, 2022, three completed capital projects required additional funding. A year-end budget adjustment of \$0.620 million will be included in the City's 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 the Albert Campbell Renovation - Construction, North York Central

Library Phase 2 and York Woods Renovation projects, as summarized on 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	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	0.117	0.117				
North York Central Library Phase 2	0.382	0.218	0.164			
York Woods	0.121		0.121			
Multi-Branch Minor Renovation Program	(0.335)	(0.335)				
Northern District - 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 lower projected spending rate is mainly driven by:

- late start in construction for the Bridlewood Branch Relocation, Toronto Reference Library Renovation, and Northern District Streetscaping;
- delays in the Centennial Reconstruction and Expansion due to delayed City approvals;
- minor delays in the Richview Building Elements (SOG) project due to ongoing design work; and
- the City's request to pause 2022 capital spending of \$7.690 million as a back-stop measure to maintain a balanced 2022 operating budget in the event that COVID-19 funding from other levels of government is not forthcoming or adequate. The projects that may be impacted are Digital Experiences, Service and Digital Modernization, Toronto Reference Library Renovation, Multi-Branch Minor Renovation Program, Weston Renovation, and Northern District Renovation - Design. If this \$7.690 million potential budget reduction is implemented, TPL's 2022 adjusted spend rate would 88.7% and the five-year average capital spend rate increased to 80.4%.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Year Ended December 31, 2022

Toronto Public Library
2022 Capital Budget Monitoring Report
For the Period Ended December 31, 2022

ATTACHMENT 1

Project/Sub-Project Name	2022 - Year-to-Date								Life To Date				Expected Year of Completion	Comments
	2022 Full Year Budget	Spent		Unspent / (Overspent)		On Budget	On Time	Budget \$	Actuals \$	Unspent / (Overspent)				
		\$	%	\$	%					\$	%			
		(a)	(b)	(c) = (a) / (b)	(d) = (a) - (b)					(e) = (d) / (a)	(h)	(i)		
1 Albert Campbell Renovation - Construction	2,798,863	2,915,400	104.2%	(116,537)	(4.2%)	⊕	⊕	21,352,353	21,468,890	(116,537)	(0.5%)	2022		
2 Bridlewood Branch Relocation	2,551,566	505,156	19.8%	2,046,410	80.2%	⊖	⊖	7,299,000	578,590	6,720,410	92.1%	2024	Construction tender awarded in October. Construction to start in 2023	
3 Centennial Reconstruction and Expansion	380,913	193,806	50.9%	187,107	49.1%	⊖	⊖	16,553,000	883,072	15,669,928	94.7%	2025	Waiting for site plan approval	
4 Dawes Road Reconstruction & Expansion	443,861	776,357	174.9%	(332,496)	(74.9%)	⊕	⊕	24,593,045	6,521,496	18,071,549	73.5%	2026		
5 Deer Park - Design	144,000		0.0%	144,000	100.0%	⊖	⊖	144,000	-	144,000	100.0%	2023	Project scope under review	
6 Digital Experiences	1,390,000	1,038,648	74.7%	351,352	25.3%	⊕	⊕	7,500,000	3,410,358	4,089,642	54.5%	ongoing	Unspent balance is due to the required pause in capital spending of \$7.690 M	
7 Ethennonnhawahstihnen' Library - Bayview Library Relocation	3,883,564	3,883,564	100.0%	-	0.0%	⊕	⊕	15,957,272	15,457,272	500,000	3.1%	2023		
8 Etobicoke New Construction - Design	299,000	299,000	100.0%	-	0.0%	⊕	⊕	1,416,000	299,000	1,117,000	78.9%	2024		
9 High Park - Design	244,000	18,157	7.4%	225,843	92.6%	⊖	⊖	834,000	18,157	815,843	97.8%	2024	Feasibility study completed. The project is on hold.	
10 Integrated Payment Solutions	134,913	15,449	11.5%	119,464	88.5%	⊖	⊖	2,250,000	2,130,536	119,464	5.3%	2022	Unspent balance is due to the required pause in capital spending of \$7.690 M	
11 Maryvale Relocation	1,973,709	1,352,709	68.5%	621,000	31.5%	⊕	⊕	2,749,000	2,712,000	37,000	1.3%	2022	Project completed. Unspent balance will be used towards the \$7.690 M reduction in capital spending	
12 Multi-Branch Minor Renovation Program	8,245,406	5,969,814	72.4%	2,275,592	27.6%	⊕	⊕	46,900,368	28,041,626	18,858,742	40.2%	ongoing	Unspent balance is due to the required pause in capital spending of \$7.690 M	
13 North York Central Library Phase 2	1,849,633	2,232,026	120.7%	(382,393)	(20.7%)	⊕	⊕	13,461,605	13,843,998	(382,393)	(2.8%)	2022		
14 Northern District Renovation - Design	175,000	-	0.0%	175,000	100.0%	⊖	⊖	705,000	-	705,000	100.0%	2023	Unspent balance is due to the required pause in capital spending of \$7.690 M	
15 Northern District Streetscaping	495,000	11,727	2.4%	483,273	97.6%	⊖	⊖	990,000	41,282	948,718	95.8%	2024	Tender was awarded in October. Construction will start next year	
16 299 Campbell Ave - Perth/Dupont Relocation	1,398,000	1,280,496	91.6%	117,504	8.4%	⊕	⊕	4,757,000	1,320,496	3,436,504	72.2%	2024		
17 Pleasant View Renovation	268,000	268,000	100.0%	-	0.0%	⊕	⊕	635,622	268,000	367,622	57.8%	2024		
18 Richview Building Elements (SOGR)	719,000	38,211	5.3%	680,789	94.7%	⊖	⊖	3,546,017	99,618	3,446,399	97.2%	2024	Tendering for engineering services has been issued	
19 Service and Digital Modernization	6,243,000	3,206,456	51.4%	3,036,544	48.6%	⊕	⊕	6,771,000	4,387,220	2,383,780	35.2%	ongoing	Unspent balance is due to the required pause in capital spending of \$7.690 M	
20 Technology Asset Management Program	3,928,589	4,880,472	124.2%	(951,883)	(24.2%)	⊕	⊕	25,452,000	12,434,883	13,017,117	51.1%	ongoing		
21 Toronto Reference Library Renovation	2,005,681	1,215,595	60.6%	790,086	39.4%	⊕	⊕	10,710,000	2,333,914	8,376,086	78.2%	ongoing	Unspent balance is due to the required pause in capital spending of \$7.690 M	
22 Weston Renovation	161,000	-	0.0%	161,000	100.0%	⊖	⊖	641,000	17,197	623,803	97.3%	2023	Unspent balance is due to the required pause in capital spending of \$7.690 M	
23 Wychwood Renovation	2,068,593	1,015,185	49.1%	1,053,408	50.9%	⊕	⊕	15,795,600	14,742,159	1,053,441	6.7%	2022	Branch re-opened in October. Minor deficiencies to address	
24 York Woods Renovation	1,429,171	1,549,791	108.4%	(120,620)	(8.4%)	⊕	⊕	13,824,000	13,944,620	(120,620)	(0.9%)	2022		
Total 2022 Capital Projects Cash Flow Gross	43,230,462	32,666,019	75.6%	10,564,443	24.4%	⊕	⊕	244,836,882	144,954,384	99,882,498	40.8%			
Budget acceleration adjustment for Dawes Road and Technology Asset Management Program projects	1,284,379			1,284,379										
Total 2022 Capital Projects Cash Flow Gross - After Budget Adjustment	44,514,841	32,666,019	73.4%	11,848,822	26.6%	⊕	⊕	244,836,882	144,954,384	99,882,498	40.8%			

On Time

On Budget

**Toronto Public Library
2022 Capital Budget Monitoring Report
For the Period Ended December 31, 2022**

ATTACHMENT 1

Project/Sub-Project Name	2022 - Year-to-Date							Life To Date				Expected Year of Completion	Comments
	2022 Full Year Budget	Spent		Unspent / (Overspent)		On Budget	On Time	Budget	Actuals	Unspent / (Overspent)			
		\$	%	\$	%					\$	%		
	(a)	(b)	(c) = (a) / (b)	(d) = (a) - (b)	(e) = (d) / (a)	(h)	(i)	(j)	(k)	(l) = (j) - (k)	(m) = (l) / (j)		
On / Ahead of Schedule Minor Delays < 6 months Significant Delays > 6 months	Ⓞ	>70% of Approved Cash Flow											
	Ⓨ	Between 50% and 70% of Approved Cash Flow											
	Ⓡ	< 50% or >100% of Approved Cash Flow											