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STAFF REPORT
INFORMATION ONLY

Capital Budget Monitoring Report – December 31, 2023

Date: April 29, 2024

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, 2023.

Capital spending during 2023 totalled $39.718 million or 72.4% of the adjusted gross cash flow budget. This spending is lower than average due to delays in City approvals and a cybersecurity incident. The five-year average capital spend rate is 76.4%.

The unspent balance of $15.130 million from capital projects that are under-spent at year-end will be carried forward to future years.

FINANCIAL IMPACT

Capital spending during 2023 totalled $39.718 million or 72.4% of the adjusted gross cash flow budget of $54.848 million, resulting in a final unspent net balance of $15.130 million from capital projects that are underspent at year-end. This unspent balance will be carried forward to future years.

Details of capital projects' spending are shown in 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 2023 capital budget supports TPL's strategic plan objectives, in particular: providing quality, accessible & inclusive public spaces; increasing access to technology & digital literacy; and delivering exceptional customer experiences.

Toronto Public Library's (TPL) 2023 capital budget aligns and supports Council's strategic vision to make Toronto a centre of innovation and growth. The capital program builds and maintains architecturally beautiful and functional 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 2023 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 deserving groups in the city of Toronto.

DECISION HISTORY

At its meeting on February 27, 2023, the Library Board adopted the Mayor's Proposed Budget which was deemed adopted by Council at its meeting on February 15, 2023, including 2023 cash flow of $49.245 million gross based on preliminary carry-forward funding.

The budget was subsequently adjusted for final carry-forward funding and other in-year adjustments for projects spending ahead of schedule, resulting in a final adjusted gross cash flow budget of $54.848 million gross.

COMMENTS

For the year ended December 31, 2023, the Library spent $39.718 million or 72.4% of the adjusted gross budget of $54.848 million. The five-year average capital spend rate is now 76.4%.

Attachment 1 includes a list of all active projects, providing 2023 year-to-date and life-to-date project expenditure status, and overspent and underspent cash flow balances.

Three capital projects are spending ahead of schedule. A year-end budget adjustment of $4.687 million will be included in the final carry forward report for Council's approval to bring forward 2024 cash flows to fund the over spending in 2023 for the Bridlewood, Etobicoke Civic Centre, and Multi-Branch Minor Renovation projects.

At the end of December 31, 2023, three capital projects completed in 2023 required additional funding. A year-end budget adjustment of $0.485 million will be included in the City's year-end capital variance report for Council's approval to transfer $0.485 million gross and debt from the Technology Asset Management Program to the Maryvale Relocation project, North York Central Library Phase 2 project and the Etobicoke Civic Centre – Design project, as summarized on Table 1 below.

Table 1: 2023 CAPITAL YEAR-END ADJUSTMENTS REQUIRED ($ millions)

Description	2023			2024		
	Gross	Debt	Development Charges	Gross	Debt	Development Charges
Advance and accelerate cash flows						
Bridlewood Relocation	**1.551**	1.551		**(1.551)**	(1.551)	
Etobicoke Civic Centre New Construction - Design	**0.600**	0.000	0.600	**(0.600)**		(0.600)
Multi-Branch Minor Renovation Program	**2.536**	2.536		**(2.536)**	(2.536)	
Subtotal	**4.687**	4.087	0.600	**(4.687)**	(4.087)	(0.600)
Budget transfer						
Technology Asset Management Program	**(0.485)**	(0.485)				
Maryvale Relocation	**0.046**	0.046				
North York Central Library Phase 2	**0.189**	0.189				
Etobicoke Civic Centre New Construction - Design	**0.250**	0.250				
Subtotal	**0.000**	0.000	0.000	**0.000**	0.000	0.000
Total Adjustment	**4.687**	4.087	0.600	**(4.687)**	(4.087)	(0.600)

The lower projected spending rate is mainly driven by:

- Delays in the Centennial project, which was waiting for the City to provide site plan approval;
- Construction for the Dawes Road project now expected to start in mid to late 2024 due to delays in site plan approval from the City;
- Later than expected start of construction in the Perth/Dupont 299 Campbell project due to delays in obtaining agreement between City and Developer on when TPL can take ownership title and assume occupancy in the building;
- Minor delays in the Richview Building Elements State of Good Repair (SOGR) project due to ongoing design work; and
- A few projects within Information Technology Services, including Digital Experiences and Technology Asset Management Program capital projects, are spending behind schedule mainly due to changes in scope and a cybersecurity incident.

Capital expenditure results are usually reported to the Library Board and the City on a quarterly basis and also when a financial report is required by the City outside of quarter-ends.

CONTACT

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SIGNATURE

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Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Capital Budget Monitoring Report for the Year Ended December 31, 2023

Toronto Public Library **ATTACHMENT 1**

2023 Capital Budget Monitoring Report

For the Period Ended December 31, 2023

	Project/Sub-Project Name	2023 Budget			2023 - Year-to-Date						Life To Date					Comments
		2023 Full Year Budget	Year-End Budget Adjustment	2023 Full Year Adj Budget	Spent		Unspent / (Overspent)		On Budget	On Time	Budget	Actuals	Unspent / (Overspent)		Expected Year of Completion	
					$	%	$	%			$	$	$	%		
		(a)	(a)	(a)	(b)	(c) =(a) / (b)	(d) =(a) - (b)	(e) = (d) / (a)	(h)	(i)	(j)	(k)	(l) = (j) - (k)	(m) = (l) / (j)	(n)	
1	299 Campbell Ave - Perth/Dupont Relocation	3,359,000		3,359,000	148,905	4.4%	3,210,095	95.6%	R	G	5,896,776	1,479,101	4,417,675	74.9%	2025	Ongoing delays with the developer providing title ownership of the space to TPL in order to start fitout of the branch. Ownership was acquired in December 2023.
2	Albert Campbell Renovation - Construction	543,060		543,060	543,060	100.0%	-	0.0%	G	G	22,011,950	22,011,950	0	0.0%	2022	
3	Bridlewood Branch Relocation	4,862,000	1,551,147	6,413,147	6,413,147	100.0%	-	0.0%	G	G	9,787,000	6,991,737	2,795,263	28.6%	2024	
4	Centennial Reconstruction and Expansion	3,500,000		3,500,000	962,245	27.5%	2,537,755	72.5%	R	Y	21,613,266	1,845,317	19,767,949	91.5%	2027	Ongoing delays with City providing site plan approval.
5	Dawes Road Reconstruction & Expansion	2,533,504		2,533,504	1,106,309	43.7%	1,427,195	56.3%	R	R	36,206,045	7,627,805	28,578,240	78.9%	2028	Construction to start in 2024 due to site plan approval delays.
6	Deer Park - Design	144,000		144,000	-	0.0%	144,000	100.0%	R	R	144,000		144,000	100.0%	2025	Scope under review.
7	Digital Experiences	2,095,000		2,095,000	879,163	42.0%	1,215,837	58.0%	R	R	7,500,000	4,289,521	3,210,479	42.8%	ongoing	Some projects were re-prioritized due to scope changes and the impact of a cybersecurity incident.
8	Ethennonnhawahstihnen' Library - Bayview Library Relocation	500,000		500,000	182,657	36.5%	317,343	63.5%	R	R	15,957,272	15,639,929	317,343	2.0%	2023	Deficiencies still being addressed and remaining budget will be spent in 2024.
9	Etobicoke Civic Centre New Construction - Design	564,000	850,122	1,414,122	1,414,122	100.0%	-	0.0%	G	G	1,713,122	1,713,122	0	0.0%	2023	
10	Lillian H. Smith - Design	200,000	.	200,000	154,588	77.3%	45,412	22.7%	G	G	3,000,000	154,588	2,845,412	94.8%	2026	
11	Maryvale Relocation	100,000	45,656	145,656	145,656	100.0%	-	0.0%	G	G	2,857,656	2,857,656	0	0.0%	2022	
12	Multi-Branch Minor Renovation Program	11,393,620	2,535,845	13,929,465	13,528,530	97.1%	400,935	2.9%	G	G	46,565,921	41,570,156	4,995,765	10.7%	ongoing	
13	North York Central Library Phase 2	322,788	189,386	512,174	512,174	100.0%	-	0.0%	G	G	14,356,172	14,356,172	0	0.0%	2024	
14	Northern District Exterior	3,163,654		3,163,654	2,121,100	67.0%	1,042,554	33.0%	Y	G	3,204,936	2,162,382	1,042,554	32.5%	2024	
15	Parkdale - Design	502,000		502,000		0.0%	502,000	100.0%	R	R	1,719,000	-	1,719,000	100.0%	2028	Project is delayed
16	Pleasant View - Design	367,622		367,622	367,622	100.0%	-	0.0%	G	G	635,622	635,622	0	0.0%	2023	
17	Richview Building Elements (SOGR)	1,211,610		1,211,610	233,294	19.3%	978,316	80.7%	R	R	3,546,017	332,912	3,213,105	90.6%	2025	Phase 1 (waterproofing system) was done in 2023. Phase 2 deferred to 2024 as it requires city approval (permit to discharge the water)
18	Service and Digital Modernization	6,506,000		6,506,000	4,283,742	65.8%	2,222,258	34.2%	R	G	20,628,000	8,670,962	11,957,038	58.0%	ongoing	Some projects within the digital modernization capital project were re-prioritized due to a cybersecurity incident
19	St. Lawrence - Design	100,000		100,000	100,000	100.0%	-	0.0%	G	G	1,932,000	100,000	1,832,000	94.8%	2025	
20	Technology Asset Management Program	5,070,117	(485,164)	4,584,953	3,500,921	76.4%	1,084,032	23.6%	G	G	25,452,000	15,935,804	9,516,196	37.4%	ongoing	Spending was impacted by a cybersecurity incident.
21	Toronto Reference Library Renovation	1,513,889		1,513,889	1,511,542	99.8%	2,347	0.2%	G	G	10,710,000	3,845,456	6,864,544	64.1%	ongoing	
22	Wychwood Renovation	500,000		500,000	500,000	100.0%	-	0.0%	G	G	15,242,159	15,242,159	0	0.0%	2023	
23	York Woods Renovation	1,109,445		1,109,445	1,109,445	100.0%	-	0.0%	G	G	15,054,065	15,054,065	0	0.0%	2023	
	Total 2023 Capital Projects Cash Flow Gross	**50,161,309**	**4,686,992**	**54,848,301**	**39,718,222**	**72.4%**	**15,130,079**	**27.6%**	G	G	**285,732,979**	**182,516,416**	**103,216,563**	**36.1%**		

On Time				On Budget
On / Ahead of Schedule	G	G	G	>70% of Approved Cash Flow
Minor Delays < 6 months	Y	Y	Y	Between 50% and 70% of Approved Cash Flow
Significant Delays > 6 months	R	R	R	< 50% or >100% of Approved Cash Flow