

## Appendix “B”

**This is an Extract from the DRAFT Minutes of the Public Meeting of the Toronto Public Library Board that was held on May 28, 2018**

**18-091 2018-2027 Capital Budget and Plan Adjustment for St. Clair/Silverthorn Branch Project (Approved by Consent)**

*That the Toronto Public Library Board:*

1. *endorses the following adjustments to TPL’s 2018-2027 capital budget and plan with no net impact on annual debt levels:*
  - a. *increase the cost of the St. Clair/Silverthorn branch project by \$0.918 million, from \$2.897 million to \$3.815 million, funded by \$0.328 million from the development charges reserve fund (XR2115) and \$0.590 million from debt transferred from the Multi-Branch State of Good Repair program;*
  - b. *in-year capital budget transfer of \$0.590 million gross and debt from the Multi-Branch State of Good Repair program to the St. Clair/Silverthorn branch project; and*
2. *authorizes staff to forward the capital budget adjustments to the City for approval.*

*Carried*



**STAFF REPORT  
ACTION REQUIRED**

**17.**

**2018-2027 Capital Budget and Plan Adjustment for St. Clair/Silverthorn Branch Project**

<b>Date:</b>	May 28, 2018
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

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This report requests Toronto Public Library (TPL) Board endorsement to seek City approval for an in-year capital budget adjustment to increase the approved capital budget for the St. Clair/Silverthorn branch project by \$0.918 million gross to align funding with the contract awarded. The increase is funded by \$0.328 million of development charges (DC) and \$0.590 million debt funding transfer from the Multi-Branch State of Good Repair (MB SOGR) program. The adjustments will have a zero debt impact on the 2018-2027 Capital Budget and Plan. The total project cost of the St. Clair/Silverthorn project will increase to \$3.815 million.

**RECOMMENDATIONS**

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**The City Librarian recommends that the Toronto Public Library Board:**

1. endorses the following adjustments to TPL’s 2018-2027 capital budget and plan with no net impact on annual debt levels:
  - a. increase the cost of the St. Clair/Silverthorn branch project by \$0.918 million, from \$2.897 million to \$3.815 million, funded by \$0.328 million from the development charges reserve fund (XR2115) and \$0.590 million from debt transferred from the Multi-Branch State of Good Repair program; and
  - b. in-year capital budget transfer of \$0.590 million gross and debt from the Multi-Branch State of Good Repair program to the St. Clair/Silverthorn branch project.; and
2. authorizes staff to forward the capital budget adjustments to the City for approval.

## FINANCIAL IMPACT

The budget for the St. Clair/Silverthorn branch project is being increased by \$0.918 million gross, funded by \$0.328 million DC and \$0.590 million debt transferred from the MB SOGR program. This adjustment increases the gross cost of the St. Clair/Silverthorn project from \$2.897 million to \$3.815 million. Annual cash flows are as shown in Table 1:

**Table 1: St. Clair/Silverthorn Branch Capital Budget**  
(\$ Millions)

	Actual to	2018	2019	Total
	date	Budget	Budget	Project
Approved Budget				Cost
DC	0.161	0.259	-	0.420
Debt	0.180	1.997	0.300	2.477
<b>2018 Approved Budget</b>	<b>0.341</b>	<b>2.256</b>	<b>0.300</b>	<b>2.897</b>
	Actual to	2018	2019	Total
	date	Budget	Budget	Project
Budget Adjustment				Cost
DC		0.148	0.180	0.328
Debt		0.570	0.020	0.590
<b>Total Adjustment</b>	<b>-</b>	<b>0.718</b>	<b>0.200</b>	<b>0.918</b>
	Actual to	2018	2019	Total
	date	Budget	Budget	Project
Revised Budget				Cost
DC	0.161	0.407	0.180	0.748
Debt	0.180	2.567	0.320	3.067
<b>2018 Revised Budget</b>	<b>0.341</b>	<b>2.974</b>	<b>0.500</b>	<b>3.815</b>

As detailed in Table 2 below, the budget transfer of \$0.590 million gross and debt funding from the MB SOGR program reduces the budget from \$15.923 million gross to \$15.333 million with 2018 cash flow decreasing from \$6.164 million gross to \$5.594 million and 2019 cash flow decreasing from \$5.732 million gross to \$5.712 million.

**Table 2: Multi-Branch Minor Renovation Program Capital Budget**  
(\$ Millions)

	2018	2019	2020	Total
	Budget	Budget	Budget	Project
Approved Budget				Cost
DC	0.126	0.551	0.299	0.976
Debt	5.957	5.181	3.728	14.866
Other	0.081			0.081
<b>2018 Approved Budget</b>	<b>6.164</b>	<b>5.732</b>	<b>4.027</b>	<b>15.923</b>
	2018	2019	2020	Total
	Budget	Budget	Budget	Project
Budget Adjustment				Cost
DC				-
Debt	(0.570)	(0.020)		(0.590)
<b>Total Adjustment</b>	<b>(0.570)</b>	<b>(0.020)</b>	<b>-</b>	<b>(0.590)</b>
	2018	2019	2020	Total
	Budget	Budget	Budget	Project
Revised Budget				Cost
DC	0.126	0.551	0.299	0.976
Debt	5.387	5.161	3.728	14.276
Other	0.081			0.081
<b>2018 Revised Budget</b>	<b>5.594</b>	<b>5.712</b>	<b>4.027</b>	<b>15.333</b>

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

## **DECISION HISTORY**

At its meeting on February 12, 2018, City Council approved the Toronto Public Library Capital Budget through item EX31.2 (105a.i. and 105b) that included \$2.897 million gross for the St. Clair/Silverthorn branch capital project with cash flows over 2018 and 2019. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX31.2>

At its meeting on December 11, 2017, the Board approved the [awarding of the construction contract](#) for the St. Clair/Silverthorn branch project to the lowest bidder and it was noted that the costs were to be funded from the St. Clair/Silverthorn branch project and the MB SOGR Program project.

## **ISSUE BACKGROUND**

Financial control policies for the City and the Library allow for the reallocation of budget between capital projects to offset anticipated over-expenditures in one project with available funding from another project.

The St. Clair/Silverthorn branch project is a demolition and rebuild of an existing branch on the same property. The new branch will increase the public service area by approximately 1,000 square feet and will include a fully accessible elevator to service the second floor.

On October 12, 2017, TPL received tenders from four pre-qualified General Contractors with initial bids above budget. TPL was successful in negotiating with the lowest bidder to reduce the tender value by \$0.660 million but the bid still exceeded the budget by \$0.918 million. To avoid further delays and potentially higher costs associated with re-tendering the project, the Library Board, at its meeting on December 11, 2017, awarded the construction contract to the lowest bidder with costs to be funded from the St. Clair/Silverthorn branch project and the MB SOGR Program project.

## **COMMENTS**

TPL is requesting a budget adjustment to reallocate funding in 2018 and 2019 from the MB SOGR Program to the St. Clair/Silverthorn branch project, so as to align funding with the contract award.

## **CONTACT**

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## SIGNATURE

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Vickery Bowles  
City Librarian