

Budget Committee – 2014 Operating Base Budget Submission

Date:	September 23, 2013
To:	Toronto Public Library Board
From:	Budget Committee

SUMMARY

The purpose of this report is to seek Toronto Public Library Board approval of the Budget Committee's recommendation from its August 1, 2013 meeting regarding the 2014 operating base budget submission.

RECOMMENDATIONS

The Budget Committee recommends that the Toronto Public Library Board:

1. approves the 2014 operating base budget submission of \$167.477 million net (\$184.050 million gross), which represents a \$2.118 million or 1.3% net increase over the 2013 budget.

DECISION HISTORY

The Budget Committee met on August 1, 2013 and adopted the following recommendations to the Toronto Public Library Board regarding the *2014 Operating Base Budget Submission*:

1. *approves the 2014 operating base budget submission of \$167.477 million net (\$184.050 million gross), which represents a \$2.118 million or 1.3% net increase over the 2013 budget;*
2. *requests staff to provide to the September Board meeting a graph that shows for 2000 – 2013: TPL operating budget percentage increases/decreases per year, and similar data for the City's other agencies and divisions, where available and comparable; and*
3. *requests staff to provide an updated projection of development charges reserves until 2020 and report to a future Board meeting after City Council considers the new development charges by-law.*

At the meeting on June 24, 2013, the Board reviewed the *2014 Operating Budget Target* report and adopted the following motion:

That the Toronto Public Library Board:

- requests the City Librarian to request the City Manager to adjust the operating “target” to recognize the additional operating costs associated with the opening of the new Fort York and Scarborough Civic Centre branches, which have total incremental costs of \$1.046 million in 2014 and \$0.763 million in 2015.*

BACKGROUND INFORMATION

Please see attached report from the City Librarian to the August 1, 2013 meeting of the Budget Committee regarding the 2014 operating base budget submission.

History of Operating Budget Increases

The information on historic operating budget increases approved by Council for select agencies and divisions of the City is covered under a separate report to the Board.

COMMENTS

TPL’s 2014 operating base budget request is \$167.477 million net (\$184.050 million gross), which represents a \$2.118 million or 1.3% net increase over the prior year’s budget as detailed in Appendix 1 and summarized below:

2014 OPERATING BASE BUDGET					
	Summary (\$000s)				
	<u>FTEs</u>	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>	<u>%</u>
2013 approved budget	<u>1,713.4</u>	<u>180,793.9</u>	<u>15,434.3</u>	<u>165,359.6</u>	
Base budget pressures	20.0	4,814.1	62.0	4,752.1	2.9%
Less: Expense reductions		(1,777.3)	(49.0)	(1,728.3)	-1.0%
Revenue increases		129.4	1,035.4	(906.0)	-0.6%
Base budget increase (before Pan Am Games)	20.0	3,166.2	1,048.4	2,117.8	1.3%
Pan Am Games program		90.0	90.0	-	0.0%
Base budget increase	20.0	3,256.2	1,138.4	2,117.8	1.3%
2014 operating base budget request	<u>1,733.4</u>	<u>184,050.1</u>	<u>16,572.7</u>	<u>167,477.4</u>	<u>1.3%</u>

One-half of the 2014 net budget increase is due to the operating costs of the two branches currently under construction – Fort York and Scarborough Civic Centre – of \$1.046 million (0.6%) in 2014 (with a further \$0.763 million (0.5%) in 2015), and the \$1.072 million (0.7%) balance of the increase is associated with the impact of approved salary cost of living increases.

The 2014 operating budget target is 0% increase and to achieve this target requires additional savings of \$2.118 million or 1.3%.

At the meeting on June 24, 2013, the Library Board adopted a motion to request the City Manager to adjust the 2014 operating budget target to recognize the additional costs associated with the opening of the two new branches currently under construction; this request has been forwarded to the City Manager for consideration. If the 2014 operating budget target is adjusted to fund the cost of the two new branches, this leaves a balance of \$1.072 million or 0.7% of reductions to achieve target.

2014 OPERATING BASE BUDGET
Budget adjusted for cost of 2 new braches
(\$000s)

	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>	<u>%</u>
2014 operating base budget request	3,256.2	1,138.4	2,117.8	1.3%
Less: 2014 cost of 2 new branches	<u>(1,108.1)</u>	<u>(62.0)</u>	<u>(1,046.1)</u>	<u>-0.6%</u>
2014 operating budget excluding 2 new branches	<u>2,148.1</u>	<u>1,076.4</u>	<u>1,071.7</u>	<u>0.7%</u>

CONTACT

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SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

Appendix 1: *2014 Operating Base Budget Submission* report to the August 1, 2013
Budget Committee meeting