



STAFF REPORT ACTION REQUIRED

2010 Operating Budget – City Manager Recommendation

Date:	February 16, 2010
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to inform the Toronto Public Library Board that the City Manager recommendation for the 2010 operating budget is expected to be available for the February 16, 2010 meeting. At the meeting, staff will report on the City Manager recommendation and provide budget reduction options to meet the recommendation, if required.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. receives the information on the City Manager recommendation for the 2010 operating budget, to be provided at the meeting; and
2. considers budget reduction options to meet the City Manager recommendation, to be provided at the meeting, if required.

FINANCIAL IMPACT

At its meeting of January 18, 2010, the Board approved a reduced net 2010 operating budget request of \$167.087 million which represents an increase of 1.9% over the prior year.

If the City Manager recommendation is below the 1.9% increase, then budget reductions will likely involve a reduction in service hours and/or library materials based on reductions options presented to the Board in previous reports.

ISSUE BACKGROUND

On November 16, 2009, the Board considered the *2010 Operating Budget Submission* report and approved a total budget request of \$170.339 million net (\$183.139 million

gross) which represents an increase of \$6.431 million net or 3.9% over the 2009 approved budget, comprised of a base increase of 3.3% and Sunday service enhancement of 0.6%. (<http://www.torontopubliclibrary.ca/pdfs/board/09nov16/12.pdf>)

At its meeting on December 14, 2009, the Board approved reducing the budget request by \$2.584 million or 1.6%, which brought the 2010 net budget request down to \$167.754 million or 2.3%. The \$2.584 million reduction was comprised of: eliminating the Sunday service enhancement; eliminating the economic adjustment for library materials; reinstating a portion of the draw from development charges to fund materials; revenue increases; cost efficiencies; and an unallocated reduction. It was noted that the City budget target was minus 1.7%, which would require further budget reductions totalling \$6.643 million or 4.0%. The Board reviewed but did not approve, reductions options to achieve the minus 1.7% comprised of reductions to service hours and library materials. (<http://www.torontopubliclibrary.ca/pdfs/board/09dec14/09.pdf>)

At its meeting on January 18, 2009, the Board was presented with an operating budget report, *Reductions to Meet COLA Scenario*, which contained reduction options to reduce the operating budget by \$875,700 in order to achieve a 1.8% net increase, equivalent to the cost of living increase for staff.

Specific service reductions totalling \$615,300 were identified, including \$325,000 for shortening the Sunday season by five Sundays, with a balance of \$260,400 as a further unallocated budget reduction. The unallocated budget reduction totalled \$326,600, if a previously approved \$66,200 unallocated reduction is included.

The Board did approve a net budget request of \$167.087 million or 1.9% increase, which reflects a rejection of the Sunday service reduction and an increase to the unallocated reduction of \$116,600. The higher unallocated budget reduction of \$443,200 would be managed by monitoring spending during the year - in areas such as employee benefits, utilities, snow clearing, and tenant rental revenue – and any budget savings achieved would be used to offset the unallocated reduction. If the necessary savings are not achieved during the year, then a service reduction will be necessary by reducing the library materials budget.

COMMENTS

The City's Budget Committee is scheduled to introduce the 2010 operating budget on February 16, 2010, the same day as the Board meeting. Some time prior to that date, the Library expects to receive the City Manager recommendation for the 2010 Operating Budget.

If the City Manager recommendation is less than the Board-approved 1.9% budget increase, then staff will prepare reduction options to achieve the recommendation, and these will be presented at the Board meeting. The reductions, if required, will involve a reduction in service hours and/or library materials based on reductions options presented to the Board in previous reports.

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SIGNATURE

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