



STAFF REPORT ACTION REQUIRED

9.

2007 Operating Budget – Adoption

Date:	May 14, 2007
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

To adopt the Council-approved Toronto Public Library (TPL) 2007 Operating Budget.

The Council-approved 2007 Operating Budget will allow TPL to maintain existing service levels.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopt the 2007 Operating Budget, as approved by Council on April 23, 2007, consisting of gross expenditures of \$164.348 million, revenues of \$14.636 million and net expenditures of \$149.712 million, which represents a 3.62% increase over 2006; and
2. authorize and direct staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

Council, at its April 20 and 23, 2007 meeting, approved the 2007 Operating Budget, which represents a 3.62% increase over 2006, as follows:

Service	Gross (\$000's)	Revenue (\$000's)	Net (\$000's)
Library Services	158,770.0	14,435.6	144,334.4
Library Administration	5,577.9	200.0	5,377.9
Council Approved Operating Budget	164,347.9	14,635.6	149,712.3

DECISION HISTORY

Section 24(1) of the Public Libraries Act requires the Library Board to submit to City Council annually, on the date and form specified by Council, estimates of all sums required during the year for the purposes of the Board.

The 2007 Operating Budget request of \$165.243 million gross and \$151.058 million net, representing a 4.55% increase over the 2006 budget, was approved by the Board at its meeting of October 16, 2006.

The 2007 operating budget submission underwent a series of reviews and recommendations by City Administration, Budget Committee and Executive Committee before Council review and approval on April 23, 2007.

ISSUE BACKGROUND

Section 24(2) of the Public Libraries Act requires the Board to adopt the annual estimates that have been approved, or amended and approved by City Council.

This report submits the Council-approved 2007 Operating Budget to be adopted by the Board.

COMMENTS

The Board has been provided with regular updates of the budget review process, which resulted in various decisions to reduce the budget request, as summarized on the next page:

Description	Net Budget (\$000's)	% change from 2006
2007 Net Operating Base Budget Request	151,119.1	
2007 New / Enhanced Operating Budget Request	(61.5)	
2007 Operating Budget Submission	151,057.6	4.55%
<u>Nov / 06 Board Approved Reductions</u>		
Maintain cost containment measures implemented in 2006	(335.3)	-0.23%
Implement additional cost saving measures to absorb part of the impact of economic increases	(400.0)	-0.28%
One-time draw from development charge reserves to fund Library Materials	(350.0)	-0.24%
Increase revenue from sale of used / discarded books	(100.0)	-0.07%
Reduce photocopier and fax costs by reducing inventory of equipment and telephone lines	(100.0)	-0.07%
Total Board Approved Nov / 06 Reductions	(1,285.3)	-0.89%
<u>April / 07 Board Approved Reductions</u>		
Monitor spending to take advantage of cost savings opportunities. If cost savings cannot be achieved, reduce the library materials budget	(60.0)	-0.04%
2007 Council Approved Operating Budget	149,712.3	3.62%

At its meeting of November 20, 2006, the Library Board considered the City Manager-recommended 3% net budget increase for the 2007 Operating Budget, which required a reduction of \$2.245 million from the requested budget. The Board approved reductions totalling \$1.285 million, but did not approve additional cuts of \$0.960 million, which could not be achieved without incurring major service reductions affecting Sunday services and the library materials budget.

A Budget Committee recommendation to add \$0.900 million to the City Manager's proposed 2007 Operating Budget, requiring a reduction of \$0.060 million, was presented to the Board at its meeting of April 16, 2007. The Board approved the \$0.060 million reduction, which adjusted the 2007 operating budget request to 3.62% over 2006.

The Executive Committee made no changes to the 2007 Operating Budget recommended by Budget Committee, and it was approved unchanged by Council, at its April 20 and 23, 2007 meeting.

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SIGNATURE

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