

2013 Operating Budget Submission

Date:	October 22, 2012
To:	Toronto Public Library Board
From:	Budget Committee

SUMMARY

The purpose of this report is to present to the Toronto Public Library Board the recommended 2013 operating budget submission as adopted by the Budget Committee at its meeting on October 16, 2012. The 2013 operating budget submission of \$165.167 million net (\$180.620 million gross), which represents a \$0.680 million, 0.4% increase over the 2012 budget, includes:

- a) cost pressures of \$2.729 million gross and net, which represent a 1.7% increase from the 2012 operating budget;
- b) additional revenues, efficiencies and other savings totalling \$2.299 million net, which represent a 1.4% decrease; and
- c) open hours enhancement at seven District branches and Toronto Reference Library totalling 1,794 hours per year for a cost of \$0.250 million including four full time equivalent positions.

The Toronto Public Library Program Overview, which includes performance measures, is also provided. The 2013 performance measures are being revised in this report to show no increase from the 2012 activity levels and this reflects moderating trends currently experienced.

RECOMMENDATIONS

The Budget Committee recommends that the Toronto Public Library Board:

1. approves the 2013 operating budget submission of \$165.167 million net (\$180.620 million gross), which represents a \$0.680 million or 0.4% net increase over the 2012 budget comprised of:
 - a. a base budget of \$164.917 million net (\$180.370 million gross), which represents a \$0.430 million or 0.3% net increase over the 2012 budget; and
 - b. open hours enhancement at seven District branches and Toronto Reference Library totalling 1,794 hours per year for a cost of \$0.250 million including four full-time equivalent positions.

FINANCIAL IMPACT

The 2013 operating budget submission of \$165.167 million net (\$180.620 million gross) represents a \$0.680 million or 0.4% increase which is comprised of:

2013 OPERATING BUDGET INCREASE \$000s

	STAFFING FTE	GROSS	REVENUE	NET BUDGET	
				\$000s	%
2013 Pressures	0.0	2,729.2	0.0	2,729.2	1.7%
Revenues, Efficiencies and Other Reductions	4.5	1,773.5	(526.0)	2,299.5	1.4%
2013 Base Budget Increase	(4.5)	955.7	526.0	429.7	0.3%
Open Hours Enhancement	4.0	250.0		250.0	0.1%
2013 Total Budget Increase	(0.5)	1,205.7	526.0	679.7	0.4%

A further budget reduction of \$0.680 million net or 0.4% is required to meet the target of 0% increase.

DECISION HISTORY

The budget guidelines received from the City specify a 2013 budget increase target of 0%, which means that savings need to be found to offset cost pressures.

At the meeting on September 12, 2012, the Budget Committee deferred the *2013 Operating Budget Submission* and requested additional information. One of the information requests was an outline of how \$0.250 million could be invested in an expansion of open hours and programming. These information reports can be viewed at:

<http://www.torontopubliclibrary.ca/about-the-library/board/meetings/2012-oct-16.jsp>

At the meeting on October 16, 2012, the Budget Committee considered the *2013 Operating Budget Submission*, Appendix 3, which was a budget of \$164.917 million net (\$180.370 million gross) representing a \$0.430 million or 0.3% net increase over the 2012 budget. The Committee adopted the following:

That the 2013 operating budget request be amended by including an additional \$250,000 to implement additional hours at seven District branches (Albert Campbell, Albion, Barbara Frum, Brentwood, Don Mills, Maria A. Shchuka and York Woods) and the Toronto Reference Library totalling 1,794 hours per year as laid out in the October 16, 2012 Budget Committee report "Open Hours and Programming Expansion Options".

The *Open Hours and Programming Expansion Options* report provides options for expanding open hours and programming with an investment of \$0.250 million, and is attached as Appendix 1. The recommended option is to increase open hours by adding Monday morning and/or Friday night hours at seven District Branches and the Toronto Reference Library totalling 1,794 hours per year for a cost of \$0.250 million including

four full-time equivalent positions. This service enhancement brings the total budget request to \$165.167 million net (\$180.620 million gross), which represents a \$0.680 million or 0.4% net increase.

COMMENTS

The recommended 2013 operating budget submission is \$165.167 million net (\$180.620 million gross), which represents a \$0.680 million or 0.4% net increase over the 2012 budget comprised of:

2013 OPERATING BUDGET SUMMARY					
\$000s					
	STAFFING FTE	GROSS	REVENUE	NET BUDGET	
				\$000s	%
2012 Approved Budget	<i>1,717.9</i>	179,414.3	14,927.3	164,487.00	
2013 Pressures					
Staffing costs		1,752.6		1,752.6	<i>1.1%</i>
Economic adjustments and other		976.6		976.6	<i>0.6%</i>
	<i>0.0</i>	<i>2,729.2</i>	<i>0.0</i>	2,729.2	<i>1.7%</i>
Revenues, Efficiencies and Other Reductions					
Incr. development charges for collections			(250.0)	250.0	<i>0.2%</i>
Other revenue increases			(276.0)	276.0	<i>0.2%</i>
Technology efficiencies	<i>4.5</i>	562.5		562.5	<i>0.3%</i>
Additional cost savings		1,211.0		1,211.0	<i>0.7%</i>
	<i>4.5</i>	<i>1,773.5</i>	<i>(526.0)</i>	2,299.5	<i>1.4%</i>
2013 Base Budget Increase	<i>(4.5)</i>	955.7	526.0	429.7	<i>0.3%</i>
2013 Base Budget Request	<i>1,713.4</i>	180,370.0	15,453.3	164,916.7	<i>0.3%</i>
Service Hours Enhancement					
Increase service hours at 7 Districts and TRL by 1,794 hours per year	<i>4.0</i>	250.0		250.0	<i>0.1%</i>
2013 Total Budget Increase	<i>(0.5)</i>	1,205.7	526.0	679.7	<i>0.4%</i>
2013 Total Budget Request	<i>1,717.4</i>	180,620.0	15,453.3	165,166.7	<i>0.4%</i>
2013 Operating Budget Target - 0% increase				-	0.0%
Shortfall from 0% target				679.70	0.4%

As noted above, the budget submission is \$0.680 million or 0.4% above the target of 0% increase from the prior year.

The 2013 performance measures contained in the Program Overview, Appendix 2, are being revised to show no increase from the 2012 activity levels and this reflects moderating trends currently experienced.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
Email: lhughsam@torontopubliclibrary.ca

SIGNATURE



Jane Pyper
City Librarian

ATTACHMENTS

- Appendix 1: *Open Hours and Programming Expansion Options* Report to the
October 16, 2012 Budget Committee Meeting
- Appendix 2: Revised Program Overview (Revised)
- Appendix 3: *2013 Operating Budget Submission* Report to the October 16, 2012
Budget Committee Meeting