

Budget Committee – 2014 Operating Budget Reductions

Date:	November 18, 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 recommendations from its November 6, 2013 meeting regarding the 2014 operating budget reductions.

RECOMMENDATIONS

The Budget Committee recommends that the Toronto Public Library Board:

1. approves expense reductions totalling \$0.150 million or 0.1%, which have no service impact;
2. receives reduction options totalling \$0.922 million gross and net or 0.6%, which would reduce the 2014 operating base budget and meet the City target after it has been adjusted by \$1.046 million or 0.6% to fund the cost of the two new branches; and
3. requests staff to provide for information at the next meeting of the Budget Committee a detailed breakdown of the economic adjustment for collections, including how the amount is arrived at.

DECISION HISTORY

The Budget Committee met on November 6, 2013 and adopted the following recommendations to the Toronto Public Library Board regarding the *2014 Operating Budget Reductions*:

1. *approves expense reductions totalling \$0.150 million or 0.1%, which have no service impact;*
2. *receives reduction options totalling \$0.922 million gross and net or 0.6%, which would reduce the 2014 operating base budget and meet the City target after it has been adjusted by \$1.046 million or 0.6% to fund the cost of the two new branches; and*

3. *requests staff to provide for information at the next meeting of the Budget Committee a detailed breakdown of the economic adjustment for collections, including how the amount is arrived at.*

FINANCIAL IMPACT

After removing the \$0.150 million of expense reductions recommended in this report, this brings the base budget to \$167.327 million net (\$183.900 million gross) which represents a net 1.2% increase. The Board's request for service enhancements totalling \$0.400 million or 0.2% brings the total 2014 operating budget request to \$167.727 million net (\$184.300 million gross), and represents a \$2.368 million or 1.4% increase.

2014 OPERATING BUDGET SUMMARY (\$000s)

	<u>FTEs</u>	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>	<u>%</u>
2013 approved budget	<u>1713.4</u>	<u>180,793.9</u>	<u>15,434.3</u>	<u>165,359.6</u>	
Base budget increase (Sept 23, 2013)	<u>20.0</u>	<u>3,256.2</u>	<u>1,138.4</u>	<u>2,117.8</u>	<u>1.3%</u>
Less: Expense reductions		<u>(150.0)</u>		<u>(150.0)</u>	<u>-0.1%</u>
Base Budget Increase	<u>20.0</u>	<u>3,106.2</u>	<u>1,138.4</u>	<u>1,967.8</u>	<u>1.2%</u>
2014 operating base budget request	<u>1,733.4</u>	<u>183,900.1</u>	<u>16,572.7</u>	<u>167,327.4</u>	<u>1.2%</u>
Enhancements					
Weekday hours	<u>4.0</u>	<u>260.0</u>		<u>260.0</u>	<u>0.1%</u>
After Hours Study Halls		<u>140.0</u>		<u>140.0</u>	<u>0.1%</u>
Total enhancements request	<u>4.0</u>	<u>400.0</u>		<u>400.0</u>	<u>0.2%</u>
Total 2014 budget increase	<u>24.0</u>	<u>3,506.2</u>	<u>1,138.4</u>	<u>2,367.8</u>	<u>1.4%</u>
Total 2014 budget revised request	<u>1,737.4</u>	<u>184,300.1</u>	<u>16,572.7</u>	<u>167,727.4</u>	<u>1.4%</u>

Additional base budget reductions up to \$1.968 million or 1.2% would be required to meet the target of 0% base budget increase. If the Library Board's request that the budget target be increased by \$1.046 million or 0.6% (Revised Target) to fund the cost of the new branches in 2014 is granted, this reduces the budget target shortfall to \$0.922 million or 0.6%.

BACKGROUND INFORMATION

Please see attached report from the City Librarian to the November 6, 2013 meeting of the Budget Committee regarding the 2014 operating base reductions.

CONTACT

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SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

Appendix 1: *2014 Operating Budget Reductions* report to the November 6, 2013 Budget Committee meeting