



10.

To: Toronto Public Library Board – November 15, 2004

From: City Librarian

Subject: **2005 Operating Budget**

Purpose:

To obtain Toronto Public Library Board approval for the 2005 Operating Budget Submission.

Funding Implications and Impact Statement:

S24(2) of the Public Libraries Act states:

“The amount of the board’s estimates that is approved or amended and approved by the council shall be adopted by the board and shall be paid to the board out of the money appropriated for it.”

Recommendation:

It is recommended that the Toronto Public Library Board:

- (1) adopt the 2005 Operating Budget Submission (Attachment 1), which has been provided to the City for discussion and consideration; and
- (2) receive the Operating Business Case Summary: 2005 Service Level Reductions (Attachment 2) for information only.

Background:

S24(1) of the Public Libraries Act states:

“A public library boardshall submit to the appointing council, annually on or before the date and in the form specified by the council, estimates of all sums required during the year for the purposes of the board.”

Attachment 1 is the Library Board’s 2005 Operating Budget Submission.

Comments:

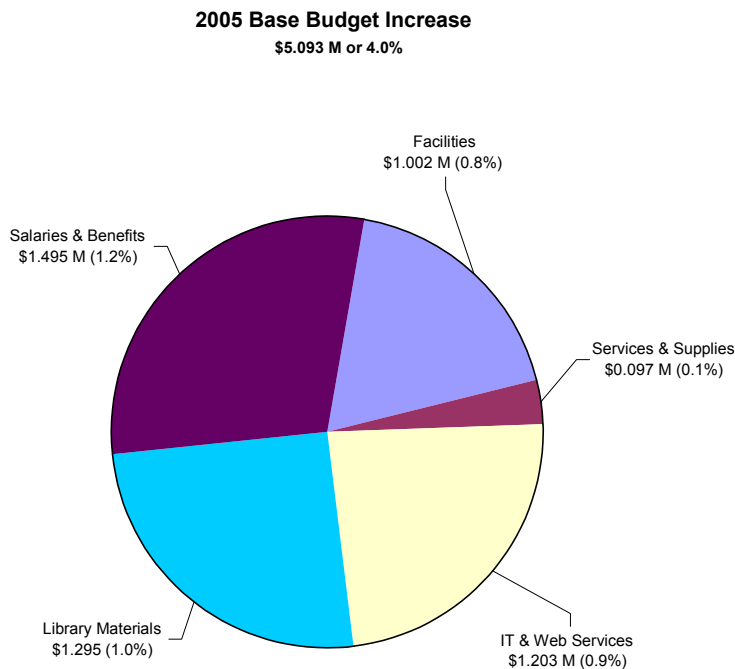
The following is a summary of the 2005 Operating Budget request:

<u>Description</u>	<u>\$ millions</u>	<u>% Increase</u>
2004 Base Budget	128.730	
Prior Year Impacts & Economic Factors	4.297	3.4%
2005 Adjusted Base	133.027	
Operating Pressures	0.796	0.6%
2005 Requested Base Budget	133.823	4.0%
New/Enhanced Service Changes	0.328	0.2%
2005 Total Budget	134.151	4.2%

The 2005 Requested Base Budget totals \$133.823 million, an increase of \$5.093 million or 4.0 percent over the 2004 Approved Budget. The increase is comprised of Prior Year Impacts & Economic Factors of \$4.297 million or 3.4 percent and Operating Pressures of \$0.796 million or 0.6 percent. In addition to the 2005 Requested Base Budget are the New/Enhanced Service Changes of \$0.328 million or 0.2 percent. This brings the total 2005 Operating Budget request to \$134.151 million or 4.2 percent. A detailed breakdown of the 2005 Operating Budget request is provided in Appendix 1 of Attachment 1.

BASE BUDGET INCREASE REQUEST

The following pie chart highlights the significant areas of the budget base increase request.



Staffing costs of \$1.495 million or 1.2 percent consist mainly of \$0.674 million in fringe benefit rate changes and \$0.800 million in sick leave liability costs, which was one-time funded from a City Reserve.

The \$1.295 million or 1.0 percent in library collections consist mainly of the \$0.601 million for 2004 library collections, which was funded by a one-time withdrawal from the Library's Development Charge Reserve, and 2005 inflationary increases of \$0.629 million.

Information Technology & Web Services of \$1.203 million or 0.9 percent consist mainly of \$1.0 million for the replacement and upgrade of non-Y2K hardware and software, and related inflationary costs.

Services & Supplies costs of \$0.097 million or 0.1 percent is mainly due to inflationary increases for general maintenance costs.

Facilities costs of \$1.002 million or 0.8 percent is mainly due to the utility impact in 2005 for the opening of St. Jamestown and Malvern, and inflationary increases for utilities and general maintenance costs.

NEW/ENHANCED SERVICE REQUEST

Over and above the 2005 Requested Base Budget, there are three New/Enhanced Service requests.

1. To implement the Library's employment equity program, additional funding of \$0.149 million is required for two FTEs (\$0.139 million) and materials for outreach and training (\$0.01 million).
2. To strengthen services to at-risk neighbourhoods, one of the nine Council priorities and a focus of the Library's strategic plan, the Library is proposing increased services at a cost of \$0.484 million (\$0.178 million in 2005 and \$0.306 million in 2006 annualized) for 8.3 FTEs by extending hours in three district branches located in the Mayor's Community Safety Initiative neighbourhoods (Albion, Malvern and York Woods) and creation of a Teen Services Specialist position to increase the level of activity in library services and programs for teens across the city with a focus on at-risk neighbourhoods; this is consistent with the Mayor's Strategy to Promote a Safer Toronto for Youth.
3. An additional Budget Analyst to directly support the Capital Program. The cost of the position is fully funded from the Capital Program.

2005 SERVICE LEVEL REDUCTIONS

As part of the budget process, all City Agencies, Boards, Commissions and Departments are required to provide service level reductions to bring the 2005 Total Budget back to the 2004 approved Budget level. Attachment 2 – Service Level Reductions – outlines the reduction scenarios for the Board's information.

A full presentation of the 2005 Operating Budget will be made at the Board meeting to provide Board members with an expanded explanation of the proposed budget.

Conclusion:

The Toronto Public Library's 2005 Operating Budget Submission was prepared in accordance with the instructions issued by the City to all Agencies, Boards, Commissions and Departments.

Contact:

Larry Hughsam, Director, Finance and Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
E-mail: lhughsam@tpl.toronto.on.ca
Debbie Chiang, Manager, Budget & Financial Reporting; Tel: 416-393-7003;
Fax: 416-393-7115; E-mail: dchiang@tpl.toronto.on.ca

Josephine Bryant
City Librarian

List of Attachments:

Attachments 1 and 2 are unavailable electronically. Paper copies will be available at the meeting or can be arranged for by contacting Nancy Marshall at nmarshall@tpl.toronto.on.ca