



To: Toronto Public Library Board - April 8, 2002

From: City Librarian

Subject: **2002 Operating Budget**

Purpose:

To adopt the Toronto Public Library 2002 Operating Budget as approved by City of Toronto Council.

Funding Implications and Impact Statement:

The 2002 Operating Budget, as approved by City of Toronto Council at its meeting on March 4-8, 2002, reflects gross funding of \$127.499 million and revenues of \$13.063 million, resulting in a net funding of \$114.436 million.

Recommendation:

It is recommended that the Toronto Public Library Board adopt the 2002 Operating Budget as approved by City of Toronto Council, which reflects gross expenditures of \$127.499 million and revenues of \$13.063 million, resulting in a net budget of \$114.436 million.

Background:

At its meeting on October 29, 2001, the Board considered and approved the Library's 2002 Operating Budget as submitted to the City, which showed a gross budget of \$130.414 million and a net budget of \$117.138 million. The 2002 net budget submission represented an overall increase of 6.2 percent over 2001.

The 2002 operating budget submission underwent a review and approval process which began in November 2001, and update reports have been provided to the Board. The outcome of the review process is summarized below (refer to Attachment 1 – 2002 Operating Budget Approval):

- City staff [Executive Management Team (EMT)] recommended \$3.292 million of reductions to the 2002 operating budget request comprised of a \$2.800 million reduction to the base budget and a \$0.492 million reduction to the enhancement programs.
- At its meeting on January 22, 2002, the Board was presented with the EMT recommended 2002 budget. The Board recommended not accepting \$0.700 million of unspecified reductions to the base budget, and requested that enhancement programs totalling \$0.492 million be added back to the budget.

- At the Budget Advisory Committee (BAC) meeting on February 4-8, 2002, the EMT recommended budget was unchanged.
- At the Policy and Finance meeting on February 21, 2002, \$0.500 million was added back to the operating budget to reduce gapping.
- At its meeting on March 4-8, 2002, City Council recommended that \$0.090 million be added back to the operating budget to expand the Leading to Reading Program.

City Council approved a 2002 gross budget of \$127.499 million and a net budget of \$114.436 million, representing an increase over the 2001 net budget of \$4.171 million or 3.8 percent. The \$0.700 million of unspecified reductions has been applied against gapping.

As instructed by the City, the 2002 approved budget does not include any allowances for negotiated increases in salaries or benefits, or costs associated with harmonization of wage rates or job classifications.

Attachment 2 provides a summary and comparison of the 2002 approved operating budget and 2001 operating budget.

As a result of discussions and review during the budget process, the following has been requested:

- 1) *that the City Librarian review options for cost containment through continuous improvement initiatives, and report back to the Library Board before the end of 2002.*

Library staff will report back to the Board at a future date.

Contact:

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City Librarian

List of Attachments:

Attachment 1: Toronto Public Library – 2002 Operating Budget Approval
Attachment 2: 2002 Operating Budget vs. 2001 Operating Budget