

2009 Operating Budget and Service Plan Submission

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| Date: | October 20, 2008 |
| To: | Toronto Public Library Board |
| From: | City Librarian |

SUMMARY

The purpose of this report is to obtain Toronto Public Library Board approval for the 2009 Operating Budget and Service Plan Submission.

A presentation on the operating budget will be made at the Board meeting.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. Adopts the 2009 Operating Budget Submission (Attachment 1), which has been provided to the City for discussion and consideration;
2. Adopts the 2009 Service Plan (Attachment 2), which has been provided to the City for discussion and consideration; and
3. Authorizes and directs the appropriate staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The 2009 requested total operating budget of \$166.802 million net (\$180.007 million gross) represents an increase of \$11.011 million net or 7.1% over the 2008 approved budget. The increase is comprised of a base budget increase of \$8.211 million net (5.3%) to maintain current services and a request for a service enhancement of \$2.8 million net (1.8%) to expand Sunday Service. A summary of the 2009 operating budget request is provided in Appendix 1 of Attachment 1.

The Director, Finance and Treasurer has reviewed this Financial Impact Statement and is in agreement with it.

ISSUE BACKGROUND

Section 24(1) of the Public Libraries Act requires the Library Board to submit annually to City Council estimates of all amounts required during the year for the purposes of the Board. This report covers the operating budget submission.

COMMENTS

2009 Operating Base Budget

The 2009 base budget request of \$164.002 million net (\$177.207 million gross) represents an increase of \$8.211 million net (5.3%) over 2008 due to the following:

- salaries and benefits account for \$5.305 million (3.4%) which represents 2/3 of the total base budget increase;
- City funding for library materials increase by \$1.396 million (0.9%); and
- services, utilities and maintenance increase of \$1.510 million (1.0%).

As instructed by the City, the 2009 budget request does not include any provision for wage settlements expected from collective bargaining in 2009.

The budget submission also has no provision for additional costs which may arise from options under consideration by the Board for the supply of cleaning services.

The 2009 operating budget pressures and issues are fully described in the transmittal letter on Attachment 1.

2009 Operating Budget Enhancement - Plan for Expanding Open Hours

The Board has endorsed a plan for expanding open hours which would see service hours increase by 25% overall. As noted in the following chart, funding for the plan involves both the operating budget as well as the capital budget and the implementation is to be phased-in over three years.

| Year | Capital Investment \$ | Operating Investment \$ | Service Increase | Service Results |
|-------------|--------------------------------------|--|--|------------------------|
| 2009 | 2.2M | 2.8M | SUNDAYS ∅ 24 new Sunday branches ∅ 19 branches add Sundays in Summer | |
| | | | ∅ 51 branches (51%) offer half-day Sunday service ∅ Year-round Sunday service at 19 largest branches | |
| 2010 | 2.2M | 6.3M | LATE NIGHTS ∅ 19 branches add late night service ∅ 19 largest branches offer late night service until midnight, 5 nights per week | |
| | | | SUNDAYS ∅ Increase Sunday hours in 51 branches ∅ 51 branches add 1 to 3.5 hours each Sunday | |
| 2011 | 2.2M | 4.4M | WEEKDAYS ∅ Increase weekday hours in 65 branches by a total of 15% ∅ Add another day of service in 28 branches ∅ 87 branches (90%) are open 6 days Mon - Sat | |
| | 6.6M | 13.5M | | |

The operating funding being requested in 2009 to implement the plan is \$2.8 million, a 1.8% budget increase, which would allow Sunday service to be expanded from the current 27 branches to 51 branches, with year-round Sunday service in 19 of the largest branches. The funding related to the capital budget is addressed under a separate report.

This is the first major service enhancement funding being requested by TPL since amalgamation.

2009 Operating Budget Target

In a letter dated October 1, 2008 to the City Manager and Chair of the Budget Committee, the Mayor asked that the operating budget target for 2009 be set at a 0% increase, which would mean reducing the 2009 budget request by \$11.011 million. Further, because the budget request does not include the cost for any COLA settlement in 2009, an additional 2% or \$3.116 million budget saving is requested, which brings the total budget reduction to \$11.327 million. A report on budget reduction options will be taken to the November 24, 2008 Board meeting.

2009 Service Plan

At its February 25, 2008 meeting, the Library Board discussed the required process and timelines for the Service Plan for Agencies, Boards and Commissions. Given the Library's strategic planning timeframe it was decided that the Library would submit its 2009 service plan at the same level of detail as was provided for 2008. The Board's decision was communicated to the City Manager.

The 2009 service plan, included as Attachment 2, is reflective of the Library's 2008 – 2011 Strategic Plan Themes and Goals approved by the Board at its June 2008 meeting, and supplements the operating budget submission.

Timetable

The timetable for the review and approval of the 2009 Operating Budget is included as Attachment 3.

CONTACT

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SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS

- Attachment 1: 2009 Operating Budget Submission, including:
Appendix 1 - 2009 Operating Budget Submission Summary
Appendix 2 – 2009 Program Profile and Performance Measures
- Attachment 2: 2009 Service Plan
- Attachment 3: 2009 Budget Process Timetable