



10.

To: Toronto Public Library Board – October 20, 2003

From: City Librarian

Subject: **2004 Operating Budget**

Purpose:

To obtain Toronto Public Library Board approval for the submission of the 2004 Operating Budget to the City.

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 and forward the 2004 Operating Budget Submission (Attachment 1) to the City for discussion and consideration;
- (2) receive the Operating Business Case Summary: Reduction Options (Attachment 2) for information only, and forward to the City; and
- (3) adopt and forward the Organization Charts as of December 31, 2003 and December 31, 2004 (Attachment 3) to the City.

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.”

At its meeting of September 15, 2003, the Library Board reviewed three financial options for the 2004 Operating Budget Submission and directed Library staff to submit the 2004 Operating Budget at \$131.967 million, which represents a \$10.200 million or 8.4% increase.

Attachment 1 is the Library Board's 2004 Operating Budget Submission.

Comments:

The following is a summary of the 2004 Operating Budget:

<u>Description</u>	<u>\$ millions</u>	<u>%</u>
2003 Base Budget	121.767	
Prior Year Impacts & Economic Factors	7.791	6.4%
2004 Adjusted Base	129.558	
Operating Pressures	2.409	2.0%
2004 Requested Base Budget	131.967	8.4%
New/Enhanced Service Changes	-	-
2004 Total Budget	131.967	8.4%

The 2004 Requested Base Budget (the cost of maintaining existing services and service levels) total \$131.967 million, an increase of \$10.200 million or 8.4% over the 2003 Base Budget. No request is being made for New/Enhanced Service Changes, and as a result the total 2004 Operating Budget Submission of \$131.967 million relates to maintaining existing services and meeting increasing demand.

The 2004 Requested Base Budget includes two parts: Prior Year Impacts & Economic Factors and Operating Pressures. Prior Year Impacts & Economic Factors amount to \$7.791 million or 6.4% and the Operating Pressures amount to \$2.409 million or 2.0%. Included in the Prior Year Impacts & Economic Factors are inflationary factors, and statutory and legal obligations for salary and benefits of \$7.248 million or 6.0%. Operating Pressures consist mainly of: a gapping request of \$0.900 million or 0.7% to reduce the 3.6% gapping target, one of the highest in the City, to 2.6%; a sick leave liability cost of \$0.800 million or 0.7%, which prior to amalgamation was funded by the City but is no longer being funded; and \$0.500 million or 0.4% for the replacement and upgrade of IT hardware and software. A detailed breakdown of the increases is provided in Appendix 1 of Attachment 1.

As part of the budget process, all City Agencies, Boards, Commissions and Departments are required to provide reduction scenarios (Reduction Options) to bring the 2004 Total Budget back to the 2003 approved funding level. Attachment 2 – Reduction Options – outlines the reduction scenarios for the Board's information.

Attachment 3 is the required organization charts as of December 31, 2003 and December 31, 2004.

A full presentation of the 2004 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 2004 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

City Librarian

List of Attachments:

Attachments are unavailable electronically. If you require copies, please contact Nancy Marshall at nmarshall@tpl.toronto.on.ca