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To: Toronto Public Library Board – March 7, 2005

From: City Librarian

Subject: **2005 Operating Budget**

Purpose:

To request the Toronto Public Library Board to adopt the 2005 operating budget as approved by City Council.

Funding Implications and Impact Statement:

The 2005 operating budget, as approved by City Council on February 28, 2005, reflects gross expenditures of \$152.013 million and revenues of \$14.431 million, resulting in a net budget of \$137.582 million.

Additional gapping has been approved as part of the City's "Non-Program" budget. The Library's share of additional gapping (½ percent increase to the target) could be up to \$0.543 million, which would bring the approved net budget to \$137.039 million.

Recommendation:

It is recommended that the Toronto Public Library Board adopt the *2005 Operating Budget* as approved by City Council on February 28, 2005, which reflects gross expenditures of \$152.013 million and revenues of \$14.431 million, resulting in a net budget of \$137.582 million comprised of:

	<u>Gross</u> (\$000's)	<u>Net</u> (\$000's)
<u>Service:</u>		
Library Administration	5,020.9	4,820.9
Library Services	<u>146,992.5</u>	<u>132,761.5</u>
Total	<u>152,013.4</u>	<u>137,582.4</u>

Background:

S24(1) of the *Public Libraries Act* states:

“A public library board.... shall 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.”

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.”

This report adopts the Council-approved operating budget.

Comments:

At its meeting of November 15, 2004, the Library Board approved the 2005 operating budget submission which at \$134.151 million net represents a 4.2 percent increase over 2004 (see Attachment 1). The 2005 operating budget submission underwent a series of reviews and approvals, and the resulting recommended budgets are summarized in Attachment 1.

Budget Advisory Committee (BAC)

At its meeting on February 14, 2005, the Board was presented with the BAC recommended 2005 operating budget of \$137.582 million net, which included:

- alternative funding and transfers (which do not impact overall funding) of \$2.401 million;
- a \$0.050 million reduction to the economic adjustment funding;
- a \$0.328 million reduction of enhanced service requests; and
- a \$6.210 million increase to fund the wage harmonization arbitrated award.

The report also identified additional gapping of ½ percent or \$0.543 million, currently reflected in the City's “Non-Program” budget, which according to City finance staff, will be allocated to the Library after the budget is approved. This would bring the net budget to \$137.039 million.

Policy and Finance Committee (P&F)

At its meeting on February 15, 2005, P&F recommended the BAC-recommended budget of \$137.582 million net. A motion was also made for staff to report to Council on the addition of service enhancements, which was not recommended by BAC, to the Library Board's 2005 operating budget. Attachment 2 is a joint report from the Chief Financial Officer & Treasurer and the City Librarian on the additional requests for service enhancements for three at-risk Library Neighbourhoods.

City Council

At its meeting on February 28, 2005, City Council approved the P&F-recommended budget of \$152.013 million gross and \$137.582 million net, a 6.9 percent increase, for the following services:

<u>Service:</u>	<u>Gross</u> <u>(\$000's)</u>	<u>Net</u> <u>(\$000's)</u>
Library Administration	5,020.9	4,820.9
Library Services	<u>146,992.5</u>	<u>132,761.5</u>
Total	<u>152,013.4</u>	<u>137,582.4</u>

The request for service enhancements was not approved.

Additional gapping approved in the City's "Non-Program" budget, of which the Library's portion could be up to \$0.543 million (or ½ percent increase to the target), will be allocated to the Library through a technical adjustment after the budget is approved. This would reduce the Council-approved budget to \$151.470 million gross and \$137.039 million net, a 6.5 percent increase.

As instructed by the City, the 2005 approved budget does not include any provision for negotiated increase in salaries.

Two motions were approved by Council which do not impact the 2005 budget; these motions will be tabled at the Board Meeting.

Conclusion:

The total net budget increase of \$8.852 million or 6.9 percent (\$8.309 million or 6.5 percent with the increased gapping) over the 2004 operating budget will enable the Library to address the collection needs relating to population growth and increased use, and the implementation of the harmonized wage rate and job classification award.

Contact:

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List of Attachments:

- Attachment 1: Toronto Public Library – 2005 Operating Budget Approval
- Attachment 2: Staff Report – Service Enhancement for At-risk Neighbourhoods 2005 TPL Operating Budget