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To: Toronto Public Library Board – November 25, 2002

From: City Librarian

Subject: **2003 Operating Budget – CAO/CFO Recommended Reductions**

Purpose:

To inform the Toronto Public Library Board of the impact of the CAO/CFO recommended reduction to the 2003 Operating Budget, and present options (to be tabled) to the Library Board for achieving these reductions.

Funding Implications and Impact Statement:

Any reductions to the 2003 Operating Budget will result in reduced City funding available for Toronto Public Library operations.

Recommendation:

It is recommended that the Toronto Public Library Board:

- (1) receive the *2003 Operating Budget – CAO/CFO Recommended Reductions* report on the CAO/CFO recommended reductions to the 2003 Operating Budget and options (to be tabled) for achieving these reductions; and
- (2) provide direction to staff.

Background:

At its meeting of October 28, 2002, the Board approved the submission for the Toronto Public Library's (TPL) 2003 operating budget. After submission and as part of the budget review process, a review of the 2003 operating budget submission was made by the CAO and CFO on November 6, 2002. This review resulted in revisions and recommended reductions to the original budget submission.

Comments:

As a result of the CAO/CFO review, certain revisions were made to the submission resulting in an increase of \$0.302 million to the 2003 total budget, and TPL was also requested to reduce its requested base budget by \$2.284 million.

Budget Revisions

The following summarizes the original submission and the revisions made to it as a result of the CAO/CFO review.

	%	Original Submission	CAO/CFO		
			Revisions (\$000's)	Revised Budget	%
2002 Approved Budget		116,824.3	-	116,824.3	
Economic Adjustment & Prior Year Impacts	4.5%	5,254.2	1,160.9	6,415.1	5.5%
2003 Adjusted Base	4.5%	122,078.5	1,160.9	123,239.4	5.5%
Other Base Changes	1.6%	1,881.8	(1,340.1)	541.7	0.5%
2003 Requested Base Budget	6.1%	123,960.3	(179.2)	123,781.1	6.0%
New/Enhanced Service Changes	1.4%	1,668.9	481.2	2,150.1	1.8%
2003 Total Budget Request	7.5%	125,629.2	302.0	125,931.2	7.8%

- The request of \$0.131 million for Employment Equity and \$0.350 million for Library Collections – Loss of Purchasing Power for a total of \$0.481 million was reallocated from Other Base Changes to New/Enhanced Service Changes.
- The 2003 Requested Base Budget was increased by \$0.090 million for Jane Sheppard (retained to fund the cost of the Jane-Sheppard capital project), \$0.200 million for multi-branch painting (to partially compensate for the removal of the multi-branch painting budget from the capital program), \$0.030 million for Solid Waste Management Fees (to compensate for the shortfall in funding for waste management) and a reduction of \$0.018 million for the Operating Impact of the capital project relating to Electronic Information Services (as a result of reduced scope of this capital project).
- The Staff Benefit Costs – 2002 & 2003 request of \$1.161 million was reallocated from Other Base Changes to an Economic Adjustment request.

The net impact of all the above on the 2003 Total Budget was an increase of \$0.302 million, comprised of a net decrease to the 2003 Requested Base Budget of \$0.179 million and a net increase to the New/Enhanced Service Request of \$0.481 million. Further details are shown on Attachment 1.

CAO/CFO Budget Reductions

In addition to the above, the CAO/CFO have recommended that \$2.284 million of reductions be made to the revised 2003 Requested Base Budget to achieve a four percent increase over the 2002 approved budget, down from our request of six percent. This would reduce the revised 2003 Requested Base Budget from \$123.781 million to \$121.497 million.

The following summarizes the reductions to the 2003 Requested Base Budget and Enhancements, as a result of the CAO/CFO recommendations.

	CAO/CFO				
	%	Revised Budget	Reductions (\$000's)	Recommended Budget	%
2002 Approved Budget		116,824.3	-	116,824.3	
Economic Adjustment & Prior Year Impacts	5.5%	6,415.1	-	6,415.1	5.5%
2003 Adjusted Base	5.5%	123,239.4	-	123,239.4	5.5%
Other Base Changes	0.5%	541.7	-	541.7	0.5%
Reduction	0.0%	-	(2,284.0)	(2,284.0)	-2.0%
2003 Requested Base Budget	6.0%	123,781.1	(2,284.0)	121,497.1	4.0%
New/Enhanced Service Changes	1.8%	2,150.1	(2,150.1)	-	0.0%
2003 Total Budget Request	7.8%	125,931.2	(4,434.1)	121,497.1	4.0%

Options on ways to achieve the \$2.284 million reduction to the 2003 Requested Base Budget will be presented at the Board meeting for discussion.

At this time, none of the New/Enhanced Services are being recommended. Further details are on Attachment 1.

Conclusion:

At the Board meeting, options will be presented which could achieve the CAO/CFO recommended reductions to the 2003 Operating Budget.

Contact:

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City Librarian

List of Attachments:

Attachment 1: 2003 Operating Budget Summary – CAO/CFO Recommended Reductions