



STAFF REPORT ACTION REQUIRED

12.

2007 Operating Budget – Budget Committee Recommendations

Date:	April 16, 2007
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

To provide an update on the status of the 2007 Operating Budget and to request approval of the measures to be implemented to achieve the Budget Committee recommended budget reduction. The Budget Committee recommendation of April 4, 2007, restores the funding required to maintain existing service levels for Sundays and library material, but it still requires TPL to manage an unallocated reduction of \$0.060 million.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. Receive the *2007 Operating Budget – Budget Committee Recommendations* report;
2. Approve staff recommendations for reducing the 2007 operating budget by \$0.060 million by:
 - a. monitoring all spending during the year to take advantage of any cost-savings opportunities as they arise;
 - b. if the required cost-savings cannot be achieved, then reduce the library materials budget; and
3. Authorize and direct staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The Budget Committee, at its April 4, 2007 meeting, recommended the 2007 Net Operating Budget of \$149.712 million, which represents a 3.62% increase over the prior year with an unallocated reduction of \$0.060 million. The recommended budget will allow TPL to maintain services in 2007.

DECISION HISTORY

The City Manager recommended a 3% budget increase for the 2007 Operating Budget, which required a reduction of \$2.245 million from the TPL 2007 Net Operating Budget request of \$151.057 million (4.55% increase). The Library Board approved reductions totalling \$1.285 million, but did not approve additional cuts of \$0.960 million, which could not be achieved without incurring major service reductions affecting Sunday services and the library material budget.

COMMENTS

At its meeting of April 4, 2007, the Budget Committee approved a recommendation to add \$0.9 million to the proposed 2007 Operating Budget, limiting the unallocated reduction to \$0.060 million, and requested TPL to report back to Budget Committee for its meeting on April 12, 2007 on measures to achieve the required savings.

In response to the Budget Committee request to report back on measures to achieve the \$0.060 savings for its meeting of April 12, 2007, TPL submitted a briefing note (Attachment 1) proposing the following strategy to meet the required target, subject to Library Board approval:

- monitoring all spending during the year to take advantage of any cost saving opportunities as they arise; and
- if the required level of cost savings cannot be achieved, then reduce the library materials budget.

Budget Committee is expected to issue final operating budget recommendations to the Executive Committee on April 12, 2007. Executive Committee will meet on April 16, 2007 to recommend the operating budget for Council approval at its meeting of April 20 to 23.

CONTACT

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SIGNATURE

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City Librarian

ATTACHMENTS

Attachment 1: 2007 Budget Briefing Note – Operating Budget Unallocated Adjustment
Recommended by Budget Committee