



To: Toronto Public Library Board – October 29, 2001

From: City Librarian

Subject: **2002 Operating Budget**

Purpose:

To obtain Toronto Public Library Board approval for the submission of the 2002 Operating Budget.

Funding Implications and Impact Statement:

Not applicable.

Recommendations:

It is recommended that the Toronto Public Library Board:

1. Adopt and forward the 2002 Requested Base Budget submission to the City for discussion and consideration. The 2002 Requested Base Budget of \$116.646 million represents a 3.9 percent increase over the adjusted base budget; and
2. Approve and forward the request for the 2002 New/Enhanced Service Change Budget, to the City for discussion and consideration. These new enhanced services were requested by Council last year and total \$0.492 million which represents a 0.4 percent increase to the budget; and
3. Receive the Adjustment to the 2001 Budget Level and forward it to the City.

Background:

The following is a summary of the 2002 Operating Budget:

	<u>\$000s</u>	<u>%</u>
2001 Base Budget	110,265.4	
Prior Approval + Economic Adjustment	2,063.3	1.9%
2002 Adjusted Base	<u>112,328.7</u>	
Operating Pressures	4,317.3	3.9%
2002 Requested Base Budget	<u>116,646.0</u>	5.8%
Enhancements	492.0	0.4%
2002 Total Budget Request	<u>117,138.0</u>	6.2%

This year, the 2002 operating budget is submitted to the City in two parts. The first submission, Attachment 1, is the 2002 Requested Base Budget (the cost of maintaining existing services and service levels) totaling \$116.646 million. The second submission is the New/Enhanced Service Change Budget totaling \$0.492 million, for a total 2002 budget of \$117.138 million. The submissions were prepared in accordance with instructions issued by the City to all Departments and Agencies, Boards and Commissions.

The 2002 Requested Base Budget comprises an increase of 1.9 percent or \$2.063 million for prior year approvals and economic factors such as inflation and increased utility costs, and an increase of 3.9 percent or \$4.317 million for operating pressures resulting mainly from increased activity, as detailed below.

### Operating Pressures

	<u>\$000s</u>	<u>%</u>
<b>Increased Activity</b>		
Gapping reduction	2,083.0	1.9%
Cost of deliveries	299.3	0.3%
Library materials	700.0	0.6%
	<u><b>3,082.3</b></u>	<u><b>2.8%</b></u>
Consulting	190.0	0.2%
HR mgmt of employee liabilities	148.8	0.1%
Mgmt of employee databases & systems	86.2	0.1%
VRL Hardware lease cost	207.3	0.2%
Real Estate Charges from City	50.0	0.0%
Merit / progression pay	552.7	0.5%
	<u><b>1,235.0</b></u>	<u><b>1.1%</b></u>
Total Operating Pressures	<u><b>4,317.3</b></u>	<u><b>3.9%</b></u>

The operating pressures fall into 2 basic categories:

1. 2.8 percent or a \$3.082 million increase which relates to increased Library activity and includes gapping, library materials and deliveries.
2. 1.1 percent or a \$1.235 million increase which is more administrative in nature and the largest single component is for contractual obligations for merit and progression pay.

### Enhancements

	<u>\$000s</u>	<u>%</u>
Leading to Reading	150.0	0.1%
Teen Zone	342.0	0.3%
	<u><b>492.0</b></u>	<u><b>0.4%</b></u>

The New/Enhanced Service Change Budget represents an increase of 0.4% or \$0.492 million. This consists of two programs that were presented but deferred during last year's budget process, and the Library was specifically requested by Council to bring them forward for consideration this year. They are initiatives of the Children and Youth Action Committee and are priority areas within the Strategic Plan.

Comments:

The City of Toronto's 2002 Budget Process Timetable is shown on Attachment 3.

A full presentation of the 2002 operating budget will be made at the Board meeting to provide Board members with an expanded explanation of the proposed 2002 Operating Budget.

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City Librarian

List of Attachments:

Copies of the attachments are unavailable electronically. If you require copies, please contact Nancy Marshall at 416-393-7215 or [nmarshall@tpl.toronto.on.ca](mailto:nmarshall@tpl.toronto.on.ca)