



13.

To: Toronto Public Library Board – March 24, 2003

From: City Librarian

Subject: **2003 Operating Budget**

Purpose:

To adopt the Toronto Public Library (TPL) 2003 Operating Budget as approved by City of Toronto Council.

Funding Implications and Impact Statement:

The 2003 Operating Budget, as approved by City Council at its meeting on February 24-March 3, 2003, reflects gross expenditure of \$134.833 million and revenues of \$13.066 million, resulting in a net budget of \$121.767 million (See Attachment 2).

Recommendation:

It is recommended that the Toronto Public Library Board:

- (1) adopt the 2003 Operating Budget as approved by City Council at its meeting on February 24-March 3, 2003, which reflects gross expenditure of \$134.833 million and revenues of \$13.066 million, resulting in a net budget of \$121.767 million;
- (2) review options for allocating the \$0.502 million unallocated reductions included as part of the approved 2003 operating budget;
- (3) review options for partial reinstatement of Library hours on summer Friday evenings;
- (4) approve the expansion of Leading to Reading to extend the summer program to Downsview and Annette branches and the school year program to Downsview and Morningside branches.

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:

Operating Budget Approval (See Attachment 1)

At its meeting of October 28, 2002, the Board approved the Library's 2003 Operating Budget submission, which showed a requested gross budget of \$138.515 million and a net budget of \$125.629 million. The 2003 Operating Budget submission underwent a series of reviews and approvals. The outcome of the review process is summarized below:

CAO/CFO Recommendations. At its meeting on November 6, 2002, the City's Chief Administration Officer (CAO) and Chief Financial Officer (CFO) recommended an increase of \$0.272 million to the 2003 total budget comprised of a net decrease to the 2003 Requested Base Budget of \$0.209 million and a net increase to the New/Enhanced Service Request of \$0.481 million.

EMT Recommendations. To achieve a four percent increase over the 2002 approved budget, the Executive Management Team (EMT) recommended \$4.434 million of reductions to the revised 2003 Operating Budget request comprised of a \$2.284 million reduction to the revised Base Budget Request and a \$2.150 million reduction to the New/Enhanced Service Request.

Board Approval – November 25, 2002. At its meeting on November 25, 2002, the Board was presented with the EMT recommended 2003 budget, and options were considered to achieve the \$2.284 million EMT recommended reduction. The Board adopted \$1.297 million of reductions that have minor service impacts but did not recommend the \$0.987 million reductions that have a major impact on service, affecting library materials or hours of service.

BAC Recommendations – January 24, 2003. At the Budget Advisory Committee (BAC) meeting on January 24, 2003, a proposal to achieve the \$0.987 million EMT recommended reductions was presented to BAC. BAC recommended that the \$0.189 million proposed reductions to the hydro budget be moved to unallocated reductions, resulting in total unallocated reductions of \$0.502 million. Options on how to deal with this \$0.502 million unallocated reductions are presented below under “Options for Allocating \$0.502 Million”.

BAC Recommendations – February 13, 2003. At the BAC meeting on February 10-14, 2003, \$0.200 million (one-time funding) was added back to the new/enhanced budget for ALA/CLA conference. At the Policy and Finance meeting on February 21, 2003, no change was made to the BAC recommended budget.

City Council Approval – February 28, 2003. At its meeting on February 24-March 3, 2003, City Council recommended that \$0.050 million be added back to the base budget for partial re-instatement of library hours on Friday evenings during the summer months and \$0.050 million be added back to the new/enhanced budget to expand the Leading to Reading Program. This resulted in the Library's 2003 gross budget of \$134.833 million and a net budget of \$121.767 million (See Attachment 2).

Highlights of the approved 2003 Operating Budget, which is an \$4.943 million or 4.2% increase over the 2002 net budget, include:

- \$3.710 million increase in staffing costs including Collective Agreement Settlement
- \$1.331 million increase in Library Materials, of which \$0.800 million is from development charge funding. The balance of \$0.531 million may be impacted by the options under recommendation 2, Options for Allocating \$0.502 Million.
- \$0.200 million increase for Multi-branch Painting program (to partially compensate for the transferred of the multi-branch painting budget from the capital program) which is being phased in over three years
- \$0.152 million increase for Electronic Services
- \$0.200 million one time funding for ALA/CLA conference
- \$0.090 million one time funding to update TPL's Strategic Plan for the period 2004-2006
- \$0.050 million for the expansion of the Leading to Reading Program (see recommendation 4)

Options for Allocating \$0.502 Million

Four options for allocating the \$0.502 million of unallocated reductions are presented in Attachment 3.

Re-instatement of Summer Friday Evening Library Hours

Recommended options of proposed branches for partial re-instatement of library hours on Friday evenings are presented in Attachment 4.

Leading to Reading Locations

Presently, the Summer Leading to Reading Program operates from 17 branches and the School Year Leading to Reading Program operates from 23 locations. The proposal is to use the \$0.050 million additional funding received to extend the summer program to Downsview and Annette branches and the school year program to Downsview and Morningside branches.

Issues

One outstanding issue is TPL's high gapping target, which remains at the 2002 level of 3.5%. This gapping level could be impacted by the options under recommendation 2, Options for Allocating \$0.502 Million.

As instructed by the City, the 2003 approved budget does not include any costs associated with harmonization of wage rates or job classifications.

The approved budget does require a reduction in summer Friday evening services of approximately 87.5 hours weekly to 111.5 hours weekly. This service level reduction will be impacted by the options under recommendation 3, Re-instatement of Summer Friday Evening Library Hours.

Conclusion:

The total net budget increase of \$4.943 million or 4.2% over the 2002 operating budget will enable TPL to address the collection needs relating to population growth and increased use, upgrade existing information systems, and assist the Library in achieving its goals, objectives and budget priorities.

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City Librarian

List of Attachments:

- Attachment 1 – Toronto Public Library – 2003 Operating Budget Approval
- Attachment 1a – Toronto Public Library – 2003 Operating Budget Reductions
- Attachment 2 – Toronto Public Library – 2003 Operating Budget Approval Gross & Net by Service Level
- Attachment 3 – Toronto Public Library – 2003 Operating Budget Options for Allocating \$0.502 Million
- Attachment 4 – Toronto Public Library – 2003 Operating Budget Options for Re-instatement of Library Hours on Summer Friday Evenings