

To: Toronto Public Library Board – January 29, 2007

From: City Librarian

Subject: **2007 Capital and Operating Budgets – Timetable and Process Update**

Purpose:

To Provide the Toronto Public Library Board with an updated timetable and process for the review of the Library's 2007 capital and operating budgets.

Funding Implications and Impact Statement:

There are no financial implications associated with this report.

Recommendations:

It is recommended that the Toronto Public Library Board receive the *2007 Capital and Operating Budgets – Timetable and Process Update* report for information.

Background:

A report outlining the 2007 capital and operating budget process, along with a timetable for the preparation, submission and review process until the end of 2006 was presented to the Board at its meeting of September 18, 2006. This report provides information regarding changes in the process resulting from City governance and policy changes, along with timetables for the review and approval process during 2007.

Comments:

A summary of the 2007 timetable for the review and approval of the 2007 capital and operating budgets, including dates for Library Board meetings and briefings, is outlined in Attachment 1.

After the administrative reviews conducted in 2006, informal reviews with Budget Committee councillors will continue in 2007, followed by the political review which consists of the Budget Committee review, the Executive Committee review and Council approval, as outlined in the City Manager / Deputy City Manager and Chief Financial Officer report entitled *2007 Budget Schedule and Process* and provided as Attachment 2.

As detailed in Attachment 2, the 2007 budget review and approval process will be affected by City governance and policy changes, including the following:

- The Administrative review process covers a longer period of time and it includes informal reviews with Budget Committee representatives and requires that the City Manager recommend a balanced budget to Budget Committee. The Budget Committee members assigned to review the Library's budget are Councillor Paul Ainslie and Councillor Adrian Heaps.
- The political phase of the budget review is more compressed, with fewer meetings.
- The Policy and Finance Committee no longer exists.
- The Budget Committee has a broader mandate that includes the fiscal responsibilities of the former Policy and Finance Committee, the requirement to hear public presentations and to recommend balanced budgets to Executive Committee.
- A newly formed Executive Committee's review of the budget will focus on major fiscal and policy issues and will confirm the budget as a strategic financial plan that will implement Council policies and priorities.
- Beginning with the 2008 budget process, there will be early public consultations to help determine service priorities.

Requests for information are made to the Library during the various phases of the budget review process. These requests have included priority-setting and budget reduction scenarios that require Board direction. Due to the difficulty in organizing unscheduled Board meetings and getting quorum, meetings with the Budget Working Group of the Board will be required for consultation.

2007 Capital Budget

The draft 2007 – 2011 Capital Budget and Plan was presented to the Board at its September 18, 2006 meeting. As the submitted budget is on target, no changes were made to the requested funding during the administrative review.

The political review of the Library's capital submission is scheduled to begin on February 8, 2007. The Budget Committee review scheduled between February 9 and 16, 2007, includes hearings from councillors, stakeholders and the general public. Recommendations from the Budget Committee will be reviewed by Executive Committee on February 27 and forwarded to Council for approval on March 7, 2007.

2007 Operating Budget

The draft 2007 operating budget submitted to the City in September of 2006, was presented to the Board at its October 16, 2006 meeting. During the administrative review phase of the process, the City Manager recommended that the requested 2007 operating budget increase of \$6.580 million or 4.55 percent over the 2006 approved budget be reduced by \$2.245 million to limit the increase to 3 percent over 2006. At its meeting of November 20, 2006, the Board endorsed reductions that total \$1.285 million, resulting in a 3.66 percent increase over 2006, which is \$0.960 million or 0.66 percent over the City Manager's recommended target.

The informal review meetings with Budget Committee representatives will be conducted during February before the start of the political review of the operating budget, scheduled for March 19, 2007. The Budget Committee review scheduled between March 20 and April 3, 2007, includes hearings from councillors, stakeholders and the general public. Recommendations from the Budget Committee will be reviewed by Executive Committee on April 11 and forwarded to Council for approval on April 19, 2007.

Conclusion:

Updates on the status of the budget review will be provided to the Board at upcoming meetings.

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List of Attachments:

- Attachment 1: Toronto Public Library – 2007 Budget Process Timetable Update
- Attachment 2: 2007 Budget Schedule and Process – Report to the January 5, 2007 meeting of Budget Committee