



**STAFF REPORT  
INFORMATION ONLY**

**15.**

**2008 Operating Budget Update**

<b>Date:</b>	November 12, 2007
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

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The purpose of this report is to provide the Toronto Public Library Board with an update on the status of the 2008 Operating Budget. This report also describes various approaches to reducing the operating budget request should it become necessary. All reductions negatively impact library service.

Once a firm operating budget target has been received from the City Manager, a report will be presented to the Board on ways to achieve the recommended target with a description of the impacts.

**FINANCIAL IMPACT**

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There are no financial implications arising from this report.

**ISSUE BACKGROUND**

At its meeting on October 15, 2007, the Library Board approved a 2008 Operating Budget request submission of \$156.4 million net which represents an increase of \$6.7 million net or 4.5 percent over the 2007 approved budget

**COMMENTS**

**Budget Context**

Since amalgamation, Toronto Public Library (TPL) has reduced its workforce by 10 percent or 200 positions, and this has been essentially maintained despite a significant growth in activity. TPL has managed this activity growth without any additional staff by introducing efficiencies which include electronic and virtual services, streamlining operations and implementing best practices. According to the Ontario Municipal Benchmark Initiative (OMBI), TPL has the second lowest cost per use among its comparators in Ontario, despite having a significant research and reference collection

which does not circulate. Service delivery comprises 95 percent of the Library budget (74 percent for salaries, 11 percent for library materials and 10 percent to run the 99 branches and 3 service buildings); therefore any significant budget reduction will impact on open hours (staffing costs) and collections.

### **Budget Meetings**

The 2008 Operating Budget request was reviewed with the City Manager on October 19 and October 31, and with Councillor Ainslie and Councillor Heaps, the Budget Committee members assigned to review TPL's budget, on November 1. While a firm target is not expected until late November, in past years TPL has presented a reduction scenario of 3 percent which has been used as a guideline for developing options to meet any required reduction target. A number of scenarios and options to reduce the 2008 Operating Budget request were prepared by TPL staff and reviewed with the Board Budget Working Group.

### **Reduction Scenarios**

TPL staff carried out detailed costing and analysis of service reductions at the individual branch level in order to produce the various reduction options. Attachment 1 shows three possible scenarios for reducing the 2008 operating budget by \$2.245 million to achieve a 3 percent increase, all with significant service reductions impacting library materials and service hours. The listed reduction scenarios and options have been developed using a number of filters which considered:

- results of public consultations;
- priority neighbourhoods;
- types of services offered in each library;
- busyness of libraries;
- geographic distribution of libraries; and
- distributing reductions so a single area or service is not overly affected.

### ***Library Materials Reduction***

TPL has worked diligently at rebuilding its library materials budget after significant cuts in the 1990's. Today, the library materials budget of \$17.3 million has recovered back to the level it was in 1993, after adjusting for inflation. However, additional pressures are placed on the budget as new formats and multiple languages need to be accommodated. TPL's circulation of over 30 million, the highest in North America, is directly linked to the availability of current materials which meet the needs of Torontonians. Note that while the reduction scenarios include cost savings from reduced service hours, because of the late budget approval in March and the need for notice, only 50 percent of such savings could be achieved in 2008. The remaining 50 percent of savings from service hours would need to come from a further reduction in library materials in 2008. The three reduction scenarios in Attachment 1 show a total 2008 reduction in library materials of approximately \$1.4 million.

### ***Monday to Saturday Service Hours Reductions***

Attachment 1 shows eight cost-cutting options (1 through 8) to reduce Monday to Saturday service hours ranging from \$0.1 million to \$2.5 million. Attachment 2 groups branches by size, by busyness and by priority classification, and shows the revised weekly hours of operations under the eight options. As noted above, because of the late approval for the budget, only 50 percent of the savings can be achieved in 2008, with a full year savings to be achieved in 2009. The balance of the 2008 savings would come from further reductions of the library materials spending.

### ***Sunday Service Reductions***

Attachment 1 also shows three cost-cutting options (A through C) to reduce Sunday service ranging from \$0.1 million to \$0.5 million. Once again, the library materials spending would need to be reduced to achieve the total savings in 2008.

## **CONCLUSION**

No firm 2008 operating budget target has been received from the City Manager as yet, but it is expected later in November. Once a firm target is received, it will be reported to the Board, expected at the December meeting. The operating budget will be publicly launched by the City on January 28, 2008.

## **CONTACT**

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## **SIGNATURE**

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City Librarian

## **ATTACHMENTS**

Attachment 1: 2008 Reduction Options to Meet 2% Target  
Attachment 2: 2008 Options to Reduce Mon-Sat Library Hours