

Operating Budget Monitoring Report – September 30, 2008

Date:	November 24, 2008
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with a summary of gross and net expenditures of the Library for the nine months ending September 30, 2008 and projected results for the end of the year.

After nine months of operations in 2008, Toronto Public Library (TPL) reports a favourable net expenditure variance of \$180,302 consisting of an unfavourable expenditure variance of \$336,831 and a favourable revenue variance of \$517,133.

A projected year-end unfavourable operating variance of \$1,712,283 reflects the 2008 cost of the Job Evaluation and Pay Equity Plan settlement of \$1,947,655, offset by savings of \$235,372.

FINANCIAL IMPACT

Net expenditures for the nine-month period ending September 30, 2008 were under-spent by \$180,302 which represents 0.2 percent of the budget.

In response to the Board’s request to the City to fund the cost of the Job Evaluation and Pay Equity Plan settlement, Council approved a report from the Deputy City Manager and Chief Financial Officer with funding as follows:

1. The \$6,384,930 cost for retro payments up to December 31, 2007 be funded from the City’s Employee Retiree Benefits Reserve Fund with a one-time increase to TPL’s budget; and
2. For the 2008 cost of \$1,947,655, TPL be allowed to overspend its approved budget, but every effort be made to mitigate this cost.

A projected year-end unfavourable operating variance of \$1,712,283 is expected resulting from the \$1,947,655 cost of the Job Evaluation and Pay Equity Plan settlement, partially offset by savings of \$235,372.

The Director, Finance and Treasurer has reviewed this Financial Impact Statement and is in agreement with it.

COMMENTS

As of September 30, 2008, TPL has a favourable net expenditure variance of \$180,302 consisting of an unfavourable expenditure variance of \$336,831 and a favourable revenue variance of \$517,133.

Year-to-date over-expenditures of \$336,831 in salaries, materials, supplies and services reflect expenditures which are funded from external grants and donations, partially offset by savings in utilities of \$192,000 due to mild summer weather.

Revenues from room rental, leasing income and significant contributions from external grants and donations for designated library programs are reflected in the year-to-date favourable revenue variance of \$517,133.

At the October 2008 Council meeting, approval was granted for a one-time increase of \$6,384,930 to TPL's budget, funded from the City's Employee Retiree Benefits Reserve Fund, to pay for the retroactive costs associated with the Job Evaluation and Pay Equity Plan settlement. For the 2008 settlement cost of \$1,947,655 million, TPL will be allowed to overspend its approved budget, but every effort will be made to mitigate this cost.

A projected year-end unfavourable operating variance of \$1,712,283 reflects the 2008 cost of the Job Evaluation and Pay Equity Plan settlement of \$1,947,655, offset by a savings of \$235,372 mainly due to utility savings resulting from mild summer weather.

CONTACT

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;
E-mail: lhughsam@torontopubliclibrary.ca

SIGNATURE

Jane Pyper
City Librarian

ATTACHMENTS:

Attachment 1: Operating Budget Monitoring Report for the Period Ending September 30, 2008