



STAFF REPORT INFORMATION ONLY

16.

2013 Operating Budget Update

Date:	November 29, 2012
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to present to the Toronto Public Library Board the City Manager recommended 2013 operating budget.

The City Manager recommended budget is \$165.160 million net (\$180.594 million gross), which represents a \$0.381 million or 0.2% net increase over the 2012 budget and is comprised of:

- a) cost pressures of \$2.681 million gross and net, which represent a 1.6% increase from the 2012 operating budget; and
- b) additional revenues, efficiencies and other savings totalling \$2.300 million net, which represent a 1.4% decrease.

The City Manager recommended budget, which is \$0.549 million lower than the budget submission request, does not include any economic adjustment for collections or any funding for open hours enhancement.

FINANCIAL IMPACT

The City Manager recommended budget is \$165.160 million net (\$180.594 million gross), which represents a \$0.381 million or 0.2% net increase over the 2012 budget and is comprised of:

- a) cost pressures of \$2.681 million gross and net, which represent a 1.6% increase from the 2012 operating budget; and
- b) additional revenues, efficiencies and other savings totalling \$2.300 million net, which represent a 1.4% decrease.

The City Manager recommended budget, which is \$0.549 million lower than the budget submission request, does not include any economic adjustment for collections or any funding for open hours enhancement.

The net budget submission approved by the Board on October 22, 2012 is compared to the City Manager recommended budget below:

2013 OPERATING BUDGET SUMMARY

	Budget (Oct. 22, 2012)		City Manager Recommended		
	Net Budget		Incr (Decr)	Net Budget	
	%	\$000s	\$000s	\$000s	%
Approved 2012 Budget		164,778.2		164,778.2	
2013 Pressures	1.8%	2,980.0	(299.1)	2,680.9	1.6%
Less: Revenues, Effic. & Other Reductions	1.4%	2,299.5	0.0	2,299.5	1.4%
2013 Base Budget Increase	0.4%	680.5	(299.1)	381.4	0.2%
2013 Base Budget	0.4%	165,458.7	(299.1)	165,159.6	0.2%
Open Hours Enhancement	0.1%	250.0	(250.0)	-	0.0%
2013 Total Budget Increase	0.6%	930.5	(549.1)	381.4	0.2%
2013 Total Budget	0.6%	165,708.7	(549.1)	165,159.6	0.2%

DECISION HISTORY

At the meeting on October 22, 2012, the Library Board approved a 2013 operating budget submission which represents a \$0.931 million or 0.6% increase and is comprised of:

2013 OPERATING BUDGET INCREASE BOARD (Oct. 22, 2012)

	STAFFING FTE	GROSS \$000s	REVENUE \$000s	NET BUDGET	
				\$000s	%
2012 Approved Budget *	1,717.9	179,705.5	14,927.3	164,778.20	
2013 Pressures	0.0	2,980.0	0.0	2,980.0	1.8%
Revenues, Efficiencies and Other Reductions	4.5	1,773.5	(526.0)	2,299.5	1.4%
2013 Base Budget Increase	(4.5)	1,206.5	526.0	680.5	0.4%
Open Hours Enhancement	4.0	250.0		250.0	0.1%
2013 Total Budget Increase	(0.5)	1,456.5	526.0	930.5	0.6%
2013 Total Budget	1,717.4	181,162.0	15,453.3	165,708.7	0.6%

* 2012 budget reflects in-year Council approvals for insurance and non-union market rate adjustment

The budget submission included a request for open hours enhancement at seven District branches and Toronto Reference Library totalling 1,794 hours per year for a cost of \$0.250 million, including four full-time equivalent positions. This service enhancement adds Monday morning and/or Friday night hours at seven District branches and the Toronto Reference Library. This would standardize hours at all District and Research and Reference (R&R) branches at 69 hours/week, including Sundays. Also included in the budget submission is the market rate adjustment for non-union employees amounting to \$0.251 million approved by the Board.

COMMENTS

The City Manager recommended 2013 budget is \$165.160 million net (\$180.594 million gross), which represents a \$0.381 million or 0.2% increase over the 2012 budget. When compared to the budget submission approved by the Board on October 22, 2012, the \$0.549 million of reductions being recommended by the City Manager is comprised of:

- the 2013 economic adjustment for collections of \$0.299 million is not being recommended; and
- the requested funding for open hours enhancement of \$0.250 million is not being recommended.

The net budget submission approved by the Board on October 22, 2012 is compared to the City Manager recommended budget below:

2013 NET OPERATING BUDGET

	Board (Oct. 22, 2012)		City Manager Recommended		
	Net Budget		Incr (Decr)	Net Budget	
	%	\$000s		\$000s	%
Approved 2012 Budget*		164,778.2		164,778.2	
2013 Pressures					
Staffing costs	1.2%	2,003.4		2,003.4	1.2%
Collections economic adjustment	0.2%	299.1	(299.1)	-	0.0%
Economic adjustments and other	0.4%	677.5		677.5	0.4%
	1.8%	2,980.0	(299.1)	2,680.9	1.6%
Less: Revenues, Effic. & Other Reductions					
Incr. development charges for collections	0.2%	250.0		250.0	0.2%
Other revenue increases	0.2%	276.0		276.0	0.2%
Technology efficiencies	0.3%	562.5		562.5	0.3%
Additional cost savings	0.7%	1,211.0		1,211.0	0.7%
	1.4%	2,299.5	0.0	2,299.5	1.4%
2013 Base Budget Increase	0.4%	680.5	(299.1)	381.4	0.2%
2013 Base Budget	0.4%	165,458.7	(299.1)	165,159.6	0.2%
Open Hours Enhancement					
Increase service hours at 7 Districts and TRL by 1,794 hours per year	0.1%	250.0	(250.0)	-	0.0%
2013 Total Budget Increase	0.6%	930.5	(549.1)	381.4	0.2%
2013 Total Budget	0.6%	165,708.7	(549.1)	165,159.6	0.2%

* 2012 budget reflects in-year Council approvals for insurance and non-union market rate adjustment

The City Manager recommended 2013 budget was introduced by the Budget Committee on November 29, 2012. The Budget Committee will meet throughout December with a final meeting on January 8, 2013. The Executive Committee will meet on January 10, 2013 to review the budget recommendations from the Budget Committee. And Council will meet on January 15 to 17, 2013 to approve the 2013 budget.

CONTACT

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SIGNATURE

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