



**STAFF REPORT
ACTION REQUIRED**

9.

2014 Operating Budget Adoption

Date:	February 10, 2014
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is for the Toronto Public Library Board to adopt the Council-approved 2014 operating budget of \$184.170 million gross funded with \$167.587 million of City funding and \$16.583 million of other revenue. The net budget represents an increase of \$2.228 million or 1.4% over the 2013 budget and the addition of 24 staff positions. The 2014 budget increase includes \$1.108 million gross and net funding for the first year cost of operation of two new branches, Fort York and Scarborough Civic Centre, and \$0.260 million gross and net to increase open hours by a total of 1,794 hours per year at seven District libraries and the Toronto Reference Library, standardizing hours for all Research and Reference and District branches at 69 hours/week, including Sundays.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

- adopts the 2014 operating budget of \$184.170 million gross and \$167.587 million net, comprised of the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Library Services	177,730.3	161,287.1
Library Administration	<u>6,439.8</u>	<u>6,300.3</u>
	<u>184,170.1</u>	<u>167,587.4</u>

- adopts the Council recommendation that the Toronto Public Library Board undertakes a study of priorities and objectives in terms of capital and operating costs for the Toronto Public Library resulting in reinvestment opportunities for the Toronto Public Library for the next 10 years (2014 - 2024) with the exact parameters of the study to be confirmed by the Toronto Public Library Board in consultation with major stakeholders including the Toronto Public Library Workers Union and non-union management.

FINANCIAL IMPACT

The Toronto Public Library 2014 operating budget of \$184.170 million is funded by \$167,587 million City funding and \$16.583 million of other revenue, mainly comprised of provincial grants, fines and fees, development charges and room rental. The 2014 net budget represents an increase of \$2.228 million or 1.4% over the 2013 budget, and the addition of 24 staff positions.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

At the September 23, 2013 meeting, the Board approved a 2014 operating base budget submission of \$167.477 million net (\$184.050 million gross), which represents a \$2.118 million or 1.3% net increase over the prior year's budget. Also at this meeting, the Board approved 2014 service enhancements totalling \$0.400 million, which brought the total 2014 operating budget request to \$167.877 million net (\$184.450 million gross), and represented a \$2.518 million or 1.5% increase.

At the November 18, 2013 meeting, the Board approved further expense reductions totalling \$0.150 million net and gross, bringing the total 2014 operating budget request to \$167.727 million net (\$184.300 million gross), and representing a \$2.368 million or 1.4% increase.

At the November 25, 2013 City of Toronto's Budget Committee meeting, the City Manager presented a recommended budget of \$167.327 million net (\$183.910 million gross), representing a \$1.968 million or 1.2% increase, which included a \$0.010 million gross and revenue adjustment for the Pan Am Games and excluded the Board-requested service enhancements totalling \$0.400 million gross and net.

At the December 20, 2013 meeting, the City's Budget Committee recommended budget funding of \$167.587 million net (\$184.170 million gross), representing a \$2.228 million or 1.4% increase, which included funding of \$0.260 million gross and net to increase open hours by a total of 1,794 hours per year at seven District libraries and the Toronto Reference Library, standardizing hours for all Research and Reference and District branches at 69 hours/week, including Sundays. The Board-requested funding of \$0.140 million gross and net for after hours study halls was not recommended.

COMMENTS

At the January 22, 2014 Executive Committee meeting, the Budget Committee recommendations were considered and recommended without amendment. In addition, as part of the recommended 2014 operating budget for Social Development, Finance and

Administration, funding was provided for the Youth Equity Strategy, which includes \$50,000 (including 0.5 staff positions) for the Library.

Council considered and approved without amendment the Executive Committee-recommended 2014 operating budget for the Library at its January 29 to 30, 2014 special meeting. Funding of \$50,000 for the Library participation on the Youth Equity Strategy was also approved as part of the 2014 operating budget for Social Development, Finance and Administration, which will need to be transferred to the Library in 2014.

In addition, Council adopted the following recommendations:

1. *“that Toronto Public Library finalize its service levels in time for the 2015 Budget process;”*

The Library submitted a draft Program Map, which was included in the 2014 operating base budget submission, approved by the Board at its meeting of September 23, 2013. The Program Map presents the budget in a service view instead of an organizational view. The Library is expected to submit a fully developed Program Map as part of the 2015 operating budget submission.

2. *“request the Toronto Public Library Board to undertake a study of priorities and objectives in terms of capital and operating costs for the Toronto Public Library resulting in reinvestment opportunities for the Toronto Public Library for the next 10 years (2014-2024) with the exact parameters of the study to be confirmed by the Toronto Public Library Board in consultation with major stakeholders including the Toronto Public Library Workers Union and non-union management.”*

A summary of the 2014 Council-approved operating budget is shown in the following table:

2014 OPERATING BUDGET
Council Recommended
Summary (\$000s)

	<u>FTEs</u>	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>	<u>%</u>
2013 approved budget	<u>1713.4</u>	<u>180,793.9</u>	<u>15,434.3</u>	<u>165,359.6</u>	
2014 Base budget pressures	20.0	4,814.1	62.0	4,752.1	2.9%
Less: Expense reductions		(1,927.3)	(49.0)	(1,878.3)	-1.1%
Revenue increases		129.4	1,035.4	(906.0)	-0.6%
Base budget increase (before Pan Am Games)	20.0	3,016.2	1,048.4	1,967.8	1.2%
Pan Am Games program		100.0	100.0	-	0.0%
Base budget increase	20.0	3,116.2	1,148.4	1,967.8	1.2%
2014 operating base budget	1,733.4	183,910.1	16,582.7	167,327.4	1.2%
Enhancements					
Weekday hours	4.0	260.0		260.0	0.2%
Total enhancements	4.0	260.0		260.0	0.2%
Total Budget Increase	24.0	3,376.2	1,148.4	2,227.8	1.4%
Total 2014 Budget	1,737.4	184,170.1	16,582.7	167,587.4	1.4%

Section 24(2) of the Public Libraries Act requires the Library Board to adopt the annual estimates that have been approved by Council.

CONTACT

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SIGNATURE

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