



## STAFF REPORT ACTION REQUIRED

### Toronto Public Library – Revised 2012 Operating Budget Request

<b>Date:</b>	January 9, 2012
<b>To:</b>	Budget Committee
<b>From:</b>	City Librarian

#### **SUMMARY**

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The purpose of this report is to provide the Budget Committee with the revised 2012 operating budget request for the Toronto Public Library Board.

#### **RECOMMENDATIONS**

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**The City Librarian recommends that City Council:**

1. approves the Toronto Public Library revised 2012 operating budget request of \$179.358 million gross or \$164.482 million net, which achieves 5.9% of the Library's 10% reduction target, subject to Council approval of additional capital funding of \$2.69 million in 2012 for four automated sorters.

#### **FINANCIAL IMPACT**

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The Toronto Public Library's revised 2012 operating budget is \$179.358 million gross or \$164.482 million net, which includes budget reductions totalling \$10.070 million or a 5.9% reduction to the 2011 operating budget. The revised 2012 operating budget includes a total reduction of 107 positions in 2012.

At the meeting on December 12, 2011, the Library Board approved additional 2012 budget reductions totalling \$353,000 comprised of revenues of \$150,000, a cost reduction of \$45,000, and savings of \$158,000 that would result from the installation of four additional automated sorters. The sorters would generate additional savings of \$0.312 million in 2013. A separate request has been put forward to Budget Committee requesting Council approval for the capital investment of \$2.69 million for the sorters in 2012.

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

## **BACKGROUND**

At the meeting on October 17, 2011, the Board approved a 2012 operating budget funding request of \$164.835 million net (\$179.565 million gross), which achieves \$9.717 million or 5.7% of the Library's 10% budget reduction target of \$17.044 million. The \$9.717 million of efficiencies and revenue increases included a reduction of 100 positions resulting from: a detailed budget review; revisions to the operating impact of capital projects; service consolidations; use of technology and automation; business process re-engineering using Lean Six Sigma principles; a reduction in management and support staff; and an increase in fines and fees and other revenues.

To meet the full 10% reduction target or \$17.044 million, staff presented options to reduce open hours by 7%, representing a savings of \$5.437 million, and to reduce the collections budget by 11% or \$1.890 million for a total additional budget reduction of \$7.327 million or 4.3%, but these were not approved by the Board.

## **COMMENTS**

At the meeting on December 12, 2011, the Library Board approved additional 2012 budget reductions totalling \$353,000 comprised of revenues of \$150,000, a cost reduction of \$45,000, and savings of \$158,000 that would result from the installation of four additional automated sorters. The sorters would generate additional savings of \$0.312 million in 2013. A separate request has been put forward requesting Council approval for the capital investment of \$2.69 million required for the sorters in 2012, which would result in the elimination of 7 positions. Other budget reduction options comprised of reductions to programs and services, and collections reductions were considered but not approved by the Board.

The approved budget reductions result in a revised 2012 operating budget request of \$179.358 million gross or \$164.482 million net, which includes budget reductions totalling \$10.070 million or a 5.9% reduction to the 2011 operating budget and the elimination of 107 positions, summarized as follows:

## Operating Budget Reductions

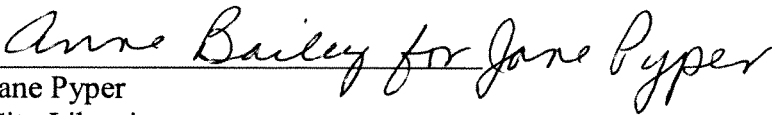
	2012
	(\$000s)
Detailed Budget Review / Operating Impact of Capital Projects	865.7
Revenue Increases including fines and fees, and an additional \$0.75 million draw from development charges to fund collections	1,505.0
Service Consolidations	1,704.9
Technology Driven Efficiencies	2,082.8
Business Process Re-engineering Using Lean Six Sigma	3,147.8
Management and Support Staff Reductions	764.1
	10,070.2
Total Reductions - %	5.9%
Total Full Time Equivalent Positions Eliminated	107

In order to achieve the full 10% budget reduction in 2012, additional savings of \$6.974 million could be achieved by reductions to open hours and collections, but the Library Board has not approved these service adjustments.

### CONTACT

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### SIGNATURE

  
Jane Pyper  
City Librarian

