



STAFF REPORT ACTION REQUIRED

Toronto Public Library – Revised 2012 Operating Budget Request

Date:	January 9, 2012
To:	Budget Committee
From:	City Librarian

SUMMARY

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

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

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

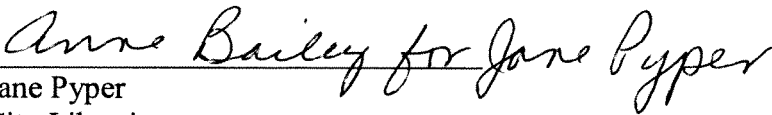
	2012
	(\$000s)
Detailed Budget Review / Operating Impact of Capital Projects	865.7
Revenue Increases including fines and fees, and an additional \$0.75 million draw from development charges to fund collections	1,505.0
Service Consolidations	1,704.9
Technology Driven Efficiencies	2,082.8
Business Process 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.

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SIGNATURE


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