

2012 Operating Budget – Budget Suggestions

Date:	November 1, 2011
To:	Budget Committee
From:	City Librarian

SUMMARY

The purpose of this report is to provide an update on suggestions received from Toronto Public Library Board members to increase revenues or reduce costs, and to advise on their feasibility.

At the meeting on October 17, 2011, the Board reviewed the *2012 Operating Budget Submission* and approved efficiencies and additional revenues of \$9.717 million net, which represent a 5.7% decrease from the 2011 budget. The balance of \$7.327 million from service reductions to open hours and collections, which represents 4.3% of the 10% reduction target, was referred to the Budget Committee, which is to report back to the November Board meeting on potential alternatives to the proposed service reductions.

Some of the suggestions in this report may result in increased revenues or lower costs, but the impact in 2012 is not expected to be significant. There is, however, a potential for greater impact in subsequent years.

RECOMMENDATIONS

The City Librarian recommends that the Budget Committee:

1. recommends to the Toronto Public Library Board that it approves the recommended actions as shown in Appendix 1.

FINANCIAL IMPACT

Some of the suggestions in this report may result in increased revenues or lower costs, but the impact in 2012 is not expected to be significant. There is, however, a potential for greater impact in subsequent years.

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

DECISION HISTORY

At its meeting on October 17, 2011, the Board reviewed the *2012 Operating Budget Submission* and approved efficiencies and additional revenues of \$9.717 million net, which represent a 5.7% decrease from the 2011 budget. With regards to recommendation 2 concerning a further budget decrease of \$7.327 million from service reductions to open hours and collections, which represents 4.3% of the 10% reduction target, the Board adopted the following:

...recommendation 2 be referred to the Budget Committee, to report back to the next regular Board meeting on alternatives to the proposed service reductions, including the feasibility of various cost-saving and revenue-generating ideas from Board members that shall be forwarded to the City Librarian prior to the Budget Committee meeting.

This report summarizes the suggestions which have been received from Board members and provides some background, assessment and potential budget impact. In addition, an opportunity to increase fees for room and theatre rentals is described in the report.

COMMENTS

The Board-approved \$9.717 million of efficiencies and revenue increases which included a reduction of 100 full-time equivalent positions (FTEs). These resulted from: a detailed budget review; revisions to the operating impact of capital projects; service consolidations; use of technology and automation; business process re-engineering; a reduction in management and support staff; and an increase to fines and fees. Taken together, these represent significant increases to fines and fees, substantial changes to business processes and changes to the capital program. For the balance of 2011 and into 2012, staff will need to dedicate significant resources toward making the necessary changes to implement the efficiencies and revenue increases in order to achieve the identified savings. Any suggestion for increased revenue or cost saving needs to be evaluated within the context of the requirement for additional resources to evaluate and implement them, and the potential budget savings for 2012 or future years.

The budget suggestions received are summarized and assessed in Appendix 1, including recommended actions.

CONCLUSION

Many of the budget suggestions will require additional work to assess their feasibility and possible operational, legal and budget impacts. Also, some of the suggestions would involve new policies or amendments to existing policies, and in some cases, a fundamental change to the Library's current service mandate.

Given the considerable resources already committed to implementing the Board-approved \$9.717 million of efficiencies and revenue increases, and the expected lead time required to assess and implement many of the suggestions, it is unlikely that significant

revenues or cost reductions will result in 2012 from the suggestions. There is, however, a potential for greater impact in subsequent years.

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SIGNATURE

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ATTACHMENTS

Appendix 1: Budget Suggestions Summary