

Operating Budget Monitoring Report – September 30, 2015

Date:	November 23, 2015
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library Board with a summary of the gross and net operating expenditures of Toronto Public Library (TPL) for the nine months ending on September 30, 2015.

For the first nine months of operations in 2015, TPL spending is essentially on budget, reporting a small favourable net expenditure variance of \$0.014 million comprised of a favourable revenue variance of \$1.156 million, offset by an unfavourable expenditure variance of \$1.142 million; the year-end projection is for the budget to be fully spent.

Strict expenditure controls have been implemented in 2015 and revenues are monitored on an ongoing basis to manage budget pressures and ensure that spending is within the approved budget.

FINANCIAL IMPACT

For the first nine months of operations in 2015, TPL spending is essentially on budget, reporting a small favourable net expenditure variance of \$0.014 million and the year-end projection is for the budget to be fully spent.

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

DECISION HISTORY

At its meeting on March 23, 2015, the Board adopted the Council approved operating budget of \$188.646 million gross and \$172.130 million net.

As part of the City's annual evaluation of insurance requirements, funds approved in the City's Non-Program to cover insurance costs are reallocated to various City programs to

reflect individual need. The Library has been allocated an additional \$0.102 million for 2015, increasing the operating budget to \$188.748 million gross and \$172.232 million net.

ISSUE BACKGROUND

Operating results are usually reported to the Toronto Public Library Board on a quarterly basis.

COMMENTS

For the first nine months of operations in 2015, TPL spending is essentially on budget, reporting a small favourable net expenditure variance of \$0.014 million, comprised of a favourable revenue variance of \$1.156 million offset by an unfavourable expenditure variance of \$1.142 million. These variances are mainly due to the \$1.163 million of grants received from the Toronto Public Library Foundation to fund specific library initiatives and expended on associated costs for staffing, materials, equipment and services; Foundation revenues and related expenses are not included in the budget.

Excluding the impact of the funding from the Foundation, which has revenues and offsetting expenditures, some of the larger variances experienced by TPL include pressures in utilities (\$0.345 million), HVAC maintenance (\$0.136 million) and a shortfall in fines and fees (\$0.102 million), which are offset by a current savings in salaries and benefits. The savings in salaries and benefits result from temporary short-term vacancies (“staff churn”) which exceed the gapping target of 2.7%.

Strict expenditure controls have been implemented in 2015 and revenues are monitored on an ongoing basis to manage budget pressures and ensure that spending is within the approved budget.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Operating Budget Monitoring Report for the Period Ending September 30,
2015