

Operating Budget Monitoring Report – March 31, 2018

Date:	May 28, 2018
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 three-month period ending on March 31, 2018, as well as projected expenditures to December 31, 2018.

As detailed in Appendix A, as of March 31, 2018, TPL is reporting a favourable net expenditure variance of \$0.404 million comprised of a favourable revenue variance of \$0.521 million partially offset by an unfavourable expenditure variance of \$0.116 million. The delayed re-opening of North York Central Library (NYCL) will result in additional staffing and related savings of \$2.250 million and the proposal is to seek City approval to apply these savings toward funding the NYCL Phase I capital project to address scope changes and cost escalation. TPL's Council-approved 2018 operating budget is \$182.283 million net (\$201.607 million gross) and is projected to be fully spent by year end, assuming the proposed budget adjustment to the NYCL Phase I capital project is approved.

Operating expenditures are monitored and managed on an on-going basis to ensure that spending is within the approved budget.

FINANCIAL IMPACT

As of March 31, 2018, TPL is reporting a favourable net expenditure variance of \$0.404 million comprised of a favourable revenue variance of \$0.521 million partially offset by an unfavourable expenditure variance of \$0.116 million. The operating budget is expected to be fully spent by year end.

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

ISSUE BACKGROUND

TPL's Council-approved [2018 operating budget](#) is \$182.283 million net (\$201.607 million gross). Operating results are usually reported to the Toronto Public Library Board and the City on a quarterly basis.

COMMENTS

For the three-month period ending March 31, 2018, TPL is reporting a favourable net expenditure variance of \$0.404 million, comprised of a favourable revenue variance of \$0.521 million partially offset by an unfavourable expenditure variance of \$0.116 million as detailed in Appendix A.

The favourable revenue variance of \$0.521 million is mainly attributable to supplementary revenue from the TPL Foundation and others to enhance specific library initiatives, which is partially offset by an unfavourable revenue variance in lower than expected fines and fees resulting from temporary branch closures.

The unfavourable expenditure variance of \$0.116 million is mainly attributable to increased expenditures related to specific library programs funded by revenues from the TPL Foundation, which is partially offset by staffing cost savings related to benefit claims and operating cost savings associated with temporary branch closures. Though there are increased expenditures in materials and supplies, and equipment, services and rent due to enhanced specific library initiatives, these are funded by revenue from the TPL Foundation.

TPL is projecting the operating budget to be fully spent by year-end and is comprised of a favourable variance in staffing costs mainly due to the extended NYCL closure and the subsequent cascading effect of staff movement once the branch is re-opened and is offset by an unfavourable variance of in transfers to capital as explained below.

NYCL was originally scheduled to re-open in the first quarter of 2018, but has since been delayed to later in the year, resulting in additional operating savings of \$2.250 million. The proposed budget adjustment to apply the \$2.250 million of operating savings as a transfer to capital will help to fund changes in scope and cost escalation associated with the NYCL Phase 1 capital project.

The proposed budget adjustment within 2018 to the capital plan is included in a separate report presented at this meeting and will be sent for City approval after Board endorsement. Budgets will be updated to reflect the proposed adjustment in subsequent reports, pending City approval.

Expenditures and revenues are closely monitored throughout the year in order to manage any budget pressures.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Appendix A: Operating Budget Monitoring Report Three-month period ending March 31, 2018

TORONTO PUBLIC LIBRARY
Operating Budget Monitoring Report
For the Period Ending March 31, 2018
(\$Millions)

Expense/Revenue Category	Year-to-Date			12 Months ending December 31		
	2018 Actual	2018 Budget	Variance Fav/ (unfav)	2018 Projected	2018 Budget	Variance Fav/ (unfav)
Staffing Costs	38.245	38.216	(0.029)	146.771	148.861	2.089
Materials and Supplies	0.482	0.392	(0.089)	2.171	2.168	(0.003)
Library Materials	4.941	4.940	(0.002)	19.766	19.766	-
Equipment, Services and Rent	7.050	7.058	0.008	28.722	28.431	(0.291)
Contributions & Transfers	-	-	-	4.626	2.376	(2.250)
Other	0.004	0.001	(0.004)	0.004	0.004	-
Gross Expenditures	50.722	50.606	(0.116)	202.061	201.607	(0.454)
Grants	1.554	1.419	0.135	5.789	5.678	0.111
Fines, Fees and Room Rentals	1.278	1.314	(0.036)	5.447	5.447	-
Contributions & Transfers	-	-	-	5.936	5.936	-
Other	0.899	0.477	0.422	2.606	2.262	0.344
Total Revenues	3.730	3.210	0.521	19.778	19.324	0.454
Net Expenditures	46.992	47.396	0.404	182.283	182.283	-

Note: Totals may not add due to rounding