

2018 Operating Budget Submission – Revised

Date:	November 20, 2017
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to update the Toronto Public Library (TPL) Board on the status of the review of the 2018 operating budget, and to seek approval for revisions to the budget enhancements.

Through the budget review process, the timing of funding for two of the budget enhancements have been adjusted, resulting in a revised 2018 budget enhancement totalling \$1.635 million net in 2018, a decrease of \$0.090 million net from the \$1.725 million net as presented at the September 25, 2017 Board meeting. While all five of the enhancements approved by the Board remain intact, the timing of funding for the e-learning initiative and advancing transformational change has been revised from one year to being phased over two years, resulting in a reduction of \$0.090 million in the 2018 budget enhancement request and a corresponding budget pressure in 2019.

The 2018 base budget request of \$180.769 million net, or 0.9%, over the 2017 budget, remains unchanged as presented at the September 25, 2017 Board meeting.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves revised funding for budget enhancements totalling \$1.635 million net and gross comprised of: expanded Sunday service (\$0.574 million net and gross); the addition of three new Youth Hubs (\$0.390 million net and gross); enhancements to the successful Internet Wi-Fi hotspot lending program (\$0.300 million net and gross); funding to support a City e-learning initiative (\$0.250 million net and gross); and funding to advance transformational change as part of the City’s Shared Services (\$0.121 million net and gross).

FINANCIAL IMPACT

Through the budget review process, the timing of funding for two of the budget enhancements has been adjusted, resulting in a revised 2018 budget enhancement totalling \$1.635 million net in 2018, a decrease of \$0.090 million net from the \$1.725 million net as presented at the September 25, 2017 Board meeting. While all five of the enhancements approved by the Board remain intact, the timing of funding for the e-learning initiative and advancing transformational change has been revised from one year to being phased over two years, resulting in a reduction of \$0.090 million in the 2018 budget enhancement request and a corresponding budget pressure in 2019.

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

ALIGNMENT WITH STRATEGIC PLAN

The operating budget supports TPL's strategic plan by supporting digital literacy and inclusion, enhancing access to information, technology and e-learning and transforming library operations for 21st century service excellence. The revised 2018 budget enhancements of \$1.635 million net included in the operating budget submission primarily supports the City's Poverty Reduction Strategy in addition to advancing a number of TPL strategic objectives.

ISSUE BACKGROUND

At its meeting on September 25, 2017, the Board approved a [2018 Operating Budget Submission](#) of \$180.769 million net, which represented a net base budget increase of \$1.662 million, or 0.9%, over the 2017 operating budget.

The operating budget submission also included five budget enhancements totalling \$1.725 million. The timing of funding for two of these enhancements is being revised.

COMMENTS

Base Operating Budget

TPL's 2018 operating budget submission of \$180.769 million net represents a budget increase of \$1.662 million, or 0.9%, over the 2017 operating budget. Through the budget review process, no changes were made to the base operating budget submission. However, the budget savings of \$0.950 million net, including 9.0 full time equivalents (FTEs), was somewhat uncertain as it was associated with two technology innovation capital projects totalling \$3.000 million over two years that were "below the line" (exceeds debt targets). The proposal showing the impact of how the two technology projects would be accommodated "above the line" (within debt targets) and the impact on the SOGR backlog, and other minor changes to the submission are included in agenda item #12 – *2018-2027 Capital Budget and Plan Submission – Revised*.

Enhancements

Through the budget review process, the timing of funding for two of the budget enhancements has been adjusted, resulting in a revised 2018 budget enhancement totalling \$1.635 million net in 2018, a decrease of \$0.090 million net from the \$1.725 million net as presented at the September 25, 2017 Board meeting. While all five of the enhancements approved by the Board remain intact, the timing of funding for the e-learning initiative and advancing transformational change has been revised from one year to being phased over two years, resulting in a reduction of \$0.090 million in the 2018 budget enhancement request and a corresponding budget pressure in 2019, as detailed in Table 1 below:

Table 1: Budget Enhancements

	September 27 Board 2018		REVISED			
			2018		2019	
	Net (\$ millions)	FTEs	Net (\$ millions)	FTEs	Net (\$ millions)	FTEs
Sunday service expansion	0.574		0.574			
Additional locations for Youth Hubs	0.390	3.0	0.390	3.0		
Wi-Fi hotspot lending program	0.300		0.300			
e-learning initiative*	0.300	2.0	0.250	2.0	0.050	
Advancing transformational change*	0.161	1.0	0.121	1.0	0.040	
	1.725	6.0	1.635	6.0	0.090	-

*funding phased over two years

CONCLUSION

TPL's budget enhancements primarily support the City's Poverty Reduction Strategy in addition to advancing a number of TPL strategic objectives. The phasing of funding for the e-learning initiative and advancing transformational change enhancements better reflects funding for these enhancements to the timing of Council approval of the 2018 operating budget submission, expected to be on February 12-13, 2018.

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SIGNATURE

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