



STAFF REPORT ACTION REQUIRED

2023 Operating Budget - Adoption

Date: February 27, 2023

To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board adoption of the 2023 operating budget of \$213.559 million net (\$234.610 million gross), including 1,838.3 full-time equivalent positions (FTEs), as approved by City Council on February 15, 2023, which includes:

- a base budget increase of \$5.000 million net (\$6.012 million gross), or 2.4%, over the 2022 budget;
- budget enhancements totalling \$0.000 million net (\$0.889 million gross, fully funded by the Toronto Public Library Foundation); and
- funding for COVID-19 pressures totalling \$3.553 million net (\$2.629 million gross).

The 2023 budget year is particularly challenging for both Toronto Public Library (TPL) and the City with the continuing impacts of COVID-19, high inflation, supply chain disruptions and staffing challenges. There have also been steady increases in the usage of TPL services across all service areas and increased incidents of violence and

disruptive behaviour in library branches that reflect trends occurring more broadly in the city.

Despite these issues and challenges, the City continues to recognize TPL's role in supporting Council priorities, including the City's rebuild and recovery strategy, and the approved 2023 budget will allow TPL to maintain services and service levels while also advancing TPL's and the City's strategic objectives.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopts the Council-approved 2023 operating budget of \$213.559 million net (\$234.610 million gross), which includes 1,838.3 full-time equivalent staff positions.

FINANCIAL IMPACT

The Council-approved 2023 operating budget is \$213.559 million net (\$234.610 million gross), which includes: a base budget increase of \$5.000 million net (\$6.012 million gross), or 2.4%; budget enhancement funding of \$0.000 million net (\$0.889 million gross, fully funded by the TPL Foundation); and COVID-19 related funding of \$3.553 million net (\$2.629 million gross), as detailed in Attachment 1 and summarized below in Table 1, which highlights the development of the 2023 budget from the 2022 budget.

Table 1: 2023 Operating Budget & 2024-2025 Outlook Development (\$millions)

	2023					2024		2025	
	FTEs	GROSS	REVENUE	NET	%	NET	%	NET	%
2022 Approved Budget	1,808.8	228.305	18.520	209.785		213.559		228.902	
2022 COVID-19 financial impacts		(3.225)	1.554	(4.779)			0.0%		0.0%
2022 Budget, excluding COVID-19	1,808.8	225.080	20.074	205.006		213.559		228.902	
2023 base budget increase	25.0	6.012	1.012	5.000	2.4%	14.157	6.6%	4.464	2.0%
2023 COVID budget pressures		2.629	(0.925)	3.553			0.0%		0.0%
2023 Base Budget Increase, including COVID-19	25.0	8.641	0.088	8.553	2.4%	14.157	6.6%	4.464	2.0%
2023 Base Budget including COVID-19 pressures	1,833.8	233.721	20.162	213.559	2.4%	227.716	6.6%	233.366	2.0%
Budget Enhancements	4.5	0.889	0.889	-	0.0%	1.186	0.6%	17.001	7.8%
2023 Total Budget Increase	29.5	9.530	0.977	8.553	2.4%	15.343	7.2%	21.465	9.4%
Total 2023 Operating Budget	1,838.3	234.610	21.051	213.559	2.4%	228.902	7.2%	250.367	9.4%

The Director, Finance and Treasurer has reviewed this financial impact statement and agrees with it.

ALIGNMENT WITH STRATEGIC PLAN

TPL's 2023 operating budget advances TPL's strategic plan by:

- supporting an inclusive economic recovery as part of the City's recovery and rebuild strategy;
- advancing equity in the city and workplace, contributing to the shared outcomes of the City's equity strategies;
- ensuring the safety and security of TPL staff and customers in our welcoming and accessible public spaces; and
- providing affordable, accessible and resilient digital supports as a public service for all.

The budget request also advances TPL's Digital Strategy as the Library continues to modernize its digital capabilities and business operations,

EQUITY IMPACT STATEMENT

TPL's 2023 budget supports an inclusive economic recovery as part of the City's recovery initiatives, provides affordable, accessible, and resilient digital supports as a public service, and advances equity in the city and workplace. The budget will have a positive impact on many equity-deserving groups, including newcomers and low-income families and individuals. Access to library resources and programs can increase access to learning opportunities, City, Provincial, and Federal information, training and employment opportunities, and opportunities for civic engagement and community participation.

The investment in TPL's budget helps advance key City strategies, including the Toronto Newcomer Strategy, Toronto Poverty Reduction Strategy, Toronto Seniors Strategy 2.0, Toronto Strong Neighbourhood Strategy 2020, Toronto Youth Equity Strategy, SafeTO, the Reconciliation Action Plan, Toronto Action Plan to Confront Anti-Black Racism, and TPL's Strategic Plan (2020-2024): *Vital to Toronto – Building Success, Resilience and Well-Being for our City*.

DECISION HISTORY

At its meeting on February 28, 2022, the Library Board reviewed [2022 Operating Budget – Adoption](#), and adopted a recommendation for the reinstatement of annual cost of living adjustment (COLA) increases for non-union staff at a rate consistent with

the COLA increases for union staff, which was approved by Council for the City's non-union staff.

At its meeting on May 24, 2022, the Board considered [Non-Union Compensation](#), which explained that TPL has a long history of following the City's non-union compensation program and this has been mandated by the Library Board. The report noted that after being paused in 2020 and 2021, City Council directed the City Manager to update the City's non-union compensation program, informed by an independent study of the City's competitive position. TPL continues to follow the City's updated non-union compensation plan.

At its meeting on October 25, 2022, the Library Board approved a [2023 Operating Budget Submission](#) which resulted in a 2023 operating budget comprised of the following:

- 1.1 base budget with an increase over 2022 of \$9.704 million net (\$10.267 million gross), or 4.7%, which included the reversal of \$2.267 million of savings from staff vacancy experience;
- 1.2 budget enhancements totalling \$8.321 million net (\$9.210 million gross) comprised of:
 - a. budget enhancements totalling \$0.000 million net (\$0.889 million gross fully funded by TPL Foundation) for Community-based Service for Equity Deserving Populations (\$0.000 million net and \$0.141 million gross), Financial Empowerment Service (\$0.000 million net and \$0.248 million gross) and Social Service Team (\$0.000 million net and \$0.500 million gross). The Community-based Service for Equity Deserving populations, Financial Empowerment Service and Social Service Team budget enhancements are fully funded by the TPL Foundation; and
 - b. Open Hours budget enhancements totalling \$8.321 million net and gross, or 4.1%, and
- 1.3 COVID-19 pressures of \$5.053 million net (\$3.879 million gross).

At its meeting on December 5, 2022, the Board considered [Revised 2023 Budget Enhancement – Open Hours](#) and adopted a motion which revised and deferred the request for enhanced open hours to the 2024 budget, which resulted in a 2023 operating budget comprised of the following:

- 1.1 base budget with an increase over 2022 of \$9.704 million net (\$10.267 million gross), or 4.7%;

- 1.2 budget enhancements totalling \$0.000 million net (\$0.889 million gross fully funded by the TPL Foundation); and
- 1.3 COVID-19 pressures of \$5.053 million net (\$3.879 million gross)

At its meeting on January 5, 2023, the Board approved a [2023 Operating Budget Submission – Revised](#) which resulted in a revised 2023 operating budget comprised of the following:

- 1.1 base budget with an increase over 2022 of \$5.000 million net (\$6.012 million gross), or 2.4%;
- 1.2 budget enhancements totalling \$0.000 million net (\$0.889 million gross fully funded by the TPL Foundation); and
- 1.3 COVID-19 related budget pressures of \$3.553 million net (\$2.629 million gross).

In order to meet the City's funding allocation, the revised budget request included further budget savings through updated costing, spending deferrals, and an additional \$1.500 million in savings through staff vacancy experience and an unallocated budget reduction of \$0.906 million.

At the meeting on January 10, 2023, the City's Budget Committee began consideration of the [2023 Operating Budget and 2023-2032 Capital Budget and Plan](#) as presented by the City Manager, which included TPL's [2023 Budget Notes](#). The 2023 operating budget for TPL was \$213.559 million net (\$234.610 million gross), which was the same as the submission approved by the Board at its January 5 2023 Board meeting.

At its meeting on January 23, 2023, the Board endorsed the [2023 Operating Budget Enhancements](#), which were included in the City's 2023 budget tabled at the January 10, 2023 meeting of the Budget Committee. The 2023 budget enhancements are changed based on the City's proposed funding allocation for 2024-2025.

The Community-based Service for Equity Deserving Populations budget enhancement is funded by the TPL Foundation and this service will proceed as a pilot. There is currently no commitment by the City to fund this service after the pilot.

The TPL Foundation has committed to fund the Financial Empowerment Service and Social Service Team budget enhancements for both 2023 and 2024, and the City will commit to funding these services starting in 2025.

ISSUE BACKGROUND

As a result of the 2022 Toronto municipal elections, there was no Informal Budget Committee review for the 2023 Budget, which is normally held in October.

On November 23, 2022, the Provincial Government of Ontario passed [Bill 3, Strong Mayors, Building Homes Act, 2022](#) which changed the budget process and makes the Mayor responsible for proposing the municipal budget for Council consideration, subject to Council amendments. As part of the budget process, City Council would be able to make changes to the Mayor's proposed budget, which the Mayor could then veto. Council could override a Mayoral veto with two-thirds majority vote.

COMMENTS

At its final meeting on January 24, 2023 Budget Committee endorsed TPL's 2023 operating budget as presented on January 10, with no changes.

On February 1, 2023, the Mayor's Proposed 2023 budget for the City included an unchanged TPL operating budget of \$213.559 million net (\$234.610 million gross).

At City Council meeting on February 15, 2023, TPL's [2023 Operating and Capital Budgets](#) of \$213.559 million net (\$234.610 million gross), which includes 1,838.3 FTEs, was approved.

Approved 2023 Operating Budget

TPL's total Council-approved 2023 operating budget is \$213.559 million net (\$234.610 million gross), which includes:

- a base budget increase of \$5.000 million net (\$6.012 million gross), or 2.4%;
- budget enhancement funding of \$0.000 million net (\$0.889 million gross), which is funded by TPL Foundation; and
- COVID-19 related funding of \$3.553 million net (\$2.629 million gross).

The 2023 budget year is particularly challenging for both TPL and the City with the continuing impacts of COVID-19, high inflation, supply chain disruptions, and staffing challenges. There have also been steady increases in the usage of TPL services across all service areas; and increased incidents of violence and disruptive behaviour in library branches that reflect trends occurring more broadly in the city.

Despite these issues and challenges, the City continues to recognize TPL's role in supporting Council priorities, including the City's rebuild and recovery strategy, and the approved 2023 budget will allow TPL to maintain services and service levels while also advancing TPL's and the City's strategic objectives.

The approved budget has a number of savings/affordability measures which were necessary to meet the City's funding allocation and to avoid service reductions. Budget spending in 2023 will need to be carefully monitored and many of these reductions will add pressure to the 2024 budget, which currently has a base budget outlook increase of \$14.157 million net, or 6.6%

A preliminary allocation of the 2023 operating budget by expenditure/revenue category types is summarized in Table 2 below.

Table 2: Summary of 2023 Operating Budget by Expenditure/ Revenue Category (\$millions)

	2022 Approved Budget	2023 Approved Budget	2023 Increase / (Decrease)		
			Base Budget	COVID Pressures	Total
Staffing Costs	163.142	169.182	5.991	0.048	6.040
Materials and Supplies	3.110	3.771	0.306	0.355	0.661
Library Materials	21.448	21.448	-	-	-
Equipment, Services and Rent	39.838	41.113	2.275	(1.000)	1.275
Contributions & Transfers to Reserves	0.764	-	(0.764)	-	(0.764)
Other Expenses	0.003	0.003	-	-	-
Unallocated Budget Reduction	-	(0.906)	(0.906)	-	(0.906)
Total Gross Expenditures	228.305	234.610	6.902	(0.597)	6.305
Grants	5.714	5.714	-	-	-
Fines, Fees and Room Rentals	2.932	3.179	0.521	(0.275)	0.247
Contributions & Transfers from Reserves	6.278	6.619	0.341	-	0.341
Other Revenues	3.596	5.539	1.039	0.904	1.943
Total Revenues	18.520	21.051	1.902	0.629	2.531
Net Expenditures	209.785	213.559	5.000	(1.226)	3.774

Staffing Costs

TPL's base budgeted staffing costs will be increased by approximately \$5.602 million and is primarily impacted by:

- salary and benefit cost of living adjustments for union and non-union staff totalling \$4.523 million net, including costs related to changes to the eligibility rules for the Ontario Municipal Employees Retirement System (OMERS) that allow all part-time employees to opt into the program;
- net increase of \$0.103 million, including 2.0 FTEs related to the second year impact of the 2022 Council-approved service enhancements for the Digital Literacy for Seniors initiative;
- operating impact of capital resulting in a net increase of \$0.136 million, including 12.0 FTEs as detailed in TPL's 2023-2032 capital budget;
- net increase of \$0.259 million, including 8.0 FTEs, to help support TPL's alternative approach to security as a response to increased incidents of violent and disruptive behaviour in TPL branches, mirroring what is happening more broadly in the city;
- net increase of \$0.061 million, including 3.0 FTEs, related to the third year of the Digital Services Modernization; and
- additional staff savings of \$1.500 million net related to vacancies due to the ongoing impacts of COVID-19 on TPL operations that has resulted in increased vacancies and staff churn, which is over and above the usual vacancy experience that is already in the base. Although TPL's rate of vacancy experience is projected to remain high into 2023, these additional staff savings will be closely monitored.

Materials and Supplies

Net increase of \$0.306 million based on the economic factors provided by the City.

Equipment, Services and Rents

With the inflation rate at its highest level in over 30 years, there is net increase of \$1.775 million related to economic increases for facilities and IT-related contracts.

Contributions and Transfers to Reserves

The approved budget also includes savings of \$0.764 million net resulting from forgoing reserve contributions and is comprised of:

- \$0.364 million net to the Fleet Reserve; and
- \$0.400 million net to the Asset Replacement Reserve.

Unallocated reduction

The approved budget also includes \$0.906 million net, which is currently unallocated.

Fines, Fees and Room Rentals

Net increase of \$0.521 million primarily related to increased room rental revenues from the opening of new NYCL premium room rentals.

Contributions & Transfers from Reserves

Net increase of \$0.341 million primarily related to increase of recovery of project management costs related to TPL's 2023-2032 Capital Budget and Plan.

Other Revenues

Net increase of \$0.150 million primarily related to a one-time recovery of shared common area maintenance costs at NYCL.

2023 Budget Enhancements

TPL's 2023 budget enhancements total \$0.000 million net (\$0.889 million gross), or 0.0%, including 4.5 FTEs, and advance a number of TPL strategic objectives while supporting many of the City of Toronto's key strategies, including the Poverty Reduction Strategy.

Table 3: 2023-2025 Annual Expenditures and Funding of Budget Enhancements (\$ millions)

	2023			2024			2025		
	Expenditures	FUNDING		Expenditures	FUNDING		Expenditures	FUNDING	
		TPLF	CITY		TPLF	CITY		TPLF	CITY
Community-based Service for Equity Deserving Populations	0.141	0.141	-	0.429	0.429	-	-	-	-
Financial Empowerment Service	0.248	0.248	-	0.248	0.248	-	0.248	-	0.248
Social Service Team	0.500	0.500	-	0.500	0.500	-	0.500	-	0.500
TOTAL	0.889	0.889	-	1.177	1.177	-	0.748	-	0.748

Community-Based Service for Equity Deserving Populations

TPL's Community-Based Service for Equity-Deserving Populations builds on and extends branch-based and online library services by targeting TPL's reach to serving individuals and families from vulnerable and equity-deserving groups while they are accessing services as clients at community social service and support agencies. The service enhancement establishes a team of community librarians dedicated to serving equity deserving populations across the city.

The Community-based Service for Equity Deserving Populations budget enhancement is funded by the TPL Foundation in 2023 and this service will proceed as a pilot. There is currently no commitment by the City to fund this service after the pilot.

Financial Empowerment Service

The Financial Empowerment Service (FES) is a City of Toronto Poverty Reduction Strategy initiative, developed in partnership with Prosper Canada, a national charity. FES provides services to vulnerable populations targeting persons with low income often intersecting with the following other equity-deserving groups: persons with disabilities; individuals and families who are homeless or under-housed; Black and racialized individuals; Indigenous Peoples; immigrants, refugees, and undocumented individuals; and vulnerable youths and seniors.

The FES enhancement will provide one-on-one, in-person support from community agency experts providing in-depth and personalized counselling to Torontonians within library branches on topics such as: filing taxes, savings & debt levels, credit and budgeting. Customers will also have access to curated online resources and opportunities to engage with library staff and partner agencies for additional supports.

The TPL Foundation has committed to fund the Financial Empowerment Service enhancement for both 2023 and 2024, and the City has committed to funding these services starting in 2025.

Social Service Team

TPL's new Social Service Team (SST) model provides service to vulnerable populations including individuals from the following and often intersecting equity-deserving groups: persons with low income, persons with disabilities, individuals and families who are homeless or under-housed, racialized groups including Black and Indigenous Peoples, immigrants, refugees, and undocumented individuals, and vulnerable youth and seniors.

The SST enhancement will support onsite services at designated library branches allowing TPL customers to access community-agency-provided services that integrate social and mental health services in one space. TPL designed the program with community partners specifically for TPL customers who are the most vulnerable and least likely able to navigate access to the mental and physical health resources and social service supports required to improve their lives and their well-being.

The TPL Foundation has committed to fund the Social Service Team enhancement for both 2023 and 2024, and the City has committed to funding these services starting in 2025

2023 COVID-19 budget pressures

COVID-19 had a significant impact on operations in 2022, and the expectation is that many budget pressures will continue into 2023 as TPL continues to ensure all safety precautions are available for staff and customers.

The 2022 and 2023 COVID-19 budget pressures is detailed in Table 3 below.

Table 4: COVID-19 Pressures (\$ millions)

	2022 Budget	2023 Budget	Inc / (Dec)
<u>Expenditures</u>			
Security	2.000	1.500	(0.500)
Health and Safety (PPE, RATs, air filters)	1.305	1.160	(0.145)
Reduction in Venue-related expenditures	(0.080)	(0.031)	0.048
	3.225	2.629	(0.597)
<u>Revenues</u>			
Venue and room bookings	(1.554)	(0.925)	0.629
	(1.554)	(0.925)	0.629
	4.779	3.553	(1.226)

The 2023 COVID-19 budget-related pressures total \$3.553 million net (\$2.629 million gross) and is comprised of:

- increased security guard service costs totalling \$1.500 million to support safety and compliance with the Code of Conduct in the branches;
- increased health and safety, including PPEs, rapid antigen testing kits and air filters, totalling \$1.160 million;
- Reduced expenditures totalling \$0.031 million in venues and room bookings related to decreased revenues; and
- revenue losses totalling \$0.925 million primarily related to decreased venue and room bookings.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Council-approved 2023 Operating Budget Submission and 2024-2025 Outlook

TORONTO PUBLIC LIBRARY

Council Approved 2023 OPERATING BUDGET AND 2024 - 2025 OUTLOOK

		2023				2024			2025		
		Staffing FTEs	GROSS \$Millions	REVENUE \$Millions	NET \$Millions	%	Staffing FTEs	NET \$Millions	%	Staffing FTEs	NET \$Millions
	2022 Council Approved Budget	1,808.8	228.305	18.520	209.785		1,838.3	213.559		1,876.8	228.902
1	Prior Year COVID Reversals		(3.225)	1.554	(4.779)	-2.3%					
	2022 Council Approved Budget, excluding COVID	1,808.8	225.080	20.074	205.006		1,838.3	213.559		1,876.8	228.902
	Base Budget Pressures										
2	Salary and Benefits cost of living adjustments		4.092		4.092	2.0%		4.446	2.1%		1.284
3	OMERs eligibility change for PT		0.431		0.431	0.2%					0.6%
			4.523		4.523	2.2%		4.446	2.1%		1.284
	Prior Year - Council Approval										
4	Teens & adults overdue fines elimination			(0.300)	0.300	0.1%					
5	Digital Literacy for Seniors (2nd year FTEs)	2.0	0.103		0.103	0.1%		0.155	0.1%		
		2.0	0.103	(0.300)	0.403	0.2%		0.155	0.1%		-
	Economic Increases										
6	Contracted services		1.265		1.265	0.6%		1.328	0.6%		1.395
7	Library materials		0.536		0.536	0.3%		0.550	0.3%		0.563
8	Supplies, services & rent		0.652		0.652	0.3%		0.348	0.2%		0.295
9	Utilities		0.370		0.370	0.2%		0.279	0.1%		0.287
			2.824		2.824	1.4%		2.505	1.2%		2.540
	Base Budget Changes										
10	Reversal of 2022 Vacancy Experience Impact		2.267		2.267	1.1%					
11	Security Guards		1.000		1.000	0.5%					
12	Digital Service Modernization - starting in Nov	3.0	0.061		0.061	0.0%		0.310	0.1%		
13	Alternative Approach to Security - starting in October	8.0	0.259		0.259	0.1%		0.776	0.4%		
14	Operating Impact of capital	12.0	0.407	0.271	0.136	0.1%	7.5	1.506	0.7%	3.0	0.618
15	Contribution to Asset Replacement Reserve increase		-		-	0.0%		1.000	0.5%		
16	Contribution to Fleet Reserve		0.068		0.068	0.0%		0.022	0.0%		0.023
		23.0	4.061	0.271	3.790	1.8%	7.5	3.614	1.7%	3.0	0.641
	Base Budget Increase, excluding Affordability Measures/Savings	25.0	11.511	(0.029)	11.539	5.6%	7.5	10.719	5.0%	3.0	4.464
	Affordability Measures/Savings										
17	Forgo Utilities economic increase - more efficient buildings etc.		(0.370)		(0.370)	-0.2%					
18	Line by Line efficiencies		(0.600)		(0.600)	-0.3%					
19	Savings from relocation to Ethennonnhawahstihnen'		(0.274)		(0.274)	-0.1%					
20	Increased revenues			0.591	(0.591)	-0.3%					
			(1.244)	0.591	(1.835)	-0.9%					
	Additional Savings										
21	Forgo 2023 Library material economic increase		(0.536)		(0.536)	-0.3%					
22	Forgo 2023 Fleet Reserve contribution		(0.432)		(0.432)	-0.2%		0.432	0.2%		
23	Forgo 2023 Asset Replacement Reserve contribution		(0.400)		(0.400)	-0.2%		0.400	0.2%		
24	Benefits - Health/Dental/Life		(0.280)		(0.280)	-0.1%					
25	OMERs eligibility change for PT		(0.200)		(0.200)	-0.1%					
26	Increased revenues			0.450	(0.450)	-0.2%		0.200	0.1%		
			(1.848)	0.450	(2.298)	-1.1%		1.032	0.5%		
27	Vacancy Experience Savings		(1.500)		(1.500)	-0.7%		1.500	0.7%		
28	Unallocated budget reduction		(0.906)		(0.906)	-0.4%		0.906	0.4%		
			(2.406)		(2.406)	-1.2%		2.406	1.1%		
			(5.499)	1.041	(6.539)	-3.2%		3.438	1.6%		
	Base Budget Increase, including Affordability Measures/Savings	25.0	6.012	1.012	5.000	2.4%	7.5	14.157	6.6%	3.0	4.464
	2023 COVID Pressures										
29	Security		1.500		1.500	0.7%					
30	Health and Safety (PPE, RATs, air filters)		1.160		1.160	0.6%					
31	Reduction in revenues and related expenditures		(0.031)	(0.925)	0.893	0.4%					
			2.629	(0.925)	3.553	1.7%		-	0.0%		-
	Base Budget Increase, including COVID	25.0	8.641	0.088	8.553	4.2%	7.5	14.157	6.6%	3.0	4.464
	2023 Operating Base Budget and 2024-2025 Outlook	1,833.8	233.721	20.162	213.559	4.2%	1,845.8	227.716	6.6%	1,879.8	233.366
	Budget Enhancements										
32	Community-based Service for Equity Deserving Populations - PILOT	4.0	0.141	0.141	-	0.0%		-	0.0%	(4.0)	-
33	Financial Empowerment Service	0.5	0.248	0.248	-	0.0%		-	0.0%		0.248
34	Social Service Team		0.500	0.500	-	0.0%		-	0.0%		0.500
		4.5	0.889	0.889	-	0.0%		-	0.0%	(4.0)	0.748
	Progress on Open Hours Plan (2018-2025)										
35	Open Hours - Phase 1						31.0	1.186	0.6%		1.186
36	Open Hours - Phase 2						-	-	0.0%	86.5	15.067
							31.0	1.186	0.6%	86.5	16.253
		4.5	0.889	0.889	-	0.0%	31.0	1.186	0.6%	82.5	17.001
	Total Budget Increase	29.5	9.530	0.977	8.553	4.2%	38.5	15.343	7.2%	85.5	21.465
	2023 Operating Budget and 2024-2025 Outlook	1,838.3	234.610	21.051	213.559	4.2%	1,876.8	228.902	7.2%	1,962.3	250.367



2023 operating budget adoption

TPL Board Meeting

February 27, 2023

1. Public Libraries Act

- Board must adopt and spend Budget as approved by Council
- Free library service, limited revenue opportunities

2. Financial Control Policy

- Establishes the financial framework for the Board
- Operating budget is approved and managed “as a whole”
- Capital budget is approved and managed for each individual project
- Authorizes TPL to accept and spend funding from the Foundation

3. Purchasing Policy

- Public procurement – open competition
- Lowest price or highest value
- Trade treaties

how well we are doing: summary

- **Steady increases in usage of TPL services** across all service areas this year. In some cases, nearing pre-pandemic levels
- Torontonians relying heavily on their library for **access to computers, internet and digital literacy supports**
- TPL continues to provide **important community supports**
- Making good progress on **modernizing our digital capabilities and business operations**
- **Successfully breaking down barriers to access**
- **Increased incidents of violent and disruptive behaviour** in our branches, mirroring what is happening more broadly in the city.

how well we are doing: providing strong community supports

TPL continues to provide **important community supports**

Social Inclusion & Engagement

- Newcomer Settlement support for Ukrainian refugees
- PRESTO card distribution (with TTC and CoT)
- Period Equity Pilot (with Period Purse)
- Personal Care Bank Pilot (with TPCB)
- Sock distribution (with Socks for Souls)
- Community Librarians in agencies serving Black communities, Indigenous communities, and Toronto Community Housing locations (TPL Foundation funded)

Food Security

- Food bank installations at two branches (Albion, Jane/Sheppard)
- One-year snack pilot implemented in 23 Youth Hub locations (partnership with FoodReach, social enterprise project of North York Harvest Food Bank)

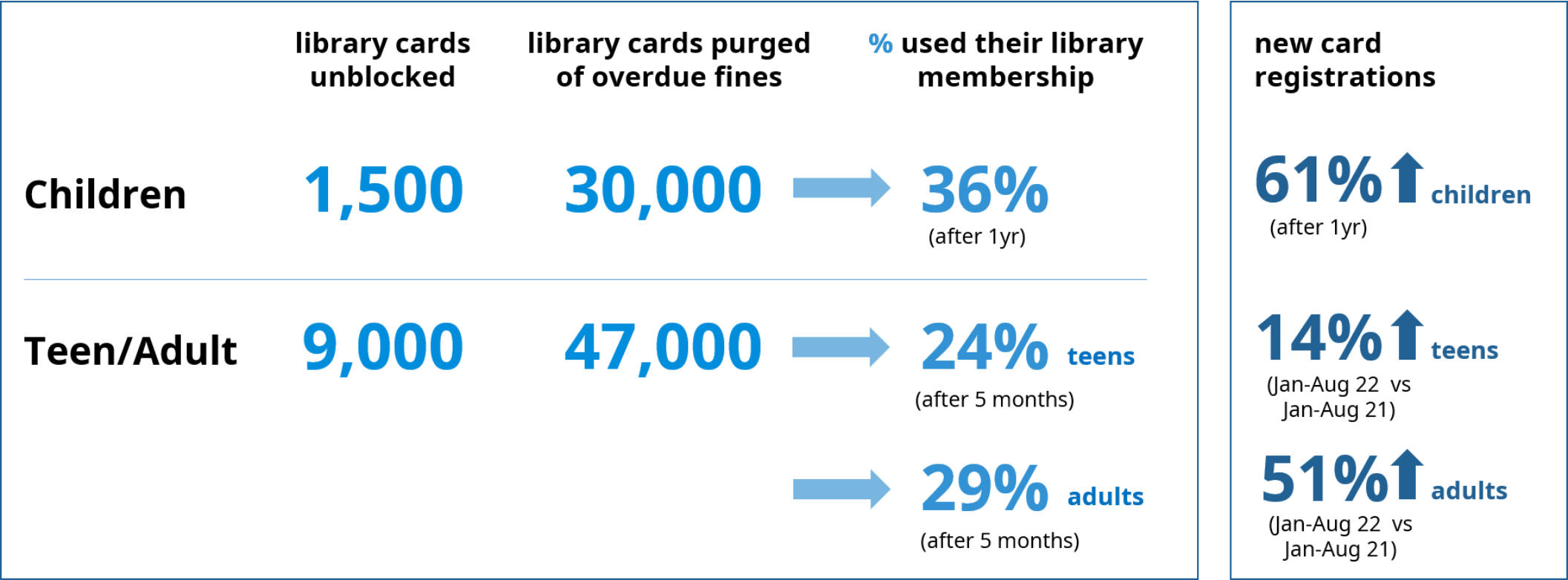
Digital Access and Inclusion

- Internet Connectivity Kits
- Seniors Digital Literacy Community Librarians (Toronto Seniors Housing Corporation)
- Digital Literacy and IT Certifications programs

how well we are doing: equity

and successfully breaking down barriers to access

Overdue fines eliminated for children (April 2021), teens and adults (March 2022)



2023 operating budget

key issues and opportunities

COVID and inflation-related impacts

- Inflation-related contract pressures, economic increases
- COVID-related impacts on revenues, increased health and safety costs, unpredictable impact on operations and staffing
- Operational impacts related to staff shortages caused by the pandemic and by a challenging labour market.

Digital Services modernization

- Accelerate digital capabilities and infrastructure transition to the Cloud
- Increase cyber security controls
- Improve data-driven decision-making

Equitable access to library services

Seniors, people in racialized communities and other vulnerable people face barriers to access while being the most in need of library services that will support their resilience, well-being, and economic support and recovery.

Safety & security

Increased costs and impacts on human resources to provide required supports to address incident prevention and response (safe facility design, security audit, security systems, adjusted security guard coverage, staff training)

approved 2023 operating budget

total budget:	\$234.6 million gross
	\$213.6 million net
	1,838.3 positions

budget increase (net increase)

+\$5.0 million

+25 positions

↑ 2.4%



enhancements (net increase)

fully funded by TPL Foundation

\$0.0 million

+4.5 positions



COVID impact

\$3.6 million

2023 operating budget

2022 Approved Budget

2022 COVID-19 financial impacts

2022 Budget, excluding COVID-19

2023 base budget increase

Affordability measures/savings

Vacancy experience

Unallocated budget reduction

Budget Enhancements

Community-based Service for Equity Deserving Pop.

Financial Empowerment Service

Social Service Team

2023 COVID-19 budget pressures

2023 Total Budget Increase

Total 2023 Operating Budget

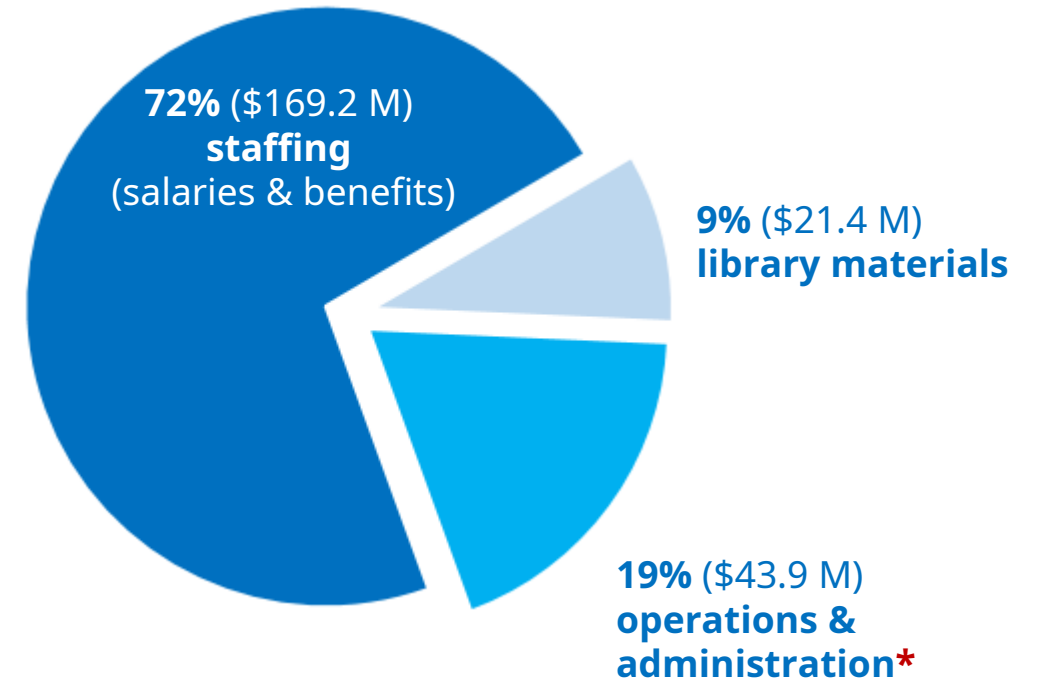
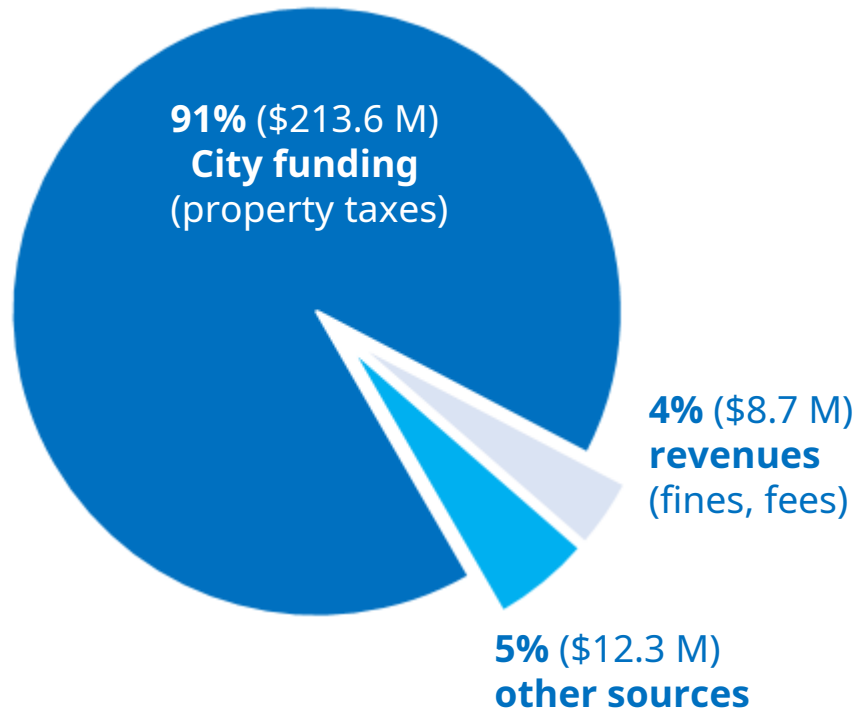
*Fully funded by TPL Foundation

2023					2024	
<u>FTEs</u>	<u>GROSS</u>	<u>REVENUE</u>	<u>NET</u>	<u>%</u>	<u>NET</u>	<u>%</u>
1,808.8	228.305	18.520	209.785			
	(3.225)	1.554	(4.779)			
1,808.8	225.080	20.074	205.006			
25.0	11.511	(0.029)	11.539	5.6%	10.719	5.0%
	(3.092)	1.041	(4.133)	-2.0%	1.032	0.5%
	(1.500)		(1.500)	-0.7%	1.500	0.7%
	(0.906)		(0.906)	-0.4%	0.906	0.4%
25.0	6.012	1.012	5.000	2.4%	14.157	6.6%
4.0	0.141	0.141	-	0.0% *		
0.5	0.248	0.248	-	0.0% *		
-	0.500	0.500	-	0.0% *		
4.5	0.889	0.889	-	0.0%		
	2.629	(0.925)	3.553			
29.5	9.530	0.977	8.553			
1,838.3	234.610	21.051	213.559			

2023 operating budget

\$234.6 million gross

\$213.6 million net (City)



* Includes \$0.9 M unallocated budget reduction

2023 operating budget achievements

2.4%↑

increase to **operating base budget** that maintains services

14

new full time positions primarily to support **branch services**

3

new full time staff positions to continue **digital service modernization**

8

new full time staff positions to support **alternative approach to security**

4.5

new full time staff for budget enhancements which support **Poverty Reduction Strategy** (fully funded by TPL Foundation)

\$3.6M

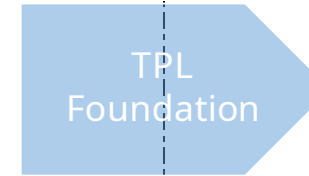
to help address **COVID-19 budget pressures**

2023 operating budget enhancements



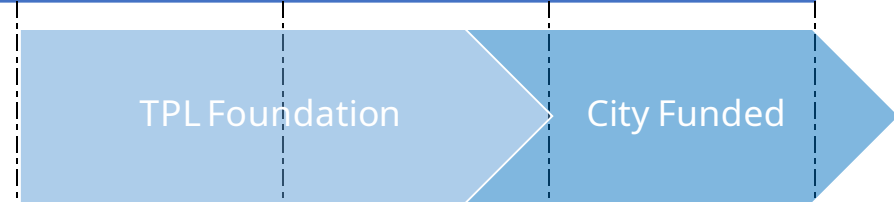
Community-based Service for Equity Deserving Populations (pilot)

- Engaging equity-deserving communities
- \$0.141 million (full year \$0.429 million), including 4.0 full time staff positions
- **City** approved this initiative as a pilot
- **target groups:** community agencies serving Black and Indigenous clients



Financial Empowerment Service

- Financial counselling and support for low-income customers
- \$0.248 million (full year \$0.248 million), including 0.5 full time staff position
- **City** has committed to adding to base budget in 2025
- **target groups:** low income individuals across all equity-deserving groups



Social Services Team

- Meeting social service and health needs of most vulnerable Library customers
- \$0.500 million (full year \$0.500 million)
- **City** has committed to adding to base budget in 2025
- **target groups:** vulnerable populations especially those experiencing homelessness, mental health and addictions

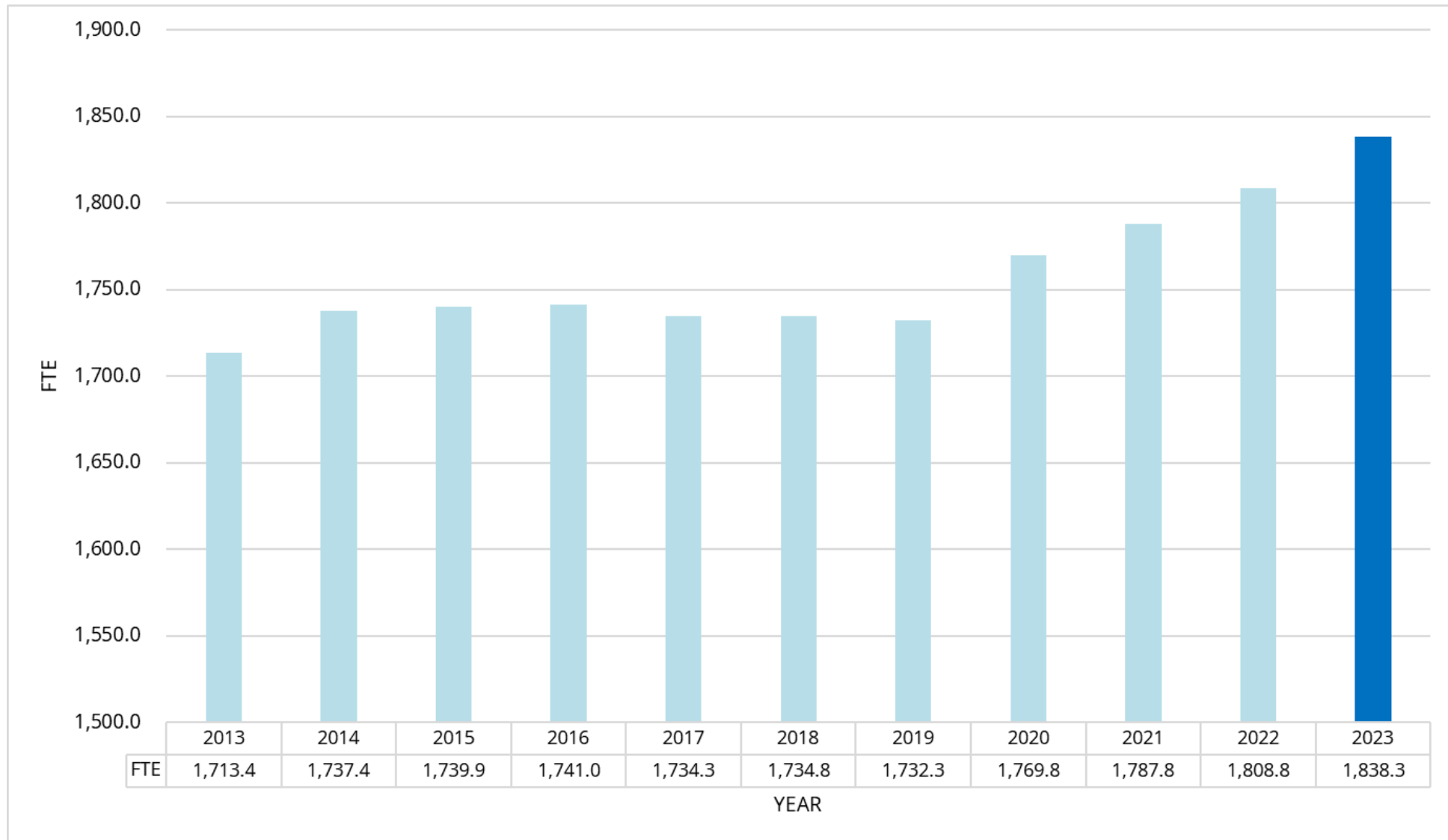


2023

2024

2025

history of staffing changes



2023 operating budget

COVID-19 impact

\$3.6 million COVID-19 budget pressure:

\$1.5 million security

\$1.2 million health and safety (PPE, rapid antigen testing kits, air filters)

\$0.9 million reduction in revenues and related expenditures



2023 operating budget ongoing issues/pressures



\$1.5 million vacancy experience impact

\$0.9 million unallocated budget reduction

\$1.9 million deferred contributions to reserves

\$0.5 million forgone economic increase to library materials

Increased incidents of violent and disruptive behaviour in our branches, mirroring what is happening more broadly in the city.

on a **typical day** at TPL,
there's a lot going on.

over
100,000
people
visit the library



49,282
branch visits
56,919
visits to
our website

over
25,000
uses of our
technology



13,954 wifi uses
11,393 computer uses



29,113 items
delivered to our
100 branches



128
programs
2,818 participants

125 visits

to a Digital Innovation Hub
to 3D print, scan, design and record

87,606
items are
borrowed



23,072 ebooks and
eaudiobooks
10 musical
instruments



339 new titles added daily

36,914 searches for books, movies, programs and more

Search

10 
uses of a sewing
machine in our
Fabrication
Studio

over
21,000 
questions answered

19,691
general, reference
and recommendations

2,112
technology support
10 one-on-one¹⁵
Book a Librarian sessions

no. 14 – 2023 operating budget submission

The City Librarian recommends that the Toronto Public Library Board:

1. adopts the Council-approved 2023 operating budget of \$213.559 million net (\$234.610 million gross), which includes 1,838.3 full-time equivalent staff positions.