



**STAFF REPORT
ACTION REQUIRED**

2023 Operating Budget Submission

Date: October 25, 2022

To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board approval of the 2023 operating budget submission.

The Toronto Public Library (TPL) 2023 operating budget submission preserves library services and service levels and 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 its 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, and it allows for investments in additional digital and community-based services that support vulnerable populations and help address the economic and social challenges created by COVID-19.

The 2023 operating budget increase, summarized below, responds to several key issues and challenges the Library is facing including high inflation and supply chain disruptions; the continuing impact of COVID-19 on TPL operations; steady increases in

the usage of TPL services across all service areas; and increased incidents of violent and disruptive behaviour in library branches, reflecting trends occurring more broadly in the city.

2023 Budget Increase

		<u>\$ million</u>		
	<u>FTEs</u>	<u>Gross</u>	<u>Net</u>	<u>%</u>
Recurring base budget pressures	25.0	8.000	7.437	3.6%
2023 COVID pressures		3.879	5.053	2.5%
Total Base Budget Increase	25.0	11.879	12.491	6.1%
Budget enhancements	4.5	0.889	-	0.0%
Total Budget Increase	29.5	12.768	12.491	6.1%

Recurring base budget pressures before COVID of \$7.437, or 3.6%, plus 2023 COVID-19 pressures of \$5.053 million, or 2.5%, result in overall net base budget increase of \$12.491 million, or 6.1%, over the 2022 budget excluding 2022 COVID-19 pressures.

The operating budget submission also includes phased budget enhancements totalling \$0.000 million net (\$0.889 million gross), or 0.0%, including an additional 4.5 full-time staff, that is fully funded in the first year by grants from the Toronto Public Library Foundation.

For the 2023 operating budget submission, City guidelines state that Programs and Agencies are expected to submit a budget that provides offsets to net recurring 2023 base budget pressures, with the exception being any pressures that are directly related to COVID-19 impacts.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the 2023 operating base budget submission of \$217.496 million net (\$237.848 million gross), which represents a \$12.491 million net (\$12.768 million gross), or 6.1%, increase over the 2022 operating budget as detailed in Attachment 1, and is comprised of:
 - a. recurring base budget increase of \$7.437 million net (\$8.000 million gross), or 3.6%; and

- b. COVID-19 related budget pressures of \$5.053 million net (\$3.879 million gross), or 2.5%;
- 2. approves the 2023 operating budget enhancements totalling \$0.000 million net (\$0.889 million gross), or 0.0%; and
- 3. authorizes staff to forward the 2023 operating budget submission to the City for consideration.

FINANCIAL IMPACT

The 2023 operating budget submission is summarized in Table 1 below:

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

	2023					2024		2025	
	FTEs	GROSS	REVENUE	NET	%	NET	%	NET	%
2022 Approved Budget									
2022 COVID-19 financial impacts									
2022 Budget, excluding COVID-19	1,808.8	228.305	18.520	209.785	-2.3%	217.496		239.981	
	1,808.8	225.080	20.074	205.006		217.496		239.981	
2023 Budget									
Recurring base budget pressures									
Affordability measures/savings									
2023 Base Budget Increase	25.0	11.511	(0.029)	11.539	5.6%	10.719	4.9%	4.464	1.9%
	25.0	(3.225)	1.554	(4.779)		2.267	1.0%		
	25.0	8.000	0.562	7.437	3.6%	12.986	6.0%	4.464	1.9%
2023 COVID budget pressures									
2023 Base Budget Increase, including COVID-19	25.0	3.879	(1.175)	5.053	2.5%	0.0%		0.0%	
	25.0	11.878	(0.612)	12.491	6.1%	12.986	6.0%	4.464	1.9%
2023 Base Budget including COVID-19 pressures	1,833.8	236.958	19.462	217.496	6.1%	230.483	6.0%	244.445	1.9%
Budget Enhancements									
2023 Total Budget Increase	4.5	0.889	0.889	-	0.0%	9.498	4.4%	8.321	3.5%
Total 2023 Operating Budget	29.5	12.768	0.277	12.491	6.1%	22.484	10.3%	12.785	5.3%
	1,838.3	237.848	20.351	217.496	6.1%	239.981	10.3%	252.766	5.3%

For the 2023 operating budget submission, City guidelines state that Programs and Agencies are expected to submit a budget that provides offsets to net recurring 2023 base budget pressures, with the exception being any pressures that are directly related to COVID-19 impacts.

The 2023 operating budget submission will be submitted to the City for consideration.

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

ALIGNMENT WITH STRATEGIC PLAN

The Toronto Public Library (TPL) 2023 operating budget submission 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; as well as opportunities for civic engagement and community participation.

The investment in TPL's budget helps advance key City strategies, including 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, as well as TPL's Strategic Plan (2020-2024): *Vital to Toronto – Building Success, Resilience and Well-Being for our City*.

DECISION HISTORY

At its meeting on September 19, 2022, the Library Board received for information the [2023 Operating Budget - Status Update](#), which highlighted potential changes to the

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2023 outlook that was included as part of the Council-approved 2022 operating budget.

COMMENTS

TPL's 2023 operating budget submission, including enhancements, is \$217.496 million net, which represents a net recurring base budget increase of \$7.437 million net, or 3.6%, plus COVID-19 related increase of \$5.053 million net, or 2.5%, for a total increase of \$12.491 million net, or 6.1%, over the 2022 budget. The 2023 operating budget increase responds to several key issues and challenges the library is facing including high inflation and supply chain disruptions; the continuing impact of COVID-19 on TPL operations; steady increases in the usage of TPL services across all service areas; and increased incidents of violent and disruptive behaviour in library branches, reflecting trends occurring more broadly in the city.

Context of 2023 Budget Request

Throughout 2022, usage of TPL services across all service areas has steadily increased (and in some areas is nearing pre-pandemic levels) as Torontonians continue to rely heavily on the Library for services that are essential to building digitally inclusive communities and supporting digital literacy, and that support social inclusion and economic and academic success.

Based on customer surveys, for Torontonians who used technology at the library:

- 61% reported that the Library was their only access to technology;
- 40% accessed online government resources; and
- 32% developed employable skills.

For users of in-branch library services which support social inclusion and economic and academic success:

- 71% increased their level of community engagement;
- 55% used Library resources for educational activities; and
- 32% developed employable skills.

TPL continues to provide important community supports, breaking down barriers to access and is progressing significantly on modernizing its digital capabilities and business operations.

2023 Priority Actions

The operating budget submission supports TPL's priority actions:

- Act on recommendations from the Safety & Security Discussion Table to support a safe and welcoming environment for staff and customers;
- Advance TPL's digital strategy to create a modern, connected and sustainable data and technology environment that is transformation-ready and improves customer and staff experiences;
- Support the Library's and the City's recovery. Focus on equity, Truth & Reconciliation, SafeTO, workforce development, and building resilience, especially for Toronto's most vulnerable populations;
- Manage increasing demand for library services by introducing new productivity and collaboration tools and processes, streamline hiring and onboarding processes; and
- Continue to add community based-services and expand digital literacy and access.

Modernization, Transformation and Innovation Initiatives

A major focus of TPL's current strategic plan is the modernization and transformation of its back office and public-facing systems and processes, including initiatives that improve back-office efficiencies and increase options for customer self-service.

Ongoing technological innovation and operational efficiencies include:

- operationalized IT security, risk and governance program;
- stabilization of tpl.ca and migration to cloud hosting;
- upgraded cash registers to increase efficiency; and
- introduced an online incident management system to more efficiently and effectively support Rules of Conduct guidelines, mitigate safety risks and address service needs.

To support these initiatives, the 2023 budget includes an increased contribution of \$1.000 million net to TPL's asset replacement reserve. The purpose of the reserve, once fully established and funded, is to provide stable and flexible funding for the annual replacement for IT equipment, which is currently funded by the Technology Asset Replacement Program (TAMP) capital project.

Partnerships & Community Supports

Throughout 2022, TPL has worked with the City and community partners to address a wide range of vital needs made worse by the COVID-19 pandemic, including:

- FOOD SECURITY: with food bank installations at Albion and Jane/Sheppard and a one-year snack pilot implemented in 23 Youth Hub locations (in partnership with FoodReach, a 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) and Digital Literacy and IT Certifications programs; and
- **SOCIAL INCLUSION AND ENGAGEMENT:** Newcomer settlement support for Ukrainian refugees, PRESTO card distribution (with TTC and City of Toronto), Period Equity Pilot (with Period Purse), Personal Care Bank pilot (with The Personal Care Bank) and Community Librarians (funded by Toronto Public Library Foundation) with agencies servicing Black communities, Indigenous communities and Toronto Community Housing locations.

In each of these areas, TPL has extended and enhanced core library services and assets to benefit Toronto's most vulnerable.

TPL's 2023 operating budget submission allows the Library to continue to provide community supports through strategic partnerships, including with the Toronto Public Library Foundation.

2023 Operating Base Budget Submission

The 2023 operating base budget submission of \$217.496 million represents a net budget increase of \$12.491 million, or 6.1%, and is comprised of the following:

- \$7.437 million net (\$8.000 million gross), or 3.6%, recurring base budget comprised of:
 - normal and recurring base budget pressures of \$11.539 million net (\$11.511 million gross), or 5.6%, to maintain existing services and service levels; less
 - affordability measures/savings of \$4.102 million net (\$3.511 million gross), or 2.0%, and;
- \$5.053 million net (\$3.879 million gross), or 2.5%, of budget pressures related to COVID-19.

For the 2023 operating budget submission, City guidelines state that Programs and Agencies are expected to submit a budget that provides offsets to net recurring 2023 base budget pressures, with the exception being any pressures that are directly related to COVID-19 impacts.

2023 Recurring Base Budget Pressures

The normal and recurring 2023 net base budget pressures are \$11.539 million net, which represents a 5.6% increase over the 2022 budget, and is summarized below in Table 2:

Table 2: 2023 Recurring Base Budget Pressures & 2024-2025 Outlook (\$millions)

	2023				2024		2025		
	FTEs	GROSS	REVENUE	NET	%	NET	%	NET	%
Salary and Benefits COLA		4.523		4.523	2.2%	4.446	2.0%	1.284	0.5%
Reversal of 2022 Vacancy Experience impact		2.267		2.267	1.1%				
Economic increases		2.824		2.824	1.4%	2.505	1.2%	2.540	1.1%
Operating impact of capital	12.0	0.407	0.271	0.136	0.1%	1.506	0.7%	0.618	0.3%
Alternative Approach to Security	8.0	0.259		0.259	0.1%	0.776	0.4%		
Other base budget changes	5.0	1.232	(0.300)	1.532	0.7%	1.487	0.7%	0.023	0.0%
Total Recurring Base Budget Pressures	25.0	11.511	(0.029)	11.539	5.6%	10.719	4.9%	4.464	1.9%

Salary and Benefit cost of living adjustments

Net increase of \$4.523 million, or 2.2%, related to the annual cost of living adjustments as per the collective agreement, annualization of salary costs for positions added in 2022 and 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.

Reversal of 2022 Vacancy Experience impact

Net increase of \$2.267 million, or 1.1%, related to salary savings in 2022 as impacted by COVID-19.

Economic increases

With the inflation rate at its highest level in over 30 years, there is net increase of \$2.824 million, or 1.4%, related to economic increases comprised of:

- \$1.265 million net related to economic increases for facilities and IT-related contracts;
- \$0.536 million net increase for library materials;
- \$0.652 million net increase for supplies, services and rent; and
- \$0.370 million net increase for utilities.

Operating impact of capital

Net increase of \$0.407 million, or 0.1%, including 12.0 full-time equivalents (FTEs) related to completed capital projects as detailed in TPL's 2023-2032 capital budget.

Alternative Approaches to Safety and Security

TPL's role in addressing critical social issues has been increasing because other social services and programs are either unavailable or are already overextended. Vulnerable people experiencing challenges such as mental health issues, addiction and homelessness, turn to the Library as they are welcome and can have their basic needs of safety, shelter and washroom access met.

Based on recommendations from the Alternate Approaches to Safety & Security Discussion Table to ensure a safe and welcoming environment for staff and customers, TPL's priority actions include:

- Eight staff positions to develop and implement a harm-reduction and trauma-informed approach to addressing disruptive and violent behaviour;
- Enhanced security guard services;
- Participation in SafeTO's community crisis pilot; and
- The piloting of interdisciplinary social service support teams.

The 2023 budget includes a net increase of \$0.259 million, or 0.1%, (2024 annualized cost of \$1.034 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.

Other Base Budget Changes

Net increase of \$1.532 million, or 0.7%, related to:

- \$1.068 million net budget increase to City reserves, primarily for TPL's asset replacement reserve;
- \$0.300 million net related to the second year impact of the 2022 Council-approved budget enhancement to eliminate teens and adults overdue fines;
- \$0.103 million net, including 2.0 FTEs, related to the second year impact of the 2022 Council-approved budget enhancement for Digital Literacy for Seniors; and
- \$0.061 million net, including 3.0 FTEs, related to the third year of the Digital Services Modernization.

2023 Affordability Measures/Savings

To help offset expected 2023 base budget pressures, TPL staff identified affordability measures/savings totalling \$4.102 million net, or 2.0%, as summarized below in Table 3:

Table 3: 2023 Affordability Measures/Savings & 2024-2025 Outlook (\$millions)

	2023					2024		2025	
	FTEs	GROSS	REVENUE	NET	%	NET	%	NET	%
Maintain 2022 Vacancy Experience impact		(2.267)		(2.267)	-1.1%				
Forgo Utilities economic increase		(0.370)		(0.370)	-0.2%				
Line by Line efficiencies		(0.600)		(0.600)	-0.3%				
Savings from relocation to Ethenonnnhawahstihnen'		(0.274)		(0.274)	-0.1%				
Increase revenues			0.591	(0.591)	-0.3%				
Total Affordability Measures/Savings	-	(3.511)	0.591	(4.102)	-2.0%	2.267	1.0%	-	0.0%

- Net savings of \$2.267 million, or 1.1%, 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 \$4.412 million vacancy experience that is already in the base. TPL's rate of vacancy experience is projected to remain high into 2023;

- Net savings of \$0.370 million, or 0.2%, related to the forgoing of the 2023 economic increase for utilities as a result of more efficient buildings/infrastructure;
- Additional net savings of \$0.600 million, or 0.3%, related to line by line review of services and rent and supplies;
- Net savings of \$0.274 million, or 0.1%, related to the completed capital project and the branch relocation to Ethennonnhawhstihnen', resulting in savings in rental payments in the current location of Bayview branch; and
- Increased revenues totalling \$0.591 million, or 0.3%, primarily related to increased recovery from capital.

2023 COVID-19 budget pressures

COVID-19 continues to have 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 COVID-19 budget-related pressures total \$5.053 million net (\$3.879 million gross), or 2.5%, and is summarized in Table 4 below:

Table 4: 2023 COVID-19 Pressures (\$millions)

	2023			
	<u>GROSS</u>	<u>REVENUE</u>	<u>NET</u>	<u>%</u>
Security	2.500		2.500	1.2%
Health & Safety (PPE, RATs, air filters)	1.410		1.410	0.7%
Reduction in revenues and related expenditures	(0.031)	(1.175)	1.143	0.6%
Total 2023 COVID-19 Pressures	3.879	(1.175)	5.053	2.5%

- Increased security guard service costs totalling \$2.500 million net, or 1.2%, 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 \$1.410 million net, or 0.7%; and
- Revenue losses totalling \$1.143 million net, or 0.6%, primarily related to decreased venue and room bookings and its associated expenditures.

2023 Budget Enhancements

TPL's 2023 budget enhancements total \$0.000 million net (\$0.889 million gross), or 0.0%, with 2024 annualized costs of \$1.177 million net, 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, as summarized in Table 5 below:

Table 5: 2023 Budget Enhancements & 2024-2025 Outlook (\$millions)

	2023					2024		2025	
	FTEs	GROSS	REVENUE	NET	%	NET	%	NET	%
Community-based Service for Equity Deserving Populations	4.0	0.141	0.141	-	0.0%	0.429	0.2%		
Financial Empowerment Service	0.5	0.248	0.248	-	0.0%	0.248	0.1%		
Social Service Team		0.500	0.500	-	0.0%	0.500	0.2%		
Final implementation on Open Hours Plan (2018-2025)			-	0.0%		8.321	3.8%	8.321	3.5%
Total 2023 Budget Enhancements	4.5	0.889	0.889	-	0.0%	9.498	4.4%	8.321	3.5%

	Raising the Village	Safe TU	Poverty Reduction	Action Plan to Confront	Anti-Black Racism	Newcomer Strategy	Seniors Strategy 2.0	Youth Equity Strategy	Strong Neighbourhoods	Workforce Development	Reconciliation Action Plan
Community-based services for equity-deserving population	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial empowerment			✓	✓	✓	✓	✓	✓	✓	✓	✓
Social services team	✓	✓	✓	✓	✓	✓	✓	✓			

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 Community-Based Service for Equity-Deserving Populations model provides point-of-need service to vulnerable and equity-deserving groups including: Black and racialized individuals, Indigenous Peoples, Persons with low income; individuals and families who are experiencing homelessness or under-housed; Immigrants, Refugees & Undocumented Individuals; Persons with Disabilities; and residents, including Vulnerable Youth and Seniors, in Neighbourhood Improvement Areas.

Services provided are determined through a needs-based assessment with agency staff and consultation with clients, and include library card registration and renewal, needs-based programming, personalized information requests, skills development and digital literacy supports. Community Librarians deliver these services as well as develop curated online resource guides based on individual needs. Services delivered are flexible and evolve differently at each site, depending on the unique needs of the clients and staff.

The Community-based Service for Equity Deserving Populations budget enhancement totalling \$0.000 million net (\$0.141 million gross), including 4.0 FTEs, establishes a permanent team of four community librarians dedicated to serving equity deserving populations across the city.

The first year of the service is fully funded by donations from the Toronto Public Library Foundation. The annualized total cost is \$0.429 million net and gross.

Financial Empowerment

TPL's new 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.

FES will provide free, unique and customized financial support for Torontonians, blending both in-person services with virtual options and programming. It is a partnership between TPL, Prosper Canada and community agencies to provide financial information, consultation and support to customers in two library branches providing services to Neighbourhood Improvement Area residents.

The Financial Empowerment Service budget enhancement totalling \$0.000 million net (\$0.248 million gross), including 0.5 FTE, will provide one-on-one, in-person support from community agency experts providing in-depth and personalized counselling to Torontonians on topics such as: filing taxes, savings & debt levels, credit and budgeting, all within library branches. Customers will also have access to curated online resources and opportunities to engage with library staff and partner agencies for additional supports.

The first year of the service is fully funded by donations from the Toronto Public Library Foundation. The annualized total cost is \$0.474 million net and gross.

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 model is designed to fill information and service gaps and facilitate social service and health referrals and options where members of vulnerable populations already feel safe and welcomed, and where they already are: in the library. The service will address the psychosocial needs of vulnerable persons accessing library branches and services.

The Social Service Team budget enhancement totalling \$0.000 million net (\$0.500 million gross) will establish two teams that will offer services and supports onsite at designated library branches allowing community members to access a service that integrates social and health services in one space. TPL designed the program specifically for individuals in our city 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 wellbeing.

The first year of the service is fully funded by donations from the Toronto Public Library Foundation. The annualized total cost is \$0.500 million net and gross.

Open Hours Plan

Since 2016, TPL has made significant progress with its Open Hours Plan with the introduction of year-round Sunday service at 19 R&R and District branches, new seasonal Sunday service at 31 Neighbourhood branches and increased open hours at three Neighbourhood branches as part of the Youth Hub expansion in 2020.

Given continued impacts of COVID-19, the final phase of the Open Hours Plan totalling \$16.642 million net and gross is being delayed to start in 2024 and be fully implemented by 2025.

2024-2025 Operating Budget Outlook

A 2024-2025 Operating Base Budget Outlook is detailed in Attachment 1 and shows net base budget increases of 6.0% and 1.9% in 2024 and 2025 respectively before budget enhancements and 10.3% and 5.3% respectively including budget enhancements. The 2025 base increase excludes COLA as the current collective agreement expires at the end of 2024.

2023 Operating Budget Timetable

Activity	Schedule
Administrative Review - City Finance, CFO, City Manager	October 27, 2022
Informal Budget Committee Review	N/A for election year
Board Meeting - 2023 Budget Updates	December 5, 2022
Political Reviews (estimated timeframe). Dates to be confirmed by Striking Committee November 17, 2022	
Board Meeting - 2023 Budget Updates	January 2023
Budget Launch - Budget Committee	Late January 2023
Board Meeting - 2023 Budget Updates	February 2023
Budget Committee Review	February 2023
Public Presentations - Budget Committee	February 2023
Budget Committee Wrap-Up	February 2023
Budget Committee Final Wrap-Up	February 2023
Executive Committee	February / March 2023
City Council	Early-Mid March 2023
Board Meeting - 2023 Budget Updates or Adoption of Budgets	March 2023

CONCLUSION

TPL's 2023 operating budget submission is a reasonable and responsible funding request necessary to maintain existing service levels and manage adjustments to services in response to changing conditions and disruptions. The budget request allows for investments in additional digital and community-based services that support vulnerable populations and address the financial impacts and recovery from COVID-19. The 2023 operating budget submission includes service enhancements that support many of the Library's and City Council's strategic priorities.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

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

TORONTO PUBLIC LIBRARY

2023 OPERATING BUDGET AND 2024 - 2025 OUTLOOK

	Staffing FTEs	2023				% \$Millions	2024			2025				
		GROSS	REVENUE	NET			NET	%	Staffing FTEs	NET \$Millions	%	Staffing FTEs		
		\$Millions												
2022 Council Approved Budget	1,808.8	228.305	18.520	209.785					1,838.3	217.496		1,935.8	239.981	
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	217.496		1,935.8	239.981	
Base Budget Pressures														
2 Salary and Benefits cost of living adjustments		4.092		4.092	2.0%					4.446	2.0%			
3 OMERS eligibility change for PT		0.431		0.431	0.2%					4.446	2.0%			
Prior Year - Council Approval														
4 Teens & adults overdue fines elimination		4.523		4.523	2.2%					4.446	2.0%			
5 Digital Literacy for Seniors (2nd year FTEs)	2.0	0.103	(0.300)	0.300	0.1%					0.155	0.1%			
Economic Increases														
6 Contracted services	2.0	0.103	(0.300)	0.403	0.2%					0.155	0.1%			
7 Library materials		1.265		1.265	0.6%					1.328	0.6%			
8 Supplies, services & rent		0.536		0.536	0.3%					0.550	0.3%			
9 Utilities		0.652		0.652	0.3%					0.348	0.2%			
		0.370		0.370	0.2%					0.279	0.1%			
Base Budget Changes														
10 Reversal of 2022 Vacancy Experience Impact		2.824		2.824	1.4%					2.505	1.2%			
11 Digital Service Modernization - starting in Nov	3.0	2.267		2.267	1.1%					0.310	0.1%			
12 Alternative Approach to Security - starting in October	8.0	0.061		0.061	0.0%					0.776	0.4%			
13 Operating impact of capital	12.0	0.259		0.259	0.1%					7.5	1.506	0.7%	3.0	
14 Contribution to Asset Replacement Reserve		0.407	0.271	0.136	0.1%					1.000	0.5%			
15 Contribution to Fleet Reserve		1.000		1.000	0.5%					0.022	0.0%			
	23.0	0.068		0.068	0.0%					7.5	3.614	1.7%	3.0	
Base Budget Increase, excluding Affordability Measures/Savings	25.0	11.511	(0.029)	11.539	5.6%				7.5	10.719	4.9%	3.0	4.464	1.9%
Affordability Measures/Savings														
16 Maintain 2022 Vacancy Experience impact		(2.267)		(2.267)	-1.1%					2.267	1.0%			
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%									
	-	(3.511)	0.591	(4.102)	-2.0%				-	2.267	1.0%	-	0.0%	
Base Budget Increase, including Affordability Measures/Savings	25.0	8.000	0.562	7.437	3.6%				7.5	12.986	6.0%	3.0	4.464	1.9%
2023 COVID Pressures														
21 Security		2.500		2.500	1.2%									
22 Health and Safety (PPE, RATs, air filters)		1.410		1.410	0.7%									
23 Reduction in revenues and related expenditures		(0.031)	(1.175)	1.143	0.6%									
		3.879	(1.175)	5.053	2.5%					-	0.0%			
Base Budget Increase, including COVID	25.0	11.878	(0.612)	12.491	6.1%				7.5	12.986	6.0%	3.0	4.464	1.9%
2023 Operating Base Budget and 2024-2025 Outlook	1,833.8	236.958	19.462	217.496	6.1%				1,845.8	230.483	6.0%	1,938.8	244.445	1.9%
Budget Enhancements														
24 Community-based Service for Equity Deserving Populations	4.0	0.141	0.141	-	0.0%					0.429	0.2%			
25 Financial Empowerment Service	0.5	0.248	0.248	-	0.0%					0.248	0.1%			
26 Social Service Team		0.500	0.500	-	0.0%					0.500	0.2%			
27 Progress on Open Hours Plan (2018-2024)		4.5	0.889	0.889	-	0.0%				90.0	8.321	3.8%		
										90.0	9.498	4.4%		
Total Budget Increase	29.5	12.768	0.277	12.491	6.1%				97.5	22.484	10.3%	3.0	12.785	5.3%
2023 Operating Budget and 2024-2025 Outlook	1,838.3	237.848	20.351	217.496	6.1%				1,935.8	239.981	10.3%	1,938.8	252.766	5.3%

2023 Operating Budget Submission

Toronto Public Library Board

October 25, 2022



TPL strategic plan and 2023 budget

1 Opening up our public space

2 Broadening Toronto's digital access and inclusion

3 Building pathways for workforce development

4 Providing the vital ingredients for a democratic society

5 Investing in staff and an innovative service culture

1 Support an inclusive economic recovery as part of the City's **recovery and rebuild** strategy

3 Provide affordable, accessible and resilient **digital supports** as a public service for all

2 Advance **equity** in the city and workplace, supporting the shared outcomes of the City's equity strategies.

4 Implement strategies to ensure the **safety and security** of TPL staff and customers in our welcoming and accessible public spaces

TPL strategic plan and 2023 budget

tpl's digital strategy

our ambition

To deliver exceptional digital value & experiences

our commitment

To provide our staff and customers with the right combination of technologies and supports

our approach

To create a modern, connected and sustainable data and technology environment that is transformation-ready



our focus

1 digital services & spaces

2 unified customer experience

3 connected workplace

4 data-informed decisions

5 adaptive technology foundation

TPL has a vibrant digital presence that provides dynamic online services and physical spaces that are digitally advanced.

Consistent, personalized experiences across and between service touchpoints, driving customer satisfaction and anticipating changing expectations.

A digitally-enabled workplace that improves ways of working, raises employee engagement and agility, and provides a consistent and positive employee experience.

Data is accessible, information is meaningful and actionable, and analytics is a core capability of the organization.

A secure, integrated, scalable technology environment that can enable TPL's current and future priorities.

our journey of reinvention

2020

2021

2022

2023

2024

setting the direction

establish a unified digital direction, informed by assessment and leading practice

optimizing the foundation

strengthen our capabilities, processes and technologies to enable reinvention

enabling our transformation

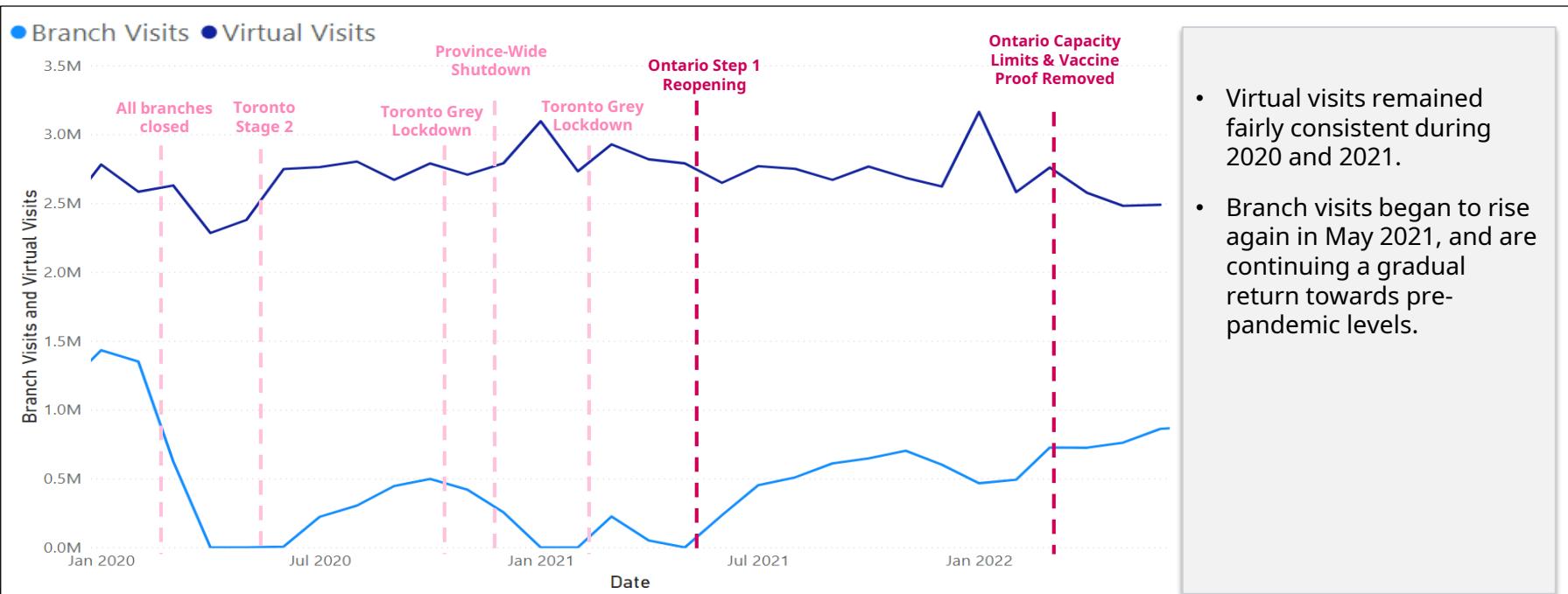
invest in new technologies and capabilities to exceed customer expectations and enable innovation and growth

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: visits

Steady increase in in-branch visits starting in May 2021, spurred on by lifting of capacity limits



- Virtual visits remained fairly consistent during 2020 and 2021.
- Branch visits began to rise again in May 2021, and are continuing a gradual return towards pre-pandemic levels.

how well we are doing: increased reliance on in-branch services

In-branch library services are essential to **building digitally inclusive communities and supporting digital literacy.**

Torontonians who used technology at the library:

61% reported that it was their *only* access to technology

40% accessed online government resources

32% developed employable skills

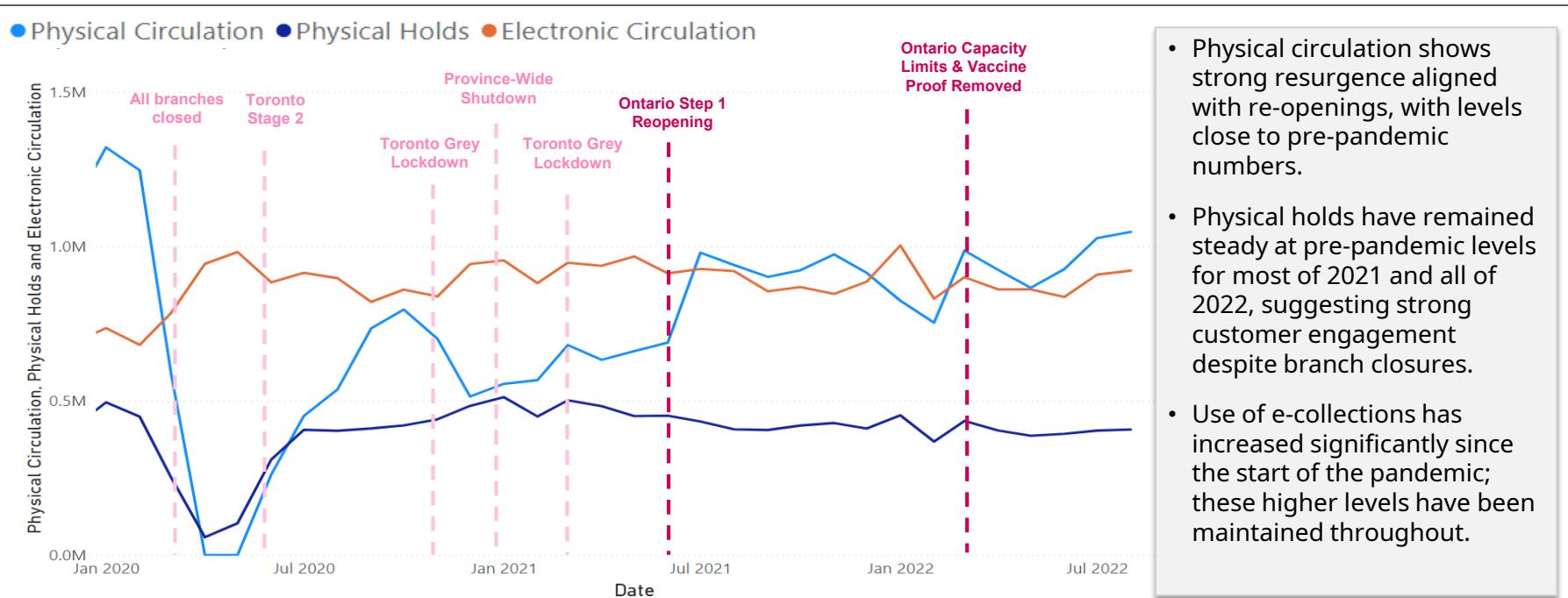
65% increase in wifi usage
(2022 YTD over same period 2021)

In-branch library services support **social inclusion, and economic and academic success.**

- Space for vulnerable populations, especially in extreme heat and cold, and use of washrooms
- Meeting rooms and work / study spaces
- Youth Hub drop-in services (Jan – July 2022)
 - 3,106 programs
 - 32,345 visits to 23 youth hubs
- In-person programming increasing since reinstatement in April
 - 7,104 programs
 - 99,646 attendees

how well we are doing: circulation

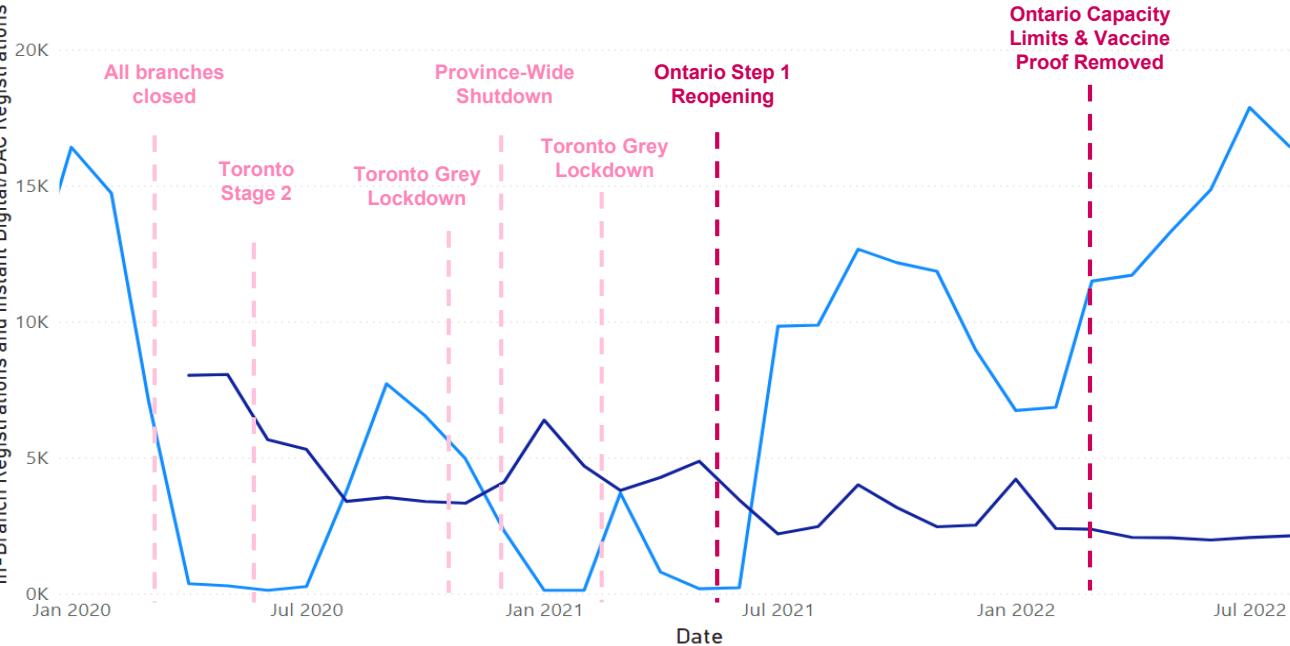
Physical circulation shows strong resurgence, nearing pre-pandemic levels



how well we are doing: new memberships

Significant increases in new library memberships with a return to pre-pandemic levels

● In-Branch Registrations ● Instant Digital/DAC Registrations



- In-branch registrations have increased significantly since Step 1 reinstatement of services. Return to pre-pandemic levels following the March 1st 2022 lifting of capacity limits.
- Initial strong uptake of digital memberships (which compensated for the decrease of in-branch registrations due to branch closures) continued to decline as in-branch registrations grew with more branches opening.

how well we are doing: 2022 partnerships & 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

Overdue fines eliminated

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

	library cards unblocked	library cards purged of overdue fines	% used their library membership
Children	1,500	30,000	36% (after 1yr)
Teen/Adult	9,000	47,000	24% teens (after 5 months)



29% adults
(after 5 months)

new card registrations

61%↑ children
(after 1yr)

14%↑ teens
(Jan-Aug 22 vs Jan-Aug 21)

51%↑ adults
(Jan-Aug 22 vs Jan-Aug 21)

2023 operating budget

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)

2023 operating budget: overview

Recurring base budget pressures

Affordability measures/savings

Base Budget Increase

2023 COVID pressures

Base Budget Increase, including COVID pressures

Budget enhancements

Total Budget Increase

2023 Net Budget Change		
FTEs	\$ million	%
25.0	11.539	5.6%
	(4.102)	-2.0%
25.0	7.437	3.6%
	5.053	2.5%
25.0	12.491	6.1%
4.5	-	0.0%
29.5	12.491	6.1%

recurring net base
budget pressures:
\$11.539 M; 5.6%

2023 operating budget recurring net base budget pressures

Salary and Benefits COLA
Reversal of 2022 Vacancy Experience impact
Economic increases
Operating impact of capital
Alternative Approaches to Safety & Security
Other base budget changes
Total recurring base budget pressures

2023 Net Budget Change		
FTEs	\$ million	%
	4.523	2.2%
	2.267	1.1%
	2.824	1.4%
12.0	0.136	0.1%
8.0	0.259	0.1%
5.0	1.532	0.7%
25.0	11.539	5.6%

savings & efficiencies:
-\$4.102 M, -2.0%

2023 operating base budget Affordability measures/savings

Maintain 2022 Vacancy Experience impact
Forgo Utilities economic increase
Line by Line efficiencies
Savings from relocation to Ethennonnhawahstihnen'
Increase revenues
Total Affordability measures/savings

2023 Net Budget Change		
FTEs	\$ million	%
	(2.267)	-1.1%
	(0.370)	-0.2%
	(0.600)	-0.3%
	(0.274)	-0.1%
	(0.591)	-0.3%
-	(4.102)	-2.0%

2023 operating budget

2023 COVID-19 impact

2023 COVID-19 budget impacts:
\$5.053 M, 2.5%

Security
Health & Safety (PPE, RATs, air filters)
Reduction in revenues and related expenditures
Total COVID-19 pressures

2023 Net Budget Change		
FTEs	\$ million	%
	2.500	1.2%
	1.410	0.7%
	1.143	0.6%
<hr/>	<hr/>	<hr/>
-	5.053	2.5%

2023 operating budget budget enhancements

	Raising the Village	SafeTO	Poverty Reduction Strategy	Action plan to Confront Anti-Black Racism	Newcomer Strategy	Seniors Strategy 2.0	Youth Equity Strategy	Strong Neighbourhoods Strategy	Workforce Development Strategy	Reconciliation Action Plan
Community-based services for equity-deserving population	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial empowerment			✓	✓	✓	✓	✓	✓	✓	✓
Social services team	✓	✓	✓	✓	✓	✓	✓			

2023 operating budget budget enhancements

budget enhancements: **\$0.000 M net; 0.0%**

	2023 Net Budget Change			2024 Net Budget Change			2025 Net Budget Change		
	FTEs	\$ million	%	FTEs	\$ million	%	FTEs	\$ million	%
Community-based Service for Equity Deserving Populations	4.0	-	0.0%		0.429	0.2%			0.0%
Financial Empowerment Service	0.5	-	0.0%		0.248	0.1%			0.0%
Social Service Team		-	0.0%		0.500	0.2%			0.0%
2023 Budget Enhancements	4.5	-	0.0%		1.177	0.5%			0.0%
Final implementation on Open Hours Plan (2018-2025)		-	0.0%	90.0	8.321	3.8%		8.321	3.5%
Total Budget Enhancements	4.5	-	0.0%	90.0	9.498	4.4%		8.321	3.5%

- Advance TPL strategic objectives
- Support many of City of Toronto Key Strategies
- Focus on increasing equity
- First year fully funded by donations from TPL Foundation

2023 operating budget enhancements



community-based service for equity-deserving populations

target groups: community agencies serving Black and Indigenous clients

2023: \$0.000 million; 0.0% including 4.0 FTEs



financial empowerment service

target groups: low income individuals across all equity-deserving groups

2023: \$0.000 million; 0.0% including 0.5 FTEs



social service team

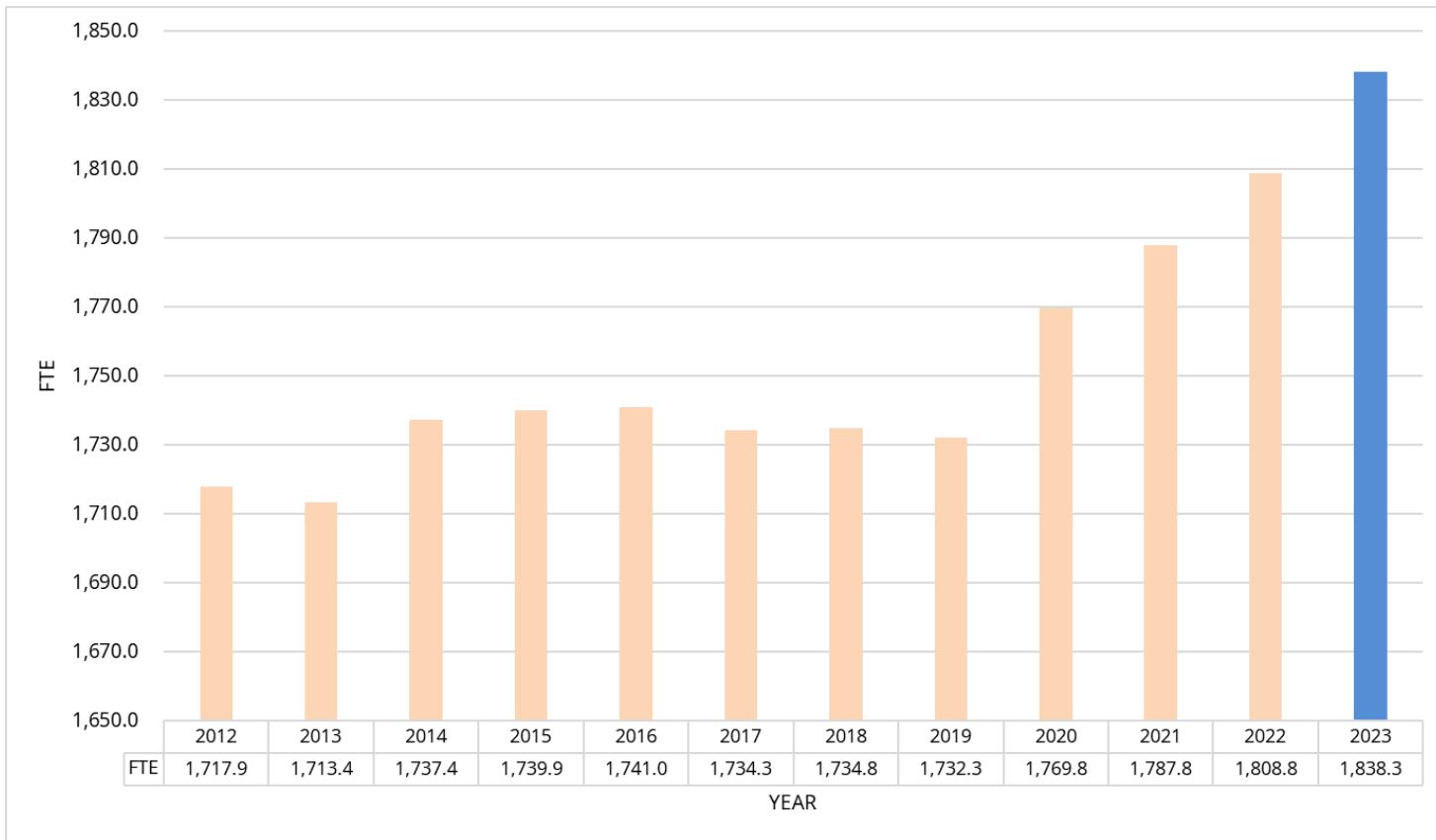
target groups: vulnerable populations especially those experiencing homelessness, mental health and addictions

2023: \$0.000 million; 0.0%

\$0.889 M contributed through
fundraising by TPL Foundation

**Total new/enhanced investments
to address key priorities**

History of staff changes



2023 operating budget summary

2022 Approved Budget

2022 COVID-19 financial impacts

2022 Budget, excluding COVID-19

2023 Budget

Recurring base budget pressures

Affordability measures/savings

2023 Base Budget Increase

2023 COVID budget pressures

2023 Base Budget Increase, including COVID-19

2023 Base Budget including COVID-19 pressures

Budget Enhancements

2023 Total Budget Increase

Total 2023 Operating Budget

2023					2024	2025		
<u>FTEs</u>	<u>GROSS</u>	<u>REVENUE</u>	<u>NET</u>	<u>%</u>	<u>NET</u>	<u>%</u>	<u>NET</u>	<u>%</u>
<u>1,808.8</u>	<u>228.305</u>	<u>18.520</u>	<u>209.785</u>		<u>217.496</u>		<u>239.981</u>	
	(3.225)	1.554	(4.779)	-2.3%				
<u>1,808.8</u>	<u>225.080</u>	<u>20.074</u>	<u>205.006</u>		<u>217.496</u>		<u>239.981</u>	
25.0	11.511	(0.029)	11.539	5.6%	10.719	4.9%	4.464	1.9%
	(3.511)	0.591	(4.102)	-2.0%	2.267	1.0%		
<u>25.0</u>	<u>8.000</u>	<u>0.562</u>	<u>7.437</u>	<u>3.6%</u>	<u>12.986</u>	<u>6.0%</u>	<u>4.464</u>	<u>1.9%</u>
25.0	3.879	(1.175)	5.053	2.5%		0.0%		0.0%
<u>25.0</u>	<u>11.878</u>	<u>(0.612)</u>	<u>12.491</u>	<u>6.1%</u>	<u>12.986</u>	<u>6.0%</u>	<u>4.464</u>	<u>1.9%</u>
1,833.8	236.958	19.462	217.496	6.1%	230.483	6.0%	244.445	1.9%
4.5	0.889	0.889	-	0.0%	9.498	4.4%	8.321	3.5%
<u>29.5</u>	<u>12.768</u>	<u>0.277</u>	<u>12.491</u>	<u>6.1%</u>	<u>22.484</u>	<u>10.3%</u>	<u>12.785</u>	<u>5.3%</u>
<u>1,838.3</u>	<u>237.848</u>	<u>20.351</u>	<u>217.496</u>	<u>6.1%</u>	<u>239.981</u>	<u>10.3%</u>	<u>252.766</u>	<u>5.3%</u>

next steps

2022

Oct 27 – Administrative Review – City Finance, CFO, City Manager
Dec 5 – [TPL Board Meeting](#)

2023

Jan/Feb/Mar – Political Review
Jan – [TPL Board Meeting](#)
Feb – [TPL Board Meeting](#)
Mar – [TPL Board Meeting](#)

No. 14 – 2023 Operating Budget Submission

The City Librarian recommends that the Toronto Public Library Board:

1. approves the 2023 operating base budget submission of \$217.496 million net (\$237.848 million gross), which represents a \$12.491 million net (\$12.768 million gross) increase, or 6.1%, over the 2022 operating budget as detailed in Attachment 1, and is comprised of:
 - a. recurring base budget increase of \$7.437 million net (\$8.000 million gross), or 3.6%;; and
 - b. COVID-19 related budget increases of \$5.053 million net (\$3.879 million gross), or 2.5%;
2. approves 2023 budget enhancements totalling \$0.000 million net (\$0.889 million gross), or 0.0% as detailed in Attachment 1; and
3. authorizes staff to forward this operating budget submission to the City for consideration