



STAFF REPORT INFORMATION ONLY

15.

2019 Operating and Capital Budgets – Update and Schedule

Date:	January 21, 2019
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to provide the Toronto Public Library (TPL) Board with an update on the 2019 budget, including details of the schedule for the review and approval process, and the impact of Bill 47, Making Ontario Open for Business Act on the operating budget.

The 2019 budget process will commence with launch by Budget Committee on January 28, 2019, and City Council is scheduled to approve the budgets on March 7, 2019. The Council-approved budgets will be presented to the Board for adoption at its March 25, 2019 meeting.

The elimination of the 2019 minimum wage increase resulted in a minor reduction to the submitted 2019 Operating Budget of \$0.104 million net or 0.1%.

FINANCIAL IMPACT

There has been a minor adjustment to the 2019 operating base budget submission with the introduction of the Making Ontario Open for Business Act, 2018 (Bill 47), which reduced the operating base budget net increase over the 2018 budget from 2.7% to 2.6%. This equates to \$0.104 million net reduction to the budget submission.

Once Council has approved the 2019 operating and capital budgets, the Board is required to adopt the approved budgets.

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

ISSUE BACKGROUND

At its meeting on October 29, 2018, the Board approved the 2019 operating budget submission ([2019 Operating Budget Submission - Revised](#)) of \$191.111 million net representing a 4.8% increase over 2018 as shown in the table below. This was comprised of a base budget increase of 2.7% and budget enhancements requests of 2.1%. The

enhancements included additional locations for Youth Hubs, Sunday Service expansion, and Phase 1 of the Open Hours Plan. The base budget increase has now been reduced to 2.6% with the overall increase reduced to 4.7% as explained elsewhere in this report.

2019 Operating Budget Submission (\$ millions)

	<u>FTE</u>	<u>Net</u>	<u>%</u>
2018 Approved Operating Budget	1,734.8	182.393	
Budget Increase	(4.5)	4.903	2.7%
2019 Operating Base Budget	1,730.3	187.296	2.7%
<u>Budget Enhancements</u>			
2019 Add'l locations for Youth Hubs	2.0	0.260	0.1%
2019 Sunday Service Enhancement		0.208	0.1%
Open Hours Plan - Phase 1	40.9	3.347	1.8%
	42.9	3.815	2.1%
2019 Operating Budget Submission	1,773.2	191.111	4.8%

Also approved was the 2019-2028 capital budget and plan ([2019-2028 Capital Budget and Plan Submission - Revised](#)) of \$21.915 million debt (\$28.830 million gross) for 2019 and \$251.234 million debt (\$472.871 million gross) over 2019-2028 million as detailed below.

2019-2028 Capital Budget and Plan Submission (\$ millions)

	2019		2019-2028	
	Gross	Debt	Gross	Debt
Funding to meet Debt Targets	28.674	21.860	303.937	173.888
Funding exceeding Debt Targets	0.156	0.055	168.934	77.346
Total Budget Submission	28.830	21.915	472.871	251.234

COMMENTS

Budget Timetable

With the newly elected City Council now in session, a detailed budget schedule is shown below:

Activity	Schedule
Board Meeting	January 21, 2019
Budget Committee – 2019 Budget Launch	January 28, 2019
Budget Committee – Review	February 4 & 6, 2019
Budget Committee – Public Presentations	February 7 & 11, 2019
Budget Committee – 2019 Budget wrap up	February 20, 2019
Board Meeting – Budget update	February 25, 2019
Executive Committee – Review	March 4, 2019
City Council Approval	March 7, 2019
Board Meeting - Adoption of approved Budgets	March 25, 2019

Impact of Bill 47

Bill 47 eliminated the previously scheduled minimum wage increase of \$1 per hour, freezing the rate at \$14 per hour for 2019. This results in a reduction to the submitted 2019 base budget of \$0.104 million net or 0.1%. The revised operating base budget is \$187.191 million net and represents a \$4.798 million, or 2.6%, net increase over the 2018 budget. When added to the requested budget enhancements of \$3.815 million net, or 2.1%, this brings the total 2019 budget increase to 4.7%.

CONTACT

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SIGNATURE

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