

Revised 2025 Operating Budget Submission

Date: December 2, 2024

To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to provide the revised 2025 operating budget submission for the Toronto Public Library Board for information. It includes an adjustment for the new Open Hours as described in the [2025 Revised Open Hours Plan and Implementation](#) report, approved by the Board at the meeting on October 28, 2024.

The new Open Hours has a total cost of \$8.089 million over 2025 to 2027, including 35.6 full time equivalent (FTE) staff, and the revised 2025 budget now includes \$1.947 million, or a 0.8% increase over the 2024 budget, and 5.0 FTEs.

The 2025 base budget remains unchanged in the revised 2025 submission at \$242.992 million net (\$263.947 million gross), representing an increase of \$12.278 million or 5.3%.

The revised 2025 budget enhancements, which now includes the \$1.947 million cost and 5 FTEs for the new Open Hours, total \$4.620 million net, or 2.0%, including 30.1 FTEs.

Toronto Public Library's (TPL) revised 2025 operating budget submission is \$247.612 million net (\$268.567 million gross), which represents an increase of \$16.898 million net (\$16.273 million gross), or 7.3% over the 2024 budget.

FINANCIAL IMPACT

The revised 2025 operating submission is summarized in Table 1 below:

Table 1: Revised 2025 Operating Budget Submission

	<i>FTEs</i>	<i>Gross (\$ M)</i>	<i>Revenue (\$ M)</i>	<i>Net (\$ M)</i>	<i>%</i>
2024 Council Approved Budget	1,906.2	252.293	21.579	230.714	
2025 Base Budget Increase					
Annualization of prior year approvals	-	3.324	(0.748)	4.072	1.8%
Other base budget pressures	9.5	8.329	0.124	8.206	3.5%
	9.5	11.654	(0.624)	12.278	5.3%
2025 Base Budget	1,915.7	263.947	20.955	242.992	5.3%
2025 Budget Enhancements					
Previously Approved - Open Hours Plan Phase 2	20.6	1.675	-	1.675	0.7%
New Open Hours	5.0	1.947	-	1.947	0.8%
	25.6	3.622	-	3.622	1.6%
Other Enhancements	4.5	0.998	-	0.998	0.4%
2025 Enhancements	30.1	4.620	-	4.620	2.0%
Total 2025 Budget Increase	39.6	16.273	(0.624)	16.898	7.3%
2025 Operating Budget	1,945.8	268.567	20.955	247.612	7.3%

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

ALIGNMENT WITH STRATEGIC PLAN

The 2025 operating budget will support TPL's current strategic plan objectives, including supporting digital literacy and inclusion, enhancing access to information, technology and e-learning, and transforming library operations for 21st century service excellence. Funding will also be available for new strategic plan objectives in the 2025-2029 strategic plan.

EQUITY IMPACT STATEMENT

TPL's 2025 operating 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 information, training and employment opportunities, as well as opportunities for civic engagement and community participation.

DECISION HISTORY

At its meeting on September 23, 2024, the Library Board received information on the [2025 Operating Budget - Status Update](#), which provided the 2025 budget outlook that was included in the approved 2024 operating budget and highlighted potential changes to the 2025 outlook.

At its meeting on October 28, 2024, the Board considered [2025 Revised Open Hours Plan and Implementation](#) and approved the updated Open Hours plan and the phased approach to implementation. The updated plan adds new Open Hours for Sunday service and Monday to Saturday service, and additional programming on Sundays, at an total cost of \$8.089 million, including 35.6 FTEs. The total incremental cost is spread over three years: \$1.947 million and 5.0 FTEs in 2025, \$5.059 million and 30.6 FTEs in 2026, and \$1.083 million in 2027.

At the same meeting on October 28, 2024, the Library Board considered [2025 Operating Budget - Submission](#) and amended the recommendation for the 2025 budget to include the cost for the new Open Hours, resulting in a revised submission of \$247.612 million net, representing an increase of \$16.898 million or 7.3%, comprised of: a base budget of \$242.992 million net, an increase of \$12.278 million or 5.3%; and total enhancements of \$4.620 million or an increase of 2.0%. Staff was directed to report back to the Board meeting on December 2, 2024 with a revised 2025 Operating Budget Submission, which consolidates the original 2025 submission with the new Open Hours.

COMMENTS

TPL has a proven track record of financial stewardship through fiscally responsible budgeting and policies, procedures and controls regarding spending public funds. The revised 2025 operating budget submission preserves library services and service levels while advancing many of the City's

equity strategies and the Library's Strategic Plan by providing welcoming and accessible public spaces with expanded open hours, and other poverty reduction initiatives.

2025 Base Budget Submission

TPL's 2025 base budget submission, which remains unchanged, is \$242.992 million net, which represents a \$12.278 million net, or 5.3% increase over 2024, and is comprised of:

1. annualization of prior year approvals of \$4.072 million net, or 1.8%; and
2. other base budget pressures of \$8.206 million net, or 3.5%.

1. Annualization of prior year approvals

Net increase of \$4.072 million, or 1.8%, related mainly to the annualization of staffing costs for positions added in 2024, mainly related to Phase 1 of the Open Hours Plan, that advanced City and TPL strategic initiatives as detailed in Table 2:

Table 2: Annualization of Prior Year Approvals (\$ M)

	2025			
	Gross	Revenue	Net	%
Open Hours - Phase 1	2.925		2.925	1.3%
Additional Youth Hubs	0.399		0.399	0.2%
Financial empowerment service		(0.248)	0.248	0.1%
Social service team		(0.500)	0.500	0.2%
Annualization of Prior Year Approvals	3.324	(0.748)	4.072	1.8%

The Financial Empowerment Service and Social Service Team were fully funded by grants from the Toronto Public Library Foundation for 2023 to 2024. Starting in 2025, the City of Toronto will fund them, which was approved as part of the 2023 budget.

Additional information on these enhancements can be found in the [2024 Operating Budget – Adoption](#).

2. Other Base Budget Pressures

Other 2025 base budget pressures total \$8.206 million net, or 3.5%, and are detailed in Table 3:

Table 3: Other Base Budget Pressures

	2025				
	FTEs	Gross (\$ M)	Revenue (\$ M)	Net (\$ M)	%
<u>Staffing</u>					
Salary and Benefits (does not include COLA)	1.0	1.684	0.672	1.012	0.4%
<u>Economic Increases</u>					
Contracted services		2.805		2.805	1.2%
Library materials		1.099		1.099	0.5%
Supplies, services & rent		0.564		0.564	0.2%
Utilities		0.251		0.251	0.1%
	-	4.719	-	4.719	2.0%
<u>Other Base Budget Pressures</u>					
Operating impact of capital	12.5	1.522	-	1.522	0.7%
Community-based service for equity deserving populations	(4.0)	(0.386)	(0.386)	-	0.0%
Asset Replacement Reserve contribution		2.400		2.400	1.0%
Contribution to Fleet Reserve		0.391	(0.162)	0.553	0.2%
	8.5	3.927	(0.548)	4.475	1.9%
<u>Savings/Affordability Measure(s)</u>					
Forego contribution to asset replacement reserve			(2.000)		(2.000)
<u>Other Base Budget Pressures</u>	9.5	8.329	0.124	8.206	3.5%

Salary and Benefits

Net increase of \$1.012 million, or 0.4%, is related to salary progression and higher benefit costs. The increase excludes COLA, as the current collective agreement expires at the end of 2024. The budget for COLA will be transferred from the City to TPL after the completion of collective bargaining.

Economic increases

The net increase of \$4.719 million, or 2.0%, is comprised of:

- \$2.805 million net related to economic increases for facilities and IT-related contracts;
- \$1.099 million net increase for library materials due to the high cost of e-materials and increasing usage;
- \$0.564 million net increase for supplies, services and rent; and
- \$0.251 million net increase for utilities.

Operating impact of capital

Net increase of \$1.522 million, or 0.7%, including 12.5 full-time equivalent (FTE) staff, is mainly related to branch expansions and renovations, including the Junction Triangle branch (Perth/Dupont branch relocation) and Fairview branch. These costs and capital projects have been included in the 2025-2034 capital budget submission.

Asset Replacement Contribution

The best practice for technology replacement, which is in practice at the City, is to establish an annual contribution from the operating budget to a technology asset replacement reserve, and when sustainable, then all future replacements are funded from the reserve. Currently, TPL's technology replacement program (TAMP) is funded from the TPL annual capital budget. Efforts are being made to build an annual contribution to the reserve from the operating budget, but restrictions on the annual budget increases have made this challenging. For 2025, TPL has proposed to build in an annual reserve contribution of \$2.400 million. However, as noted below, this is being reduced by \$2.000 million as a savings/affordability measure.

Contribution to Fleet Reserve

Net increase of \$0.553 million, or 0.2%, is related to increasing TPL's annual contribution to the City's Fleet Reserve, which is used to purchase TPL vehicles. In response to climate resilience, one of TPL's strategies is gradually replacing its fleet with electric vehicles which are more expensive.

Savings/Affordability Measures

TPL has identified \$2.000 million, or 0.9%, in savings/affordability measures by foregoing a portion of the proposed 2025 contribution to the technology asset replacement reserve of \$2.400 million. This means that it will take much longer to establish a sustainable asset replacement reserve. TPL will continue to monitor spending throughout the year and identify any line-by-line savings.

2025 Budget Enhancements

TPL's revised 2025 budget enhancements total \$4.620 million net, or 2.0%, including 30.1 FTEs, 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 4 below:

Table 4: Revised 2025 Budget and 2026-2027 Outlook Enhancements

	2025			2026			2027		
	FTEs	Net(\$ M)	%	FTEs	Net(\$ M)	%	FTEs	Net(\$ M)	%
Previously Approved									
Open Hours Plan - Phase 2	20.6	1.675	0.7%		2.436	1.0%		-	0.0%
Open Hours Plan - Phase 3		-	0.0%	17.3	0.864	0.3%		0.617	0.2%
	<u>20.6</u>	<u>1.675</u>	<u>0.7%</u>		<u>3.300</u>	<u>1.3%</u>		<u>0.617</u>	<u>0.2%</u>
New Open Hours									
Open Hours expansion	5.0	1.947	0.8%	30.6	5.059	2.1%		1.083	0.4%
	<u>25.6</u>	<u>3.622</u>	<u>1.6%</u>	<u>47.9</u>	<u>8.360</u>	<u>3.4%</u>		<u>1.700</u>	<u>0.6%</u>
Enhancements									
Youth Hub Expansion	2.0	0.108	0.0%		0.108	0.1%		-	0.0%
Digital Innovation Hub Expansion	2.0	0.077	0.0%		0.077	0.0%		-	0.0%
Financial Empowerment Service Expansion	0.5	0.248	0.1%	0.5	0.248	0.1%	0.5	0.248	0.1%
Social Service Team Service Expansion		0.565	0.2%		0.565	0.2%		-	0.0%
	<u>4.5</u>	<u>0.998</u>	<u>0.5%</u>	<u>0.5</u>	<u>0.998</u>	<u>0.4%</u>	<u>0.5</u>	<u>0.248</u>	<u>0.1%</u>
Total 2025 Budget Enhancements	<u>30.1</u>	<u>4.620</u>	<u>2.0%</u>	<u>48.4</u>	<u>9.358</u>	<u>3.8%</u>	<u>0.5</u>	<u>1.948</u>	<u>0.8%</u>

Phase 2 of Open Hours Implementation Plan – Previously Approved

The Board approved a phased implementation to complete the Open Hours Implementation Plan at its meeting on September 18, 2023. Phasing allows the cost to be spread over multiple budget years. All three phases were approved by the Council as part of the TPL 2024 operating budget. Phase 1 of the Open Hours Implementation Plan was implemented in 2024.

The 2025 operating budget submission includes enhancement funding for Phase 2 of the Open Hours Implementation Plan, totalling \$1.675 million net (\$4.111 million annualized), or 0.7%, including 20.6 FTEs.

Phase 2 of the Open Hours Plan includes:

- 16 branches receiving increased Monday-Saturday service in July 2025.
- Five (5) branches will move to year round from seasonal Sunday service in July 2025.
- All 67 Sunday branches will move to 5.0 hours Sundays from 3.5 hours in September 2025.

The implementation of Phase 2 of the Open Hours Plan will increase annual hours by 9,424, a 3% increase from the 2024 level.

New Open Hours

The revised 2025 operating budget submission now includes the service enhancements for the new Open Hours with a 2025 cost of \$1.947 million net, or 0.8%, including 5.0 FTEs.

The new Open Hours Plan includes:

- 33 remaining branches will introduce Sunday service, for a total of 100 branches, in September 2025.
- Additional Sunday programming where space permits.

Revised Open Hours Plan

The combined result of the revised Open Hours Plan, which includes Sunday and Monday hours expansions, will provide year-round seven-day a week service at all 100 branch locations. The total cost of all three phases for open hours, and the new Open Hours, is \$19.057 million spread over four budget years, as summarized in Table 5 below.

Table 5: Revised Open Hours (Net \$ M)

	2024	2025	2026	2027	Total
Previously Approved					
Open Hours Plan - Phase 1	2.450	2.925			5.375
Open Hours Plan - Phase 2		1.675	2.436	-	4.112
Open Hours Plan - Phase 3		-	0.864	0.617	1.481
	2.450	4.600	3.300	0.617	10.967
New Open Hours	-	1.947	5.059	1.083	8.089
Revised Open Hours	2.450	6.547	8.360	1.700	19.057
FTEs	51.9	25.6	47.9	-	125.4

Youth Hub Service Expansion

Funding of \$0.108 million net (\$0.216 million annualized) including 2.0 FTE, is requested to expand Youth Hub service to one additional library branch (Northern District), which will bring the total number of Youth Hubs to 29. Youth Hubs are a welcoming place for teens after school and in the summer, where helpful staff are always available. They offer a drop-in space at the library where teens can study, get homework help, chat with friends, use technology or take part in programming and activities such as arts and crafts and gaming. TPL librarians are available to provide school support, lead programs, and connect teens with community resources. Free, nutritious snacks are offered daily. Additional youth hubs will be introduced as a part of certain future branch renovations/relocations/expansions.

Digital Innovation Hub Expansion

Funding of \$0.077 million net (\$0.154 million annualized), including 2.0 FTE, is requested to expand the Digital Innovation Hub service to one additional library branch (Maria A. Shchuka), which will bring the total number of Hubs to 13. Digital Innovation Hubs provide access to professional software, computers, and a wide variety of specialized equipment, training, and support to learn, create and explore. Specialized equipment includes staff support and access for Audio Recording, 3D Design and Printing, Coding, Graphic Design, and Video Recording.

Financial Empowerment

TPL's Financial Empowerment Service (FES) is a City of Toronto Poverty Reduction Strategy initiative developed in partnership with Prosper Canada, a national charity. Funding of \$0.248 million gross and net, including 0.5 FTE, is requested to expand service to two additional library branches. This would bring the total service to four branches. This service provides one-on-one, in-person support from community agency expert partners, 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 support.

Social Service Team

The Social Service Team budget enhancement, totalling \$0.565 million gross and net, will add two additional teams that will offer services and support onsite at designated library branches allowing community members to access a service that integrates social and health services in one space. This will bring the total service up to three teams providing one-on-one services and expand group programming from two branches to up to 10 branches. TPL designed the program specifically for individuals 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.

2026-2027 Operating Budget Outlook

The 2026 and 2027 Operating Base Budget Outlook is detailed in Attachment 1 and shows net base budget increases of 3.1% and 2.7% in 2026 and 2027, respectively, before budget enhancements and 6.9% and 3.5%, including

budget enhancements. The 2026 and 2027 base budget increases exclude COLA, as the current collective agreement expires at the end of 2024.

Informal Budget Committee Review

On November 6, 2024, there was an informal budget committee review of TPL's budget, and there was no action following the meeting.

2025 Operating Budget Timetable

Activity	Schedule
Board Meeting - 2025 Budget Updates	December 2, 2024
Budget Launch - Budget Committee	January 13, 2025
Budget Committee Review Meetings	January 15 to 17, 2025
Budget Committee – Public Presentations	January 21 to 22, 2025
Budget Committee - Wrap-Up	January 24, 2025
Board Meeting - 2025 Budget Updates	January 27, 2025
Executive Committee	January 28, 2025
Mayor's Proposed Budget Release Announcement	January 30, 2025
Special Council meeting on Budget - 2025 Budget Approval	February 11, 2025
Board Meeting - Adoption of 2025 Budgets	February 24, 2025

CONCLUSION

TPL's revised 2025 operating budget submission is a reasonable and responsible funding request necessary to maintain existing service levels. It allows for investments in additional digital and community-based services that support vulnerable populations and responds to several key issues and challenges the Library is facing, including high inflation and safety and security issues. The revised 2025 operating budget submission also includes service

enhancements, including a significant investment in expanded Open Hours, that support many of the Library's and City Council's strategic priorities.

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Revised 2025 Operating Budget Submission and 2026-2027 Outlook

TORONTO PUBLIC LIBRARY
2025 OPERATING BUDGET AND 2026 - 2027 OUTLOOK

	Staffing FTEs	2025			% \$Millions	2026			2027					
		GROSS	REVENUE	NET		Staffing FTEs	NET	% \$Millions	Staffing FTEs	NET	% \$Millions			
2024 Council Approved Budget		1,906.2	252.293	21.579	230.714	1,945.8	247.612	264.730	1,996.1	264.730				
Annualization of Prior year approvals														
1	Open Hours - Phase 1		2.925		2.925		1.3%							
2	Additional Youth Hubs		0.399		0.399		0.2%							
3	Financial empowerment service		(0.248)		0.248		0.1%							
4	Social service team		(0.500)		0.500		0.2%							
			3.324	(0.748)	4.072	1.8%					0.0%			
New Base Budget Pressures														
Staffing Costs														
5	Salaries and Benefits (does not include COLA)	1.0	1.684	0.672	1.012	0.4%	-	1.585	0.6%	-	1.609	0.6%		
		1.0	1.684	0.672	1.012	0.4%		1.585	0.6%		1.609	0.6%		
Economic Increases														
6	Contracted services		2.805		2.805		1.2%							
7	Library materials		1.099		1.099		0.5%							
8	Supplies, services & rent		0.564		0.564		0.2%							
9	Utilities		0.251		0.251		0.1%							
		4.719		4.719	2.0%			3.862	1.6%		3.436	1.3%		
Other Base Budget Pressures														
10	Operating impact of capital	12.5	1.522	-	1.522	0.7%	2.0	0.577	0.2%	-	0.432	0.2%		
11	Community-based service for equity deserving populations	(4.0)	(0.386)	(0.386)	-	0.0%								
12	Asset replacement reserve contribution		2.400		2.400	1.0%		1.000	0.4%		1.000	0.4%		
13	Contribution to fleet reserve		0.391	(0.162)	0.553	0.2%		0.738	0.3%		0.744	0.3%		
		8.5	3.927	(0.548)	4.475	1.9%		2.0	2.315	0.9%		2.176	0.8%	
Affordability Measures/Savings														
14	Forego contribution to asset replacement reserve		(2.000)		(2.000)	-0.9%		-	0.0%	-	-	0.0%		
		-	(2.000)	-	(2.000)	-0.9%		-	-		-	-0.0%		
		9.5	8.329	0.124	8.206	3.5%		2.0	7.761	3.1%		7.221	2.7%	
Base Budget Increase		9.5	11.654	(0.624)	12.278	5.3%		2.0	7.761	3.1%		7.221	2.7%	
2025 Operating Base Budget Submission		1,915.7	263.947	20.955	242.992	5.3%		1,947.8	255.373	3.1%		1,996.1	271.951	2.7%
Budget Enhancements														
Previously approved														
15	Open Hours - Phase 2	20.6	1.675		1.675	0.7%								
16	Open Hours - Phase 3							2.436	1.0%	-	0.0%			
		20.6	1.675	-	1.675	0.7%		17.3	0.864	0.3%	0.617	0.2%		
17	New Open Hours	5.0	1.947		1.947	0.8%		17.3	3.300	1.3%		0.617	0.2%	
		25.6	3.622		3.622	1.6%		30.6	5.059	2.0%		1.083	0.4%	
New Enhancements														
18	Youth Hub Expansion	2.0	0.108		0.108	0.0%								
19	Digital Innovation Hub Expansion	2.0	0.077		0.077	0.0%								
20	Financial Empowerment Service Expansion	0.5	0.248		0.248	0.1%		0.5	0.248	0.1%				
21	Social Service Team Service Expansion		0.565		0.565	0.2%			0.565	0.2%				
		4.5	0.998	-	0.998	0.4%		0.5	0.998	0.4%				
		30.1	4.620	-	4.620	2.0%		48.4	9.358	3.8%				
		39.6	16.273	(0.624)	16.898	7.3%		50.4	17.119	6.9%				
Total Budget Increase		39.6	16.273	(0.624)	16.898	7.3%		50.4	17.119	6.9%				
2025 Council Approved Operating Budget Submission and 2026-2027 Outlook		1,945.8	268.567	20.955	247.612	7.3%		1,996.1	264.730	6.9%				
		1,996.1	264.730	6.9%				1,996.6	273.899	3.5%				

* Collective agreement ends December 31, 2024. Salary and benefit estimates in 2025-2027 do not include cost of living adjustments