



STAFF REPORT ACTION REQUIRED

2026 Operating Budget - Adoption

Date: February 23, 2026

To: Toronto Public Library Board

From: City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board adoption of the 2026 operating budget of \$274.378 million net (\$296.057 million gross), including 2,033.0 full-time equivalent positions (FTEs), as approved by City Council on February 10, 2026.

The Toronto Public Library (TPL) 2026 budget represents a \$19.834 million net (\$22.756 million gross), or 7.8%, increase over the 2025 budget comprised of:

- annualization of prior year Council-approved initiatives totalling \$10.530 million net (\$9.717 million gross), or 4.1%;
- incremental salaries and benefit costs for the base complement of \$10.338 million gross and net, or 4.1%;
- other base budget changes resulting in reductions totalling (\$1.599) million net (\$0.462 million gross), or -0.6%;
- budget enhancements totalling \$0.565 million net (\$2.239 million gross), or 0.2%; and
- an additional 82.2 FTEs.

The 2026 operating budget maintains core library services and service levels while enhancing services in several key areas. It aligns with the priorities of TPL's 2025-2029 Strategic Plan and advances many of the City's equity strategies. Specific enhancements in the 2026 operating budget include:

- fulfilling a core objective of TPL's Open Hours Plan with all branches open seven days a week by the summer of 2026;
- expansion of the Social Crisis and Support service to branches in Scarborough and other locations outside the downtown core;
- expansion of Financial Empowerment service to two additional branches providing one-on-one, in-person support from community agency expert partners; and
- a new initiative aimed at reducing seniors' social isolation that expands library services in community-based locations where seniors live helping older adults remain independent, connected and supported.

The 2026 budget reflects a significant investment in TPL by City Council and recognizes the importance of libraries as a core service in the city of Toronto.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopts the Council-adopted 2026 operating budget of \$274.378 million net (\$296.057 million gross), which includes 2,033.0 full-time equivalent staff positions, as detailed in attachment 1.

FINANCIAL IMPACT

The Council-adopted 2026 operating budget is \$274.378 million net (\$296.057 million gross), which represents an increase of \$19.834 million net (\$22.756 million gross), or 7.8%, from the Council-approved 2025 Operating Budget as detailed in attachment 1 and summarized below in Table 1.

Table 1: Council-Approved 2026 Operating Budget & 2027-2028 Outlook (in \$millions)

	2026					2027		2028	
	Staffing FTEs	Gross	Revenues	Net	%	Net	%	Net	%
2025 Council-adjusted budget	1,950.8	273.301	18.757	254.544		274.378		298.777	
Annualization of prior year Council-approved initiatives	49.7	9.717	(0.813)	10.530	4.1%	2.374	0.9%		
Base Budget Changes									
Salaries and benefits		10.338		10.338	4.1%	11.152	4.1%	11.679	4%
Other base budget pressures	25.0	0.462	2.061	(1.599)	-0.6%	10.874	4.3%	12.903	5.1%
2026 base budget increase	74.7	20.517	1.248	19.269	7.6%	24.399	8.9%	24.582	8.2%
2026 new and/or enhanced services	7.5	2.239	1.674	0.565	0.2%	-	0.0%	0.496	0.2%
Total 2026 budget increase	82.2	22.756	2.922	19.834	7.8%	24.399	8.9%	25.078	8.4%
2026 operating budget & 2027-2028 outlook	2,033.0	296.057	21.679	274.378	7.8%	298.777	8.9%	323.855	8.4%

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

ALIGNMENT WITH STRATEGIC PLAN

The 2026 operating budget will support TPL's strategic plan objectives, including supporting social connection, civic engagement and democracy, shared community spaces, building on commitments to learning and growth, and ensuring awareness and availability of library services. The 2026 operating budget reflects commitments made in TPL's 2025-2029 Strategic Plan to prioritize and focus on staff with the objective of maintaining existing staffing levels and service levels, while also meeting Open Hours expansion and service enhancement commitments.

EQUITY IMPACT STATEMENT

TPL's 2026 operating budget strengthens equitable access to library services across the city by expanding open hours, enhancing service delivery, and ensuring that all Torontonians can benefit from welcoming, inclusive, and accessible library spaces. The budget is expected to have positive impacts for all equity-deserving groups while advancing the Library's and the City's key equity and inclusion strategies, including the Poverty Reduction Strategy; SafeTO; and Our Health, Our City. This budget prioritizes investments that advance equitable access and outcomes and prioritizes service enhancements to branches serving equity-deserving communities and Neighbourhood Improvement Areas.

DECISION HISTORY

At its meeting on December 1, 2025, the Library Board considered the report [Revised 2026 Operating Budget Submission](#) and approved the revised TPL 2026 operating budget submission of \$274.378 million net (\$296.057 million gross), which represented a \$19.834 million net, or 7.8%, over the 2025 Council-adjusted budget, to be submitted to the City for consideration.

At its meeting on October 27, 2025, the Library Board considered the report [2026 Operating Budget - Submission](#) and approved the 2026 operating budget submission of \$280.790 million net (\$301.919 million gross), which represented an increase of \$26.246 million net, or 10.3%, over the 2025 Council-adjusted budget, to be submitted to the City for consideration.

At its meeting on September 29, 2025, the Library Board received for information the [2026 Operating Budget - Status Update](#), which provided the 2026 budget outlook that was included in the approved 2025 operating budget and highlighted potential changes to the 2026 outlook.

COMMENTS

At its meeting on February 10, 2026, City Council adopted the Mayor's Proposed 2026 operating budget, inclusive of TPL's 2026 operating budget of \$274.378 million net (\$296.057 million gross), and 2,033.0 FTEs. This budget was aligned with the 2026 operating budget the TPL Board approved on December 1, 2025 and authorised staff to forward to the City for consideration.

2026 Operating Budget

TPL's Council-adopted 2026 operating budget is \$274.378 million net (\$296.057 million gross), which represents a \$19.834 million net (\$22.756 million gross), or 7.8%, increase over the 2025 operating budget, comprised of:

- annualization of prior year Council-approved initiatives totalling \$10.530 million net (\$9.717 million gross), or 4.1%;
- incremental staffing and benefit costs for the base complement of \$10.338 million gross and net, or 4.1%;

- other base budget changes resulting in reductions totalling (\$1.599) million net (\$0.462 million gross), or -0.6%;
- budget enhancements totalling \$0.565 million net (\$2.239 million gross), or 0.2%; and
- an additional 82.2 FTEs.

A preliminary allocation of the changes from the 2025 operating budget by expenditure/revenue category types is summarized in Table 2 below:

Table 2: Summary of 2026 Operating Budget by Expenditure / Revenue Category (in \$ millions)

	2025 Budget	2026					
		Ann. of prior year	Salaries and Benefits	Other Base Budget Changes	New and enhanced	Total Inc / (Dec)	Total Budget
Salaries and Benefits	197.082	9.697	10.338	(0.161)	0.719	20.594	217.676
Materials and Supplies	2.579	-	-	0.285	-	0.285	2.864
Library Materials	23.083	-	-	-	-	-	23.083
Equipment, Services and Rent	48.302	0.020	-	2.592	1.520	4.133	52.435
Contributions and Transfers to Reserves	2.255	-	-	(2.255)	-	(2.255)	-
Total Gross Expenditures	273.301	9.717	10.338	0.462	2.239	22.756	296.057
Grants	5.714	-	-	-	-	-	5.714
User Fees and Donations	8.637	(0.813)	-	2.061	1.674	2.922	11.559
Contributions and Transfers from Reserves	4.406	-	-	-	-	-	4.406
Total Revenues	18.757	(0.813)	-	2.061	1.674	2.922	21.679
Net Expenditures	254.544	10.530	10.338	(1.599)	0.565	19.834	274.378

Salaries and Benefits

TPL's budget for salaries and benefits will increase by \$20.594 million, including:

- \$9.697 million for the annualization of staffing costs related to prior year Council approved enhancements, primarily the Open Hours Plan;
- \$10.338 million to account for annual adjustments for the base complement, including cost of living adjustments;
- minor reduction of \$0.161 million identified through the realignment of budget to actuals; and
- \$0.719 million for staffing costs as part of new and enhanced services including the expansion of the Financial Empowerment and Social & Crisis Support services and the new Reducing Seniors' Social Isolation initiative.

Materials and Supplies

Increase of \$0.285 million to account for annual inflationary pressures.

Equipment, Services and Rents

Increase of \$4.133 million to account for annual inflationary pressures related to facilities and information technology (IT) contracted services, as well as costs associated with other supports for existing and enhanced library programs and services.

Contributions and Transfers to Reserves

Savings of \$2.255 million resulting from the one-time deferral of 2026 contributions to the asset replacement and fleet reserves.

User Fees and Donations

Increase of \$2.922 million is comprised of:

- \$2.861 million to reflect the donations received through the TPL Foundation to fund active and reoccurring programs and resources, as well as new and enhanced services included in the 2026 operating budget; and
- \$0.061 million net increase resulting primarily from adjustments to printing, leasing, and venue and event rental revenues to reflect the expected experience in 2026.

2026 New and/or Enhanced Services

TPL's 2026 new and enhanced services total \$0.565 million net (\$2.239 million gross), or 0.2%, including 7.5 FTEs, advancing a number of TPL strategic objectives while supporting many of the City of Toronto's key strategies, including the Poverty Reduction Strategy, Toronto Seniors' Strategy 2.0 and 3.0, and Our City, Our Health Strategy. These enhancements are summarized in Table 3 below:

Table 3: New and/or Enhanced Services (in \$millions)

	2026				
	<i>Staffing FTEs</i>	Gross	Revenues	Net	%
Financial Empowerment Service expansion	0.5	0.248	0.248	-	0.0%
Social & Crisis Support Services expansion	1.0	0.565	-	0.565	0.2%
Reducing Seniors Social Isolation	6.0	1.426	1.426	-	0.0%
New and/or Enhanced Services	7.5	2.239	1.674	0.565	0.2%

These enhancements include the expansion of the Social and Crisis Support Service to branches in Scarborough and other locations outside the downtown core. In addition, the Financial Empowerment Service will expand to two additional branches in 2026. Lastly, the reducing seniors' social isolation initiative will be launched, expected to be carried out over five years and made possible by the largest gift ever received by the TPL Foundation, an investment of over \$7 million across five years made by the Walton's Trust.

2027-2028 Operating Budget Outlooks

The 2027 and 2028 operating base budget outlook is detailed in Attachment 1 and shows net base budget increases of 8.9% and 8.4% in 2027 and 2028 respectively. The increase reflects estimated pressures related to annualization of prior year approved services, operating impacts from completed capital projects, economic factors related to salaries (including COLA) and contracted services, and other adjustments resulting from prior year actions including the one-time deferral of reserve contributions.

CONCLUSION

The 2026 operating budget maintains key library services and service levels, while including enhanced services in response to community needs, and to advance TPL's Strategic Plan and priorities. The budget leverages support from the TPL Foundation to seed innovation and accelerate strategic service priorities in response to key challenges facing both the Toronto Public Library and the City of Toronto. The 2026 operating budget represents a significant investment by City Council in TPL operations, recognizing TPL's important role in the social infrastructure of the city of Toronto.

CONTACT

Marco Cuoco; Director, Finance, and Chief Financial Officer; Tel: 416-397-5946;
Email: mcuoco@tpl.ca

Alice Yu; Senior Manager, Budget & Financial Reporting; Tel: 416-393-7003;
Email: ayu@tpl.ca

SIGNATURE

Moe Hosseini-Ara
City Librarian

Attachment 1: Council-adopted 2026 Operating Budget and 2027-2028
Outlook

TORONTO PUBLIC LIBRARY

COUNCIL APPROVED 2026 OPERATING BUDGET & 2027 - 2028 OUTLOOK

	2026					2027 Outlook			2028 Outlook		
	Staffing FTEs	GROSS	REVENUE	NET	%	Staffing FTEs	NET	%	Staffing FTEs	NET	%
		\$Millions					\$Millions			\$Millions	
2025 Council Adjusted Budget	1,950.8	273.301	18.757	254.544		2,033.0	274.378		2,042.5	298.777	
Annualization of prior year Council-approved initiatives											
Open Hours - Phase 2 annualization		3.851	-	3.851	1.5%						
Open Hours - Sunday service expansion annualization		2.708	-	2.708	1.1%						
Open Hours - Phase 3 annualization	16.0	0.332	-	0.332	0.1%		1.144	0.4%			
Open Hours - Monday service expansion annualization	33.7	2.284	-	2.284	0.9%		1.230	0.4%			
Annualization of prior year Youth Hubs expansion		0.444		0.444	0.2%						
Annualization of prior year Digital Innovation Hubs expansion		0.098		0.098	0.0%						
Financial Empowerment Service - approved in 2025			(0.248)	0.248	0.1%						
Social & Crisis Support Service - approved in 2025			(0.565)	0.565	0.2%						
Staffing Costs	49.7	9.717	(0.813)	10.530	4.1%	-	2.374	0.9%	-	-	0.0%
Salaries		7.645		7.645	3.0%		8.947	3.3%		9.364	3.1%
Benefits		2.693		2.693	1.1%		2.205	0.8%		2.315	0.8%
Economic Factor Changes		10.338	-	10.338	4.1%		11.152	4.1%		11.679	3.9%
Contracted services		2.486		2.486	1.0%		2.704	1.0%		2.839	1.0%
Library materials increase		-		-	0.0%		2.366	0.9%		1.272	0.4%
Supplies and other services increase		0.543		0.543	0.2%		0.359	0.1%		0.375	0.1%
Utilities		0.055		0.055	0.0%		0.235	0.1%		0.300	0.1%
Other Base Budget Changes		3.084		3.084	1.2%		5.664	2.1%		4.786	1.6%
Line by line review - alignment to actual experience		0.393	0.061	0.332	0.1%		1.248	0.5%		0.300	0.1%
IT subscription fees for program related software services		0.339	-	0.339	0.1%		0.451	0.2%			
Contribution to asset replacement reserve		(0.400)		(0.400)	-0.2%		0.900	0.3%			
Contribution to fleet reserve		(1.455)		(1.455)	-0.6%		1.593	0.6%		0.033	0.0%
Operating impact of capital	-	(0.670)	-	(0.670)	-0.3%	5.0	1.019	0.4%	68.5	7.784	4.1%
Project management recoveries from capital	3.0	(1.309)	-	(1.309)	-0.5%						
Alignment to actuals for programs funded through the TPL Foundation	15.0	2.325	2.000	0.325	0.1%						
Insourcing of contracted services	7.0	-	-	-	0.0%						
	25.0	(0.777)	2.061	(2.838)	-1.1%	5.0	5.210	1.9%	68.5	8.117	2.7%
Efficiency Measures											
Realignment of budget to actuals analysis		(0.343)		(0.343)	-0.1%						
Continuous improvement initiatives		(0.709)		(0.709)	-0.3%						
Technology and system optimization		(0.794)		(0.794)	-0.3%						
	-	(1.846)	-	(1.846)	-0.7%						
Base Budget Increase	74.7	20.517	1.248	19.269	7.6%	5.0	24.399	8.9%	68.5	24.582	8.2%
2026 Operating Base Budget Submission & 2027-2028 Outlook	2,025.5	293.818	20.005	273.813	7.6%	2,038.0	298.777	8.9%	2,111.0	323.359	8.2%
New and Enhanced											
Financial Empowerment Service expansion	0.5	0.248	0.248	-	0.0%	0.5	-	0.0%	-	0.496	0.2%
Social & Crisis Support Services expansion	1.0	0.565		0.565	0.2%						
Reducing Seniors Social Isolation	6.0	1.426	1.426	-	0.0%	4.0	-	0.0%	-	-	0.0%
	7.5	2.239	1.674	0.565	0.2%	4.5	-	0.0%	-	0.496	0.2%
Total Budget Increase	82.2	22.756	2.922	19.834	7.8%	9.5	24.399	8.9%	68.5	25.078	8.4%
Council approved 2026 Operating Budget Submission & 2027-2028 Outlook	2,033.0	296.057	21.679	274.378	7.8%	2,042.5	298.777	8.9%	2,111.0	323.855	8.4%