

**2019 Operating Budget – Adoption**

<b>Date:</b>	March 25, 2019
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

The purpose of this report is to seek Toronto Public Library (TPL) Board adoption of the 2019 Council-approved operating budget of \$187.659 million net (\$206.880 million gross), which represents a \$5.266 million net (\$5.163 million gross), or 2.9%, increase over 2018. The budget increase is comprised of a base increase of \$4.798 million net (\$4.695 million gross), or 2.6%, and funding for budget enhancements totalling \$0.468 million gross and net, or 0.3%, which support the City’s Poverty Reduction Strategy.

The Council-approved budget enhancements are comprised of funding of \$0.260 million net and gross, including 2.0 full-time equivalents (FTEs) to support two additional Youth Hub locations and \$0.208 million net and gross (full-year costing of \$0.416 million net and gross) to support seasonal Sunday service at eight Neighbourhood branches.

City Council has also adopted motions requesting TPL’s Open Hours Plan be included in the 2020 operating budget submission and Poverty Reduction 2.0, and that the City Manager monitor TPL’s Self-Service Open Hours Initiative.

**RECOMMENDATIONS**

**The City Librarian recommends that the Toronto Public Library Board:**

- adopts the 2019 operating budget of \$187.659 million net (\$206.880 million gross), which represents a \$5.266 million net (\$5.163 million gross), or 2.9%, increase over 2018, comprised of the following services:

<u>Service</u>	<u>Gross</u>	<u>Net</u>
Library Collections & Borrowing	77,522.5	70,958.3
Branch and E-Services	121,862.7	109,500.0
Partnerships, Outreach & Customer Engagement	7,495.0	7,200.8
	<u>206,880.1</u>	<u>187,659.0</u>

## **FINANCIAL IMPACT**

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TPL's Council-approved 2019 operating budget is \$187.659 million net (\$206.880 million gross), which represents a \$5.266 million net (\$5.163 million gross), or 2.9%, increase over 2018. The budget increase is comprised of a base increase of \$4.798 million net (\$4.695 million gross), or 2.6%, and funding for budget enhancements totalling \$0.468 million gross and net, or 0.3%, which support the City's Poverty Reduction Strategy.

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

## **ALIGNMENT WITH STRATEGIC PLAN**

The operating budget supports TPL's strategic plan, including advancing TPL's digital platform, breaking down barriers to access and driving inclusion, expanding access to technology and training, and establishing TPL as Toronto's centre for lifelong and self-directed learning.

## **EQUITY IMPACT STATEMENT**

The operating budget is informed by the principles of equity and access and aligns the financial investment in library services to meet the needs of all Torontonians, including all equity-seeking groups. 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. The Council-approved budget enhancements comprised of additional seasonal Sunday service hours at eight Neighbourhood branches and two new Youth Hub locations will have a high positive impact on all equity-seeking groups, including newcomers and low-income families and individuals. These enhancements will expand access to technology and training, expand Sunday service, and increase the number of Youth Hub locations.

These investments advance key City strategies including: Toronto Newcomer Strategy, Toronto Poverty Reduction Strategy, Toronto Seniors Strategy, Toronto Strong Neighbourhood Strategy 2020 and Toronto Youth Equity Strategy, as well as Toronto Public Library's 2016-2019 strategic plan – Expanding Access, Increasing Opportunity and Building Connections.

## **DECISION HISTORY**

At its meeting on September 24, 2018, the Board considered the [2019 Operating Budget Submission](#) and endorsed a base budget of \$187.764 million net (\$206.985 million gross), which represented a \$5.371 net (\$5.268 million gross), or 2.9%, increase over the 2018 operating budget along with a budget enhancement totalling \$3.347 million net and gross (full-year costing of \$5.578 million net and gross), or 1.8%, including 40.9 FTEs, to support phase 1 of the Open Hours Plan.

At its meeting on October 29, 2018, the Board considered a revised 2019 operating budget submission ([2019 Operating Budget Submission - Revised](#)) due to a reclassification of two prior-year Council-approved budget enhancements totalling \$0.468 million net and gross, or 0.3%. This had resulted in a revised base budget submission of \$187.296 million net (\$206.517 million gross), which represented a \$4.903 million net (\$4.800 million gross), or 2.7%, increase over the 2018 operating budget and budget enhancements totalling \$3.815 million net and gross, or 2.0%.

The reclassification of the two prior year Council-approved enhancements resulted in an increase to the service enhancements request of \$3.815 million, or 2.0%, up from \$3.347 million, or 1.8%, as approved at the September 24, 2018 Board meeting. Including service enhancements, the full 2019 operating budget submission remained unchanged at 4.7%.

At its meeting on January 21, 2019, the Board received for information a minor adjustment to the 2019 operating base budget submission ([2019 Operating and Capital Budgets – Update and Schedule](#)) due to the introduction of the *Making Ontario Open for Business Act, 2018 (Bill 47)*, which reduced the operating base budget net increase by \$0.104 million net and gross and resulted in an operating base budget submission of \$187.192 million net (\$206.413 million gross), or 2.6% increase over 2018.

At its meeting on February 20, 2019, Budget Committee endorsed the [City-staff recommended 2019 Operating Budget](#) of \$187.659 million net (\$206.880 million gross), which represents a 2.9% increase from 2018. This was comprised of a base budget increase of 2.6%, as requested by the Board, and service enhancements of 0.3% comprised of seasonal Sunday service at eight Neighbourhood branches (\$0.208 million net and gross; full-year costing of \$0.416 million) and two additional Youth Hub locations (\$0.260 million net and gross, including 2.0 FTE).

## COMMENTS

At its meeting on March 4, 2019, Executive Committee endorsed TPL’s 2019 operating budget as recommended from Budget Committee with no changes.

At its meeting on March 7, 2019, City Council approved TPL’s 2019 operating budget of \$187.659 million net (\$206.880 million gross), which represents a 2.9% increase from 2018. This was comprised of a base budget increase of 2.6%, as requested by the Board, and service enhancements of 0.3% comprised of seasonal Sunday service at eight Neighbourhood branches (\$0.208 million net and gross; full-year costing of \$0.416 million) and two additional Youth Hub locations (\$0.260 million net and gross, including 2.0 FTEs).

The 2019 Council-approved budget, summarizing the changes from the 2018 approved budget, is shown below in Table 1:

**Table 1: 2019 Operating Budget (\$ millions)**

	<u>FTE</u>	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>	<u>%</u>
<b>2018 Approved Operating Budget</b>	1,734.8	201.717	19.324	182.393	
Base Budget Increase	(4.5)	4.695	(0.103)	4.798	2.6%
<b>2019 Operating Base Budget</b>	<u>1,730.3</u>	<u>206.412</u>	<u>19.221</u>	<u>187.191</u>	<u>2.6%</u>
<u>Budget Enhancements</u>					
Two additional locations for Youth Hubs	2.0	0.260		0.260	0.1%
Sunday Service Enhancement (full year: \$0.416 M)*		0.208		0.208	0.1%
	<u>2.0</u>	<u>0.468</u>	<u>-</u>	<u>0.468</u>	<u>0.3%</u>
<b>2019 Operating Budget Increase</b>	<u>(2.5)</u>	<u>5.163</u>	<u>(0.103)</u>	<u>5.266</u>	<u>2.9%</u>
<b>2019 Council-approved Operating Budget</b>	<u>1,732.3</u>	<u>206.880</u>	<u>19.221</u>	<u>187.659</u>	<u>2.9%</u>

\* funding phased over two years

Section 24(2) of the Public Libraries Act requires the Board to adopt the annual estimates that have been approved by City Council for the following services, as shown in Table 2 below:

**Table 2 - 2019 Operating Budget by Service (\$ millions)**

<u>Service</u>	<u>Gross</u>	<u>Net</u>
Library Collections & Borrowing	77,522.5	70,958.3
Branch and E-Services	121,862.7	109,500.0
Partnerships, Outreach & Customer Engagement	7,495.0	7,200.8
	<u>206,880.1</u>	<u>187,659.0</u>

**Council Motions Adopted**

Along with the approval of the budget at its meeting on March 7, 2019, City Council also adopted the following motions:

*42. City Council request the Executive Director, Social Development, Finance and Administration to consider the following in the development of the Poverty Reduction Strategy 2.0:*

- a. an evaluation of additional youth spaces and/or youth hubs;*
- b. an evaluation of the current Toronto Public Library Open Hours program;*
- c. the utility and feasibility of implementing the Toronto Public Library's Open Hours program;*

*d. opportunities to partner with community agencies already operating youth spaces and youth hubs, such as the Boys and Girls Clubs of Canada;*

*e. a timeline to deliver the next phases of the Fair Fare Pass; and*

*f. the amount of the base budget as a result of the Strategy by 2035.*

*159. City Council request the City Librarian, Toronto Public Library to submit an updated Open Hours Plan and associated costs for consideration in the 2020 Budget Process.*

*160. City Council request the City Manager to monitor the Toronto Public Library's Self-Service Open Hours Initiative, in conjunction with the Toronto Police Service, Toronto Fire Service and Toronto Paramedics Service and the Parks, Forestry and Recreation Division, for any safety and security issues or risks and report back to the appropriate Standing Committee in the third quarter of 2019, such report to include any previous safety and security analysis done of this initiative.*

## **CONTACT**

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## **SIGNATURE**

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Vickery Bowles  
City Librarian

## **ATTACHMENTS**

Attachment 1: 2019 Council-Approved Operating Budget

## TORONTO PUBLIC LIBRARY

### Council Approved 2019 Operating Budget

		2019 Operating Budget				
		STAFF FTE's	GROSS	REVENUE	NET	%
		SMs				
1	<b>2018 COUNCIL APPROVED ADJUSTED BUDGET</b>	<b>1,734.8</b>	<b>201.717</b>	<b>19.324</b>	<b>182.393</b>	
<b><u>Base Budget Pressures</u></b>						
2	Salary and benefits COLA increase		2.793		2.793	1.5%
3	Bill 148 - Parental leave and minimum wage		0.669		0.669	0.4%
4	Increase in Security Guard Contract		0.547		0.547	0.3%
5	Library collections economic increase		0.498		0.498	0.3%
6	Supplies and services economic factor		0.392		0.392	0.2%
7	Increase in cost of contracted services		0.386		0.386	0.2%
8	Increase in cost of utilities		0.359		0.359	0.2%
9	e-Learning Initiative (2nd year annualization)		0.050		0.050	0.0%
10	Operating impact of capital projects		0.028		0.028	0.0%
11	Reversal of NYCL bridging strategy (2018)		1.250		1.250	0.7%
12	Reversal of temporary increase DC draw on collections (2017)			-0.650	0.650	0.4%
	<b>subtotal - base budget pressures</b>	<b>0.0</b>	<b>6.971</b>	<b>-0.650</b>	<b>7.621</b>	<b>4.2%</b>
<b><u>Efficiencies &amp; Revenue Increases</u></b>						
<b><u>Expenditure Savings</u></b>						
13	Benefit savings - claims experience		-0.950		-0.950	-0.5%
14	Increase gapping from 2.8% to 3.0%		-0.503		-0.503	-0.3%
15	Line by line review - overtime, travel, etc.		-0.357		-0.357	-0.2%
		<b>0.0</b>	<b>-1.811</b>	<b>0.000</b>	<b>-1.811</b>	<b>-1.0%</b>
<b><u>Revenue increases</u></b>						
16	Increase in print revenue due to technological innovation			0.275	-0.275	-0.2%
17	Increase in recovery of project management fees			0.155	-0.155	-0.1%
18	Inflationary increase in premium room rentals, tenant leases			0.067	-0.067	0.0%
19	Increase in funding of Collections from DC reserve			0.041	-0.041	0.0%
		<b>0.0</b>	<b>0.000</b>	<b>0.537</b>	<b>-0.537</b>	<b>-0.3%</b>
<b><u>2nd Year of Technological Innovation</u></b>						
20	Answerline & Community Space Rental Modernization	-3.0	-0.290		-0.290	-0.2%
21	Expansion of technological efficiencies (VOIP, MFD, Pay-for print)	-1.5	-0.175	0.010	-0.185	-0.1%
		<b>-4.5</b>	<b>-0.465</b>	<b>0.010</b>	<b>-0.475</b>	<b>-0.3%</b>
	<b>subtotal - efficiencies</b>	<b>-4.5</b>	<b>-2.276</b>	<b>0.547</b>	<b>-2.823</b>	<b>-1.5%</b>
22	<b>Base Budget Increase</b>	<b>-4.5</b>	<b>4.695</b>	<b>-0.103</b>	<b>4.798</b>	<b>2.6%</b>
23	<b>2019 Operating Base Budget</b>	<b>1,730.3</b>	<b>206.412</b>	<b>19.221</b>	<b>187.191</b>	<b>2.6%</b>
24	Two Additional Youth Hub locations	2.0	0.260		0.260	0.1%
25	Seasonal Sunday Service Enhancement		0.208		0.208	0.1%
	<b>subtotal - enhancements</b>	<b>2.0</b>	<b>0.468</b>	<b>0.000</b>	<b>0.468</b>	<b>0.3%</b>
26	<b>Budget Increase with Service Enhancements</b>	<b>-2.5</b>	<b>5.163</b>	<b>-0.103</b>	<b>5.266</b>	<b>2.9%</b>
27	<b>Council Approved 2019 Operating Budget</b>	<b>1,732.3</b>	<b>206.880</b>	<b>19.221</b>	<b>187.659</b>	<b>2.9%</b>



# 2019 Operating Budget - Adoption

Toronto Public Library Board

March 25, 2019

## # 1

### Worldwide\*

- Circulation per capita
  - Electronic Visits
  - Electronic Visits per capita
- (#2 Visits per capita and total circulation)

\*Serving a population over 1.5 million (2016)

## # 1

### North America\*

- Total circulation
- Circulation per capita
- Total Visits
- Visits per capita
- Electronic Visits
- Electronic Visits per capita

\*Serving a population over 2 million (2017)

## # 1

### Canada\*

- Total circulation
  - Total Visits
  - Electronic Visits
- (#2 Electronic Visits per capita)

\*Serving a population over 500,000 (2016)

## Well-Used

Torontonians use their libraries in large numbers.

# 70%

of Torontonians used the library in 2015



# 1 in 5

Torontonians visit a library branch at least once a week



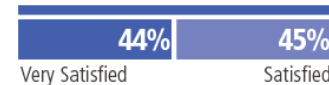
### Responsive : 95%

Library customers are overwhelmingly satisfied with the Toronto Public Library.



### Helpful : 94%

Customers are pleased with the level of assistance from library staff.



### Welcoming : 89%

Library customers overwhelmingly agree that libraries offer an attractive environment.



### Valued : 92%

Public libraries are an important resource for Toronto's communities.



## In 2017, Torontonians visited the library and used services in large numbers:



17.3 million  
visits to branches



27.7 million  
visits to [tpl.ca](http://tpl.ca)



30.1 million  
items borrowed



958,731 people attended  
42,490 programs



12.2% increase  
in the use of e-Collections



4.9 million wireless sessions  
5.7 million computer uses

2008-2017

10.7%  
increase



↑	39.7%	Program attendance
↓	- 10.1%	Standard reference requests
↑	780.8%	Wireless use
↓	- 30.0%	In-library use
↑	3.9%	Workstation user sessions
↑	7.4%	Visits
↑	1.0%	Total circulation
↑	34.5%	Electronic visits

## Efficiencies

### Self-serve checkout

In all 100 branches (90% usage by public)

### Sorters

13 in-branch (74% usage by public); one central

### Lean Six Sigma efficiencies

Holds processing; Materials acquisition & processing; Shelving; Scheduling

### Technological efficiencies

RFID, VOIP, Enhanced/Integrated printing and payment systems, self-checkout payments, consolidated customer service desk, BI & Analytics

- ▶ Introduce new and improved services
- ▶ While meeting steadily increasing demand
- ▶ With high customer satisfaction

## Results



Increased open hours

**535 hrs/week** of open hours added since 2007



Shorter delivery times due to early morning deliveries

**From 7 days to 3 days**



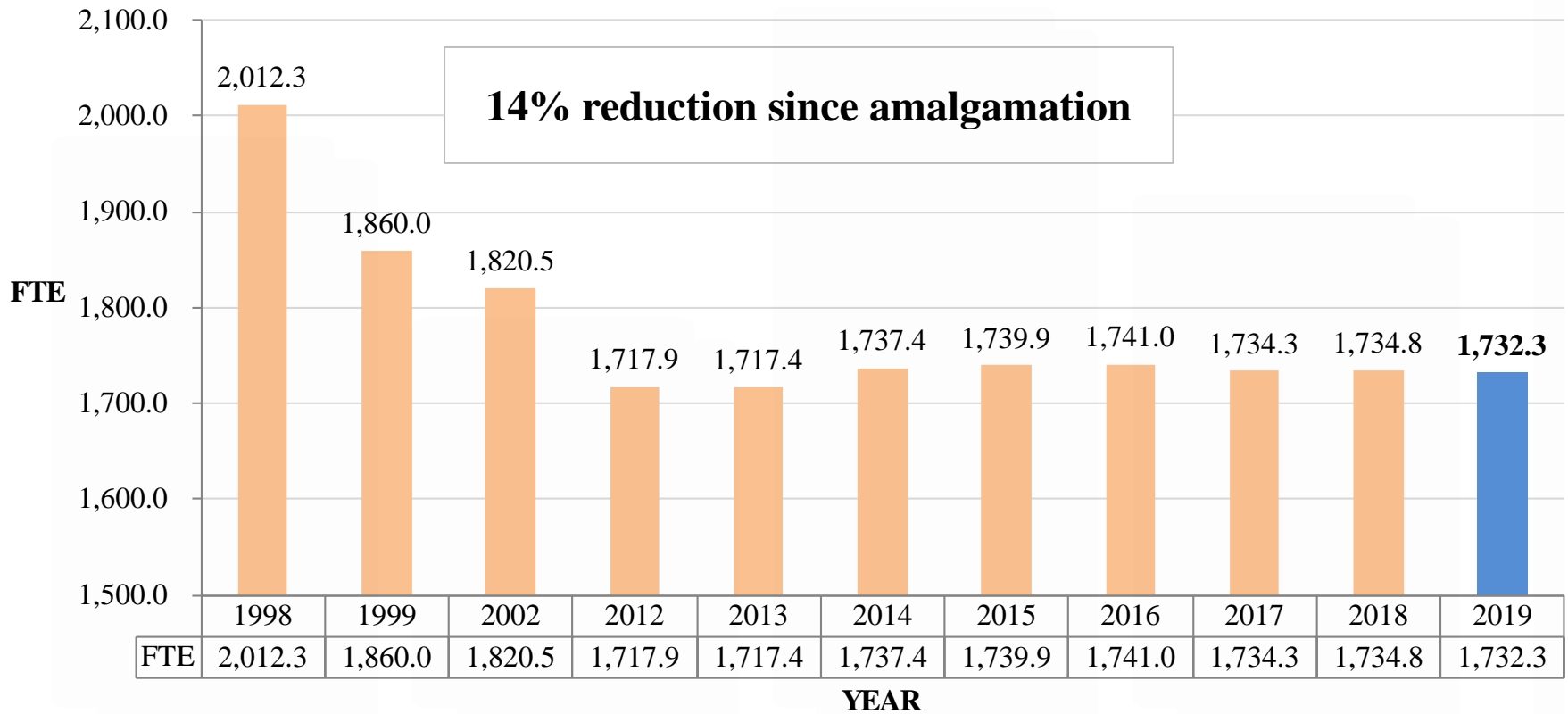
Reduced cycle time of materials processing

**From 4-6 weeks to 2-3 days**

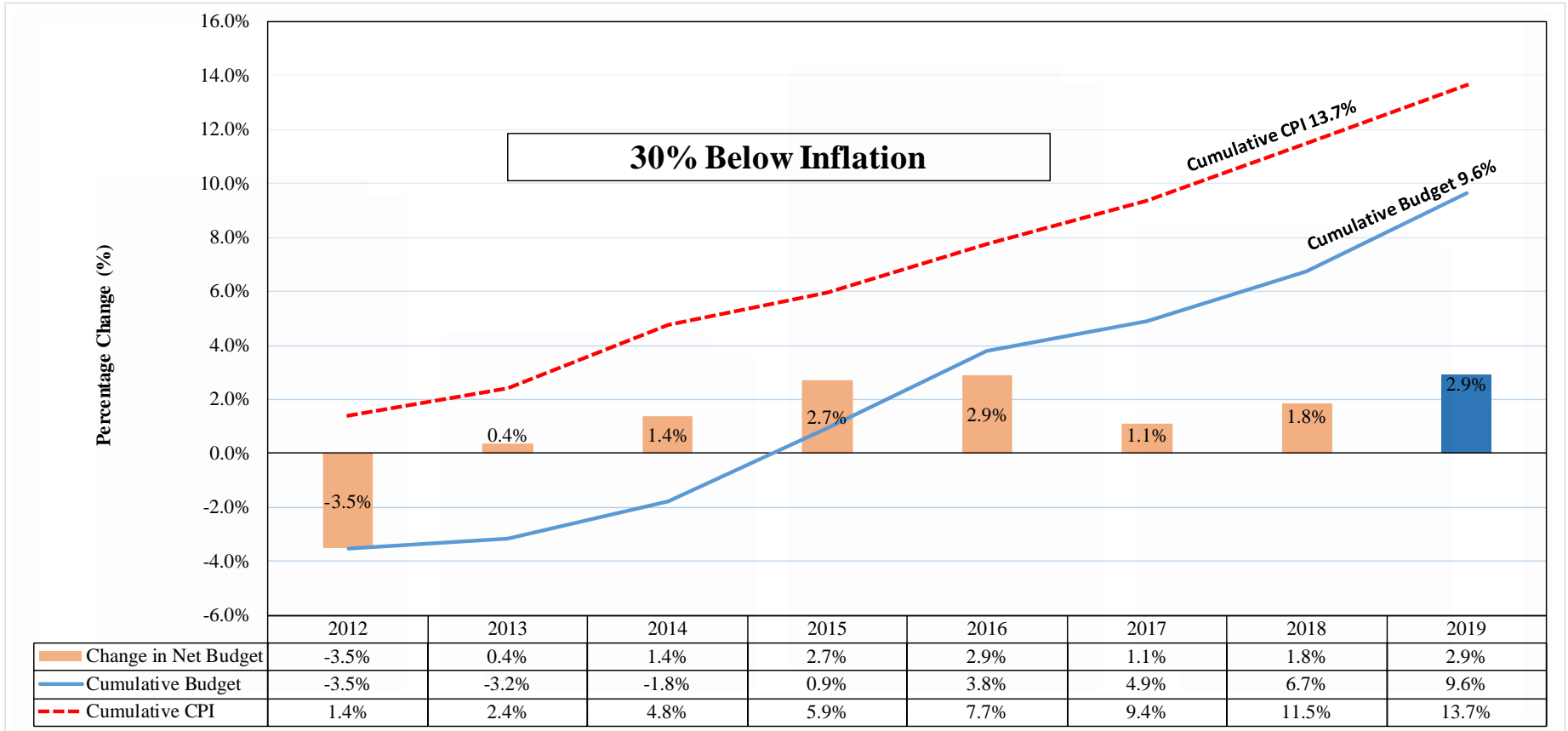


Improved customer service

**Shorter wait times** for materials, staff freed up to deliver **higher value services** to customers



# History of Budget Increases

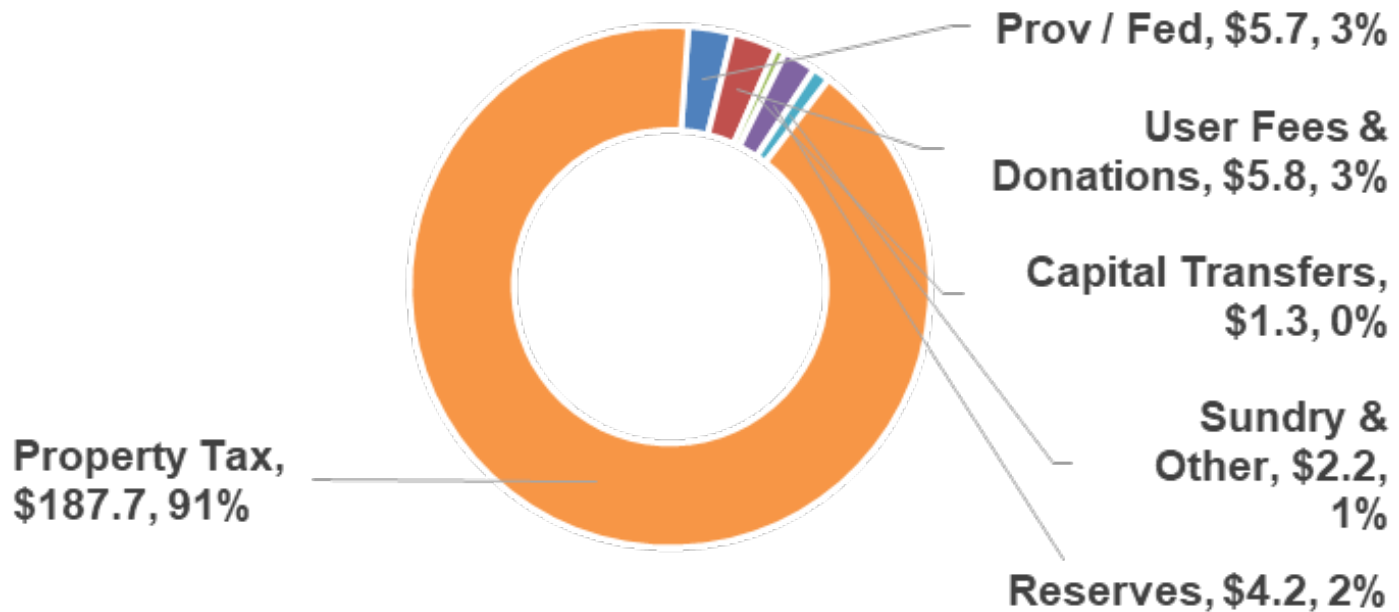


- **Staffing COLA and benefits**
- **High Demand for collections in all formats**
  - ✓ Variety of languages, reading levels, and formats (print and electronic)
  - ✓ E-collections - Availability, cost, and circulation restrictions
  - ✓ Low value of Canadian dollar
- **Revenue Issues**
  - ✓ Declining Fines Revenue
  - ✓ Continued search for alternative and increased revenue
- **Partnerships and Library Foundation**
- **Continued demand for access to public space in branches**
  - ✓ Open hours, meeting rooms
  - ✓ New and traditional technology
  - ✓ Programming

# 2019 Operating Budget

## Where the Money Comes From

By Funding Source



**\$206.9 Million Gross**

**\$187.7 Million Net (Property Tax)**

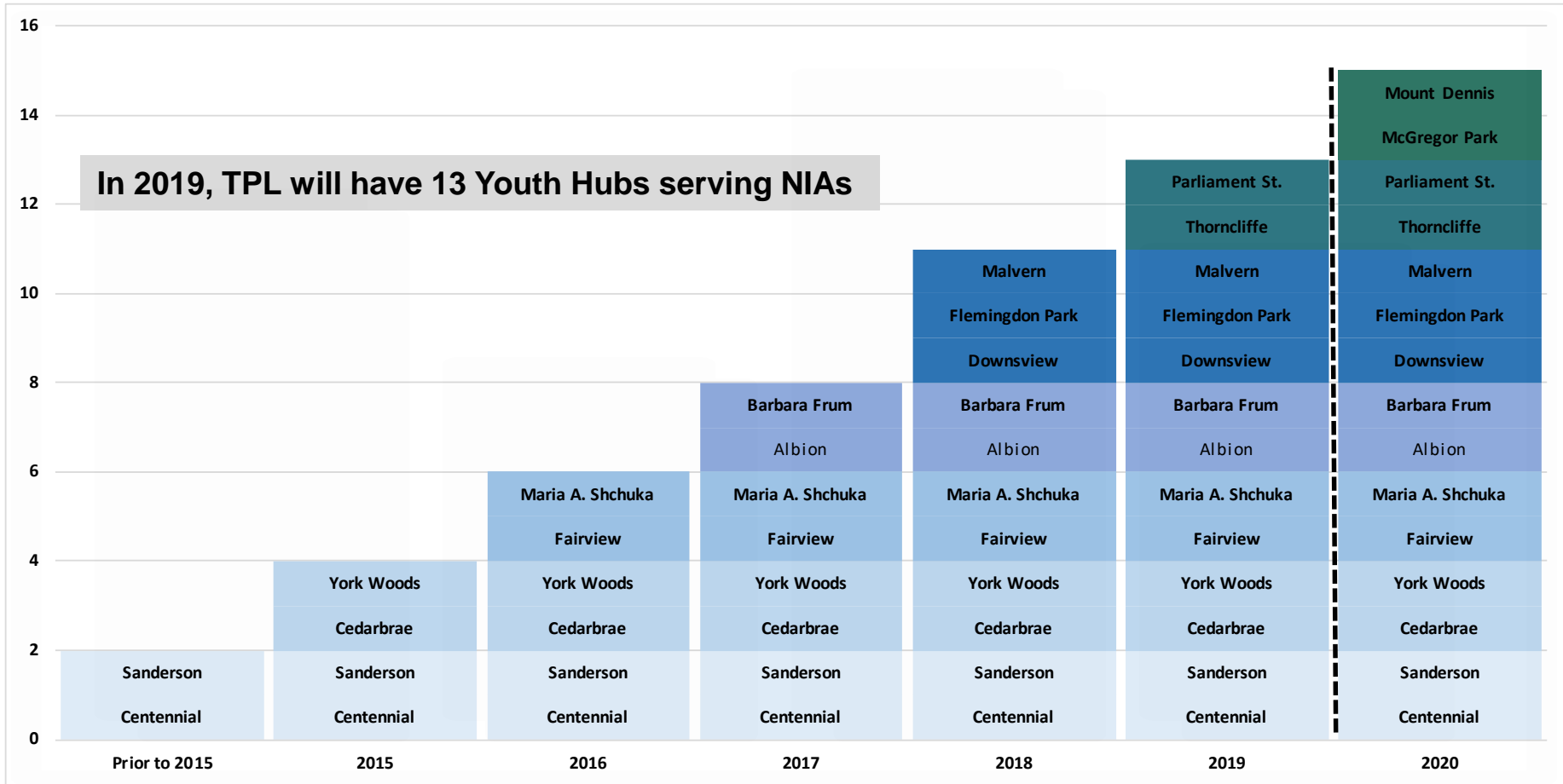
## Summary

	Board Recommended			Council Approved			Council Not Approved		
	FTE	Net (\$M)	%	FTE	Net (\$M)	%	FTE	Net (\$M)	%
<b>2018 Approved Operating Budget</b>	<b>1,734.8</b>	<b>182.393</b>		<b>1,734.8</b>	<b>182.393</b>		-	-	
Staffing-related pressures and reliefs	(4.5)	0.915	0.5%	(4.5)	0.915	0.5%	-	-	0.0%
Non-staffing related pressures and reliefs		1.314	0.7%		1.314	0.7%	-	-	0.0%
Other Base and Legislated Pressures		2.569	1.4%		2.569	1.4%	-	-	0.0%
Base Budget Increase	(4.5)	4.798	2.6%	(4.5)	4.798	2.6%	-	-	0.0%
<b>2019 Operating Base Budget</b>	<b>1,730.3</b>	<b>187.191</b>	<b>2.6%</b>	<b>1,730.3</b>	<b>187.191</b>	<b>2.6%</b>	-	-	<b>0.0%</b>
<u>Budget Enhancements</u>									
2019 Add'nl locations for Youth Hubs	2.0	0.260	0.1%	2.0	0.260	0.1%	-	-	0.0%
2019 Sunday Service Enhancement		0.208	0.1%		0.208	0.1%	-	-	0.0%
Open Hours Plan - Phase 1	40.9	3.347	1.8%			0.0%	40.9	3.347	1.8%
<b>2019 Budget Enhancements</b>	<b>42.9</b>	<b>3.815</b>	<b>2.1%</b>	<b>2.0</b>	<b>0.468</b>	<b>0.3%</b>	<b>40.9</b>	<b>3.347</b>	<b>1.8%</b>
<b>Total 2019 Budget Change</b>	<b>38.4</b>	<b>8.613</b>	<b>4.7%</b>	<b>(2.5)</b>	<b>5.266</b>	<b>2.9%</b>	<b>40.9</b>	<b>3.347</b>	<b>1.8%</b>
<b>2019 Operating Budget</b>	<b>1,773.2</b>	<b>191.006</b>	<b>4.7%</b>	<b>1,732.3</b>	<b>187.659</b>	<b>2.9%</b>	<b>40.9</b>	<b>3.347</b>	<b>1.8%</b>

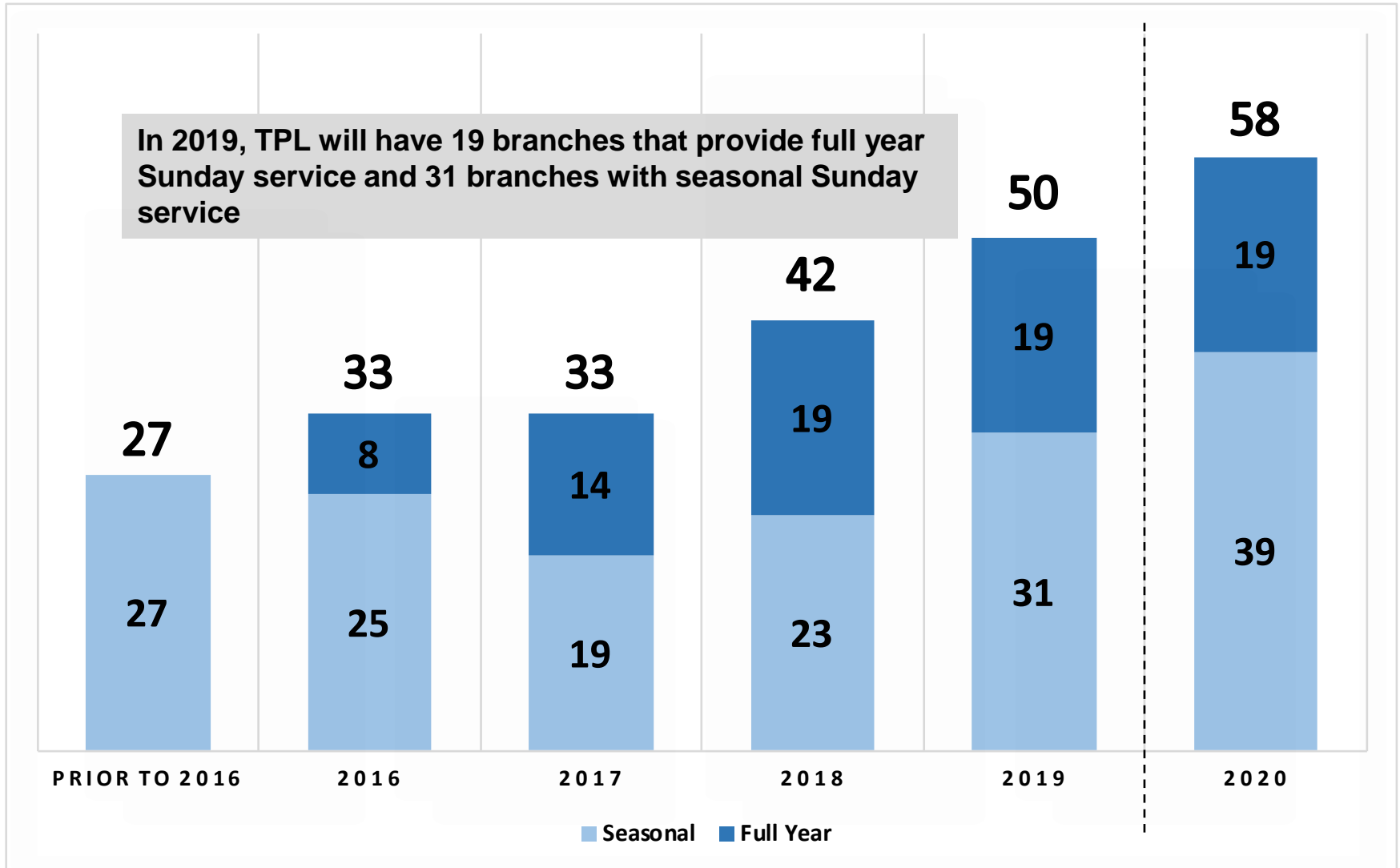
**Council Approved Budget Increase 2.9%**



## Youth Hub Expansion



## Sunday Service Enhancements



## Budget Enhancements – Open Hours Plan

### Implementation Plan 2019-2022

**Table 8: Open Hours Plan Costing by Phase (\$ millions)**

	2019		2020		2021		2022		Total	
	<u>FIE</u>	<u>Net</u>	<u>FIE</u>	<u>Net</u>	<u>FIE</u>	<u>Net</u>	<u>FIE</u>	<u>Net</u>	<u>FIE</u>	<u>Net</u>
Phase 1 - Open Hours	40.9	3.347		2.231					40.9	5.578
Phase 2 - Maximize Hours			56.1	4.350		2.885			56.1	7.235
Phase 3 - Finalize Implementation						3.267		2.178	-	5.445
<b>Total</b>	<b>40.9</b>	<b>3.347</b>	<b>56.1</b>	<b>6.581</b>	<b>-</b>	<b>6.152</b>	<b>-</b>	<b>2.178</b>	<b>97.1</b>	<b>18.258</b>

- 10.0% net increase to the Library’s operating budget
- 20.0% increase in open hours at 58,000 additional hours annually

- SDFA Poverty Reduction 2.0 Review
  - ✓ Additional Youth Hubs
  - ✓ Open Hours Plan
- TPL to submit updated Open Hours Plan as part of the 2020 budget process
- Monitor Self-Service Open Hours (Todmorden and Swansea) and report to Council



Total = \$3,020\*

Based on Property Tax of \$3,020 (includes 2.55% property tax increase, CVA shift and Capital Building Fund Levy) for an average house with an assessed value of \$665,605

\*Does not Include Education Taxes

Property Tax paid in 2018 for the average household was \$2,916.