

2022 Operating Budget – Adoption

Date:	February 28, 2022
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board adoption of the 2022 Operating Budget of \$209.785 million net (\$228.305 million gross), including 1,808.8 full-time equivalent positions (FTEs), as approved by Council on February 17, 2022. The approved budget represents a significant investment by Council in Toronto Public Library (TPL) operations amidst the current pandemic and its impact on the 2022 budget.

The total budget increase over 2021 is \$6.737 million net (\$7.797 million gross), or 3.3% net, and is comprised of:

- a base budget increase before COVID pressures of \$0.742 million net (\$4.457 million gross), or 0.3%;
- COVID-19 related funding of \$4.779 million net (\$3.225 million gross), or 2.4%, and;
- budget enhancement funding of \$1.215 million net (\$0.115 million gross), or 0.6%, which funds Digital Literacy for Seniors and the elimination of teen and adult overdue fines. These new digital literacy services and the elimination of overdue fines will significantly increase access to library services for vulnerable communities.

The 2022 Operating Budget represents the fourth budget adopted under this Board. Since 2018, the cumulative budget increase was 16.1%, with an increase in staffing of 74.5 FTEs, or 4.3%. These budget increases were achieved during a fiscally challenging period at the City, particularly in the last two years due to the global pandemic, and have allowed TPL to:

- expand and enhance services that have helped advance many of the Library's and the City's strategic objectives, including: poverty reduction, advancing equity, and supporting an inclusive economic recovery;

- increase open hours and expand youth hubs
- make progress on TPL’s digital strategy and service modernization, and;
- advance capital project planning and branch expansions.

Council also approved the reinstatement of annual cost of living adjustment (COLA) increases for City non-union staff at a rate commensurate with COLA increases for unionized staff. Because TPL follows the City’s non-union compensation plan, similar annual COLA increases for TPL non-union staff are being recommended, starting with 1% for 2022, which is also consistent with the 2022 wage increase in TPL’s collective agreement.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopts the Council-approved 2022 Operating Budget of \$209.785 million net (\$228.305 million gross), which includes 1,808.8 full-time equivalent positions; and
2. approves the reinstatement of annual cost of living adjustment (COLA) increases for non-union staff at a rate consistent with the City’s annual COLA increases for non-union staff, commencing with a 1% increase for 2022, as approved by Council.

FINANCIAL IMPACT

The Council-approved 2022 Operating Budget is \$209.785 million net (\$228.305 million gross), which is comprised of base budget increase before COVID pressures of \$0.742 million net (\$4.457 million gross), or 0.3%, COVID-19 related funding of \$4.779 million net (\$2.104 million gross), or 2.4%, and budget enhancement funding of \$1.215 million net (\$0.115 million gross), or 0.6%, which partially funds the elimination of teens and adults overdue fines, as detailed in Attachment 1 and summarized below in Table 1.

Table 1: 2022 Operating Budget Summary

	<i>Staffing</i>	GROSS	REVENUE	NET	
	<i>FTEs</i>	(\$M)	(\$M)	(\$M)	%
2021 Council-approved Operating Budget	1,787.8	220.508	17.460	203.048	
Recurring base budget pressures	19.0	1.852	(0.114)	1.965	0.9%
Reinstatement of services		4.710		4.710	2.3%
Reversal of 2021 COVID funding		(2.104)	3.828	(5.933)	-2.9%
Base budget increase before COVID pressures	19.0	4.457	3.715	0.742	0.3%
2022 COVID budget pressures		3.225	(1.554)	4.779	2.4%
Base budget increase including COVID pressures	19.0	7.682	2.161	5.522	2.7%
Base budget including COVID pressures	1,806.8	228.190	19.620	208.570	2.7%
<u>Budget enhancements</u>					
Teens & adults overdue fines elimination			(1.100)	1.100	0.5%
Digital Literacy for Seniors	2.0	0.115		0.115	0.1%
	2.0	0.115	(1.100)	1.215	0.6%
Total budget increase	21.0	7.797	1.061	6.737	3.3%
2022 Council-approved Operating Budget	1,808.8	228.305	18.520	209.785	3.3%

The cost of a 1% COLA for non-union staff, for 2022 and retroactive to January 1, is estimated at \$0.155 million, and this is included in the Council-approved 2022 Operating Budget.

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

DECISION HISTORY

At its meeting on October 25, 2021, the Board approved a [2022 Operating Budget Submission](#) of \$208.570 million net (\$228.190 million gross), which represented a \$5.522 million (\$7.682 million net), or 2.7%, net increase over the 2021 budget and was comprised of:

- 1.1 a base budget increase of \$0.742 million net (\$4.457 million gross) or 0.3%, before 2022 COVID-19 pressures;
- 1.2 COVID-19 related budget increases of \$4.779 million net (\$3.225 million gross) or 2.4%; and
- 1.3 budget enhancement requests totalling \$1.411 million net (\$0.311 million gross) or 0.7%, comprised of: teen and adult overdue fines elimination (\$1.100 million net and gross); Digital Literacy for Seniors (\$0.206 million net and gross, including 2.0 positions) and Community Librarians Outreach (\$0.104 million net and gross, including 2.0 positions).

At its meeting on January 24, 2022, the Board reviewed the [2022 Operating Budget – City Staff Recommended](#) which supported the Board’s requested base budget of

\$208.570 million net (\$228.190 million gross). This represents a \$5.522 million net (\$7.682 million gross) increase, or 2.7%, over the 2021 Operating Budget and is comprised of a base budget increase of \$0.742 million net (\$4.457 million gross), or 0.3%, before 2022 COVID-19 pressures and COVID-19 related budget pressures of \$4.779 million net, (\$3.225 million gross), or 2.4%. The City Staff recommended budget included only partial funding for the elimination of overdue fines for teens and adults, leaving \$0.500 million unfunded, and did not include funding for the Digital Literacy for Seniors and Community Librarians Outreach Board-requested budget enhancements. The Board adopted a recommendation to request Council to consider funding for these important initiatives.

COMMENTS

Budget Committee – February 7, 2022 Final Wrap Up

At the final wrap up meeting on February 7, 2022, Budget Committee received a [communication](#) from the Library Board requesting additional funding for, and emphasizing the importance of, the funding shortfall for teen and adult overdue fines elimination, Community Librarians Outreach and Digital Literacy for Seniors budget enhancements, which was not included in the City Staff Recommended 2022 Operating Budget.

Budget Committee recommended to Executive Committee a 2022 Operating Budget of \$209.170 million net (\$228.190 million gross), which was unchanged from the City Staff recommended budget.

Executive Committee – February 11, 2022

On February 11, 2022, the Executive Committee endorsed a 2022 Operating Budget of \$209.170 million net (\$228.190 million gross), which was unchanged from the Budget Committee recommended budget.

City Council – February 17, 2022

On February 17, 2022, City Council approved the [TPL 2022 Operating Budget](#) of \$209.785 million net (\$228.305 million gross), which is comprised of the Executive Committee recommended budget plus additional funding to fund the teen and adult overdue fines elimination (\$0.500 million net) and the Digital Literacy for Seniors (\$0.115 million net, including 2.0 FTEs) budget enhancements.

Funding for the Community Librarians Outreach budget enhancement was not approved.

Table 2: Comparison of Council Approved Budget and Board Approved Submission

	Council Approved Budget		Board Approved Submission		Difference	
	NET (\$M)	%	NET (\$M)	%	NET (\$M)	%
<u>Approved</u>						
2021 Council-approved Operating Budget	203.048		203.048			
Recurring base budget pressures	1.965	0.9%	1.965	0.9%		
Reinstatement of services	4.710	2.3%	4.710	2.3%		
Reversal of 2021 COVID funding	(5.933)	-2.9%	(5.933)	-2.9%		
Base budget increase before COVID pressures	0.742	0.3%	0.742	0.3%		
2022 COVID budget pressures	4.779	2.4%	4.779	2.4%		
Base budget increase including COVID pressures	5.522	2.7%	5.522	2.7%		
Base budget including COVID pressures	208.570	2.7%	208.570	2.7%		
Budget enhancements						
Teens & adults overdue fines elimination	1.100	0.5%	1.100	0.5%		
Digital Literacy for Seniors (Note 1)	0.115	0.1%	0.206	0.1%	0.091	0.0%
	1.215	0.6%	1.306	0.6%	0.091	0.0%
Total budget increase	6.737	3.3%	6.828	3.3%	0.091	0.0%
Total 2022 Operating Budget	209.785	3.3%	209.876	3.3%	0.091	0.0%
<u>Not Approved</u>						
Budget enhancement						
Community Librarians Outreach	-		0.104	0.1%	0.104	0.1%
	-		0.104	0.1%	0.104	0.1%
Total	209.785	3.3%	209.981	3.4%	0.196	0.1%

Note 1: The difference between the Council-approved budget and the Board-approved submission for the Digital Literacy for Seniors service enhancement is due to a delayed implementation (beginning in September 2022) for this service.

At the meeting, Council also approved the reinstatement of annual COLA increases for City non-union staff at a rate commensurate with COLA increases for unionized staff. Because TPL follows the City's non-union compensation plan, similar annual COLA increase for TPL non-union staff are being recommended, starting with 1% for 2022, which is also consistent with the 2022 wage increase in TPL's collective agreement.

Approved 2022 Operating Budget

TPL's 2022 Operating Budget of \$209.785 million net (\$228.305 million gross), represents a \$6.737 million net (\$7.797 million gross), or 3.3%, increase over the 2021 budget and supports an 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, all of which aligns with TPL's strategic plan.

2022 Operating Base Budget before COVID pressures

TPL's base budget increase of \$0.742 million net (\$4.457 million gross), or 0.3%, is adequate to meet salary and benefit cost of living adjustments as outlined in the collective agreement, further TPL's modernization initiatives and reinstates services and service levels to pre-COVID levels while also providing for budgetary offsets to reduce net pressures, excluding COVID-19 impacts.

2022 COVID budget pressures

COVID-19 has had significant impacts on TPL operations in 2021, and it is expected that many budget pressures will continue in 2022. TPL's COVID-19 budget pressures total \$4.779 million net (\$3.225 million gross), or 2.4%, as TPL continues to reinstate full services while ensuring all health and safety precautions are available for staff and customers. The COVID-related budget pressures are considered temporary and reported separately to the City so that they can seek support from other levels of government. As the COVID-19 funding is not part of the base budget, the impact of the pandemic on TPL's 2022 budget will continue to be monitored and once again addressed as part of the 2023 budget submission.

Operating Budget Achievements

The 2022 Operating Budget represents the fourth budget adopted under this Board and there have been significant achievements over this period.

Budget increase

The cumulative budget increase has been 16.1%, which compares favourably to the cumulative inflation rate of 9.6%, especially considering the fiscal issues faced by the City over the period, including a significant "structural deficit" made much more challenging by the COVID-19 pandemic. These budget increases have helped advance key City strategies, including Toronto Newcomer Strategy, Toronto Poverty Reduction Strategy, Toronto Seniors Strategy 2.0, Toronto Strong Neighbourhood Strategy 2020 and Toronto Youth Equity Strategy, as well as TPL's Strategic Plan (2020-2024): *Vital to Toronto – Building Success, Resilience and Well-Being for our City*.

Service enhancements

Since 2018, City Council has approved approximately \$8.6 million of funding which allows TPL to expand and enhance services and advance a number of TPL strategic objectives while supporting many of the City of Toronto's key strategies, including the Poverty Reduction Strategy. The service enhancements include:

- the addition of 14 youth hubs, primarily in Neighbourhood Improvement Areas, along with increase of 5,538 open hours annually, representing an average of an additional day and a half of service at 8 Neighbourhood branches with youth hubs;
- increased Sunday service by 3,377 open hours annually with introduction or expansion of Sunday service at 29 branches with representing a 72% increase to Sunday service hours;

- funding for Internet Wi-Fi hotspot lending program which allows loaning of 1,000 hot spots to customers in high-needs neighbourhoods;
- the elimination of all overdue fines, which removes a significant barrier for accessing TPL services, especially for vulnerable customers; and
- an eLearning initiative, a Digital Safety & Literacy program and Digital Literacy for Seniors.

Staffing

Since 2018, TPL has added 74.5 FTEs which represents a 4.3% increase to staffing and is comprised of: 36 new librarian positions to support the youth hub expansion and its associated increase in open hours; 15.5 FTEs to support branches which have undergone renovations, expansions, and/or increased open hours; and the balance of 23.0 FTEs to support the advancement of the digital strategy, service modernization and capital projects.

Open Hours

Since 2018, TPL has added approximately 9,045 annual open hours of service through the Sunday hours expansion and Open Hours – Youth Hubs. Approximately 50,000 open hours of service remain to be funded to fully achieve the Open Hours Plan which represents a nearly 18% increase to current service hours. Future budget submissions will include additional requests for open hours.

CONCLUSION

The Council-approved 2022 Operating Budget allows the Library to maintain service levels, enhance digital literacy supports for seniors, and fully eliminate overdue fines with the elimination of teen and adult overdue fines. This goes a long way toward improving equity and access to library services.

The approved budget represents a significant investment by Council in TPL operations amidst the current pandemic. The impact of the pandemic on TPL's 2022 budget will continue to be monitored.

CONTACT

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SIGNATURE

Vickery Bowles
City Librarian

ATTACHMENTS

Attachment 1: Council Approved 2022 Operating Budget and 2023-2024 Outlook

TORONTO PUBLIC LIBRARY COUNCIL APPROVED 2022 OPERATING BUDGET AND 2023-2024 OUTLOOK

	2022					2023			2024		
	Staffing FTEs	GROSS	REVENUE	NET	%	Staffing FTEs	NET	%	Staffing FTEs	NET	%
		\$Ms	\$Ms	\$Ms			\$Ms			\$Ms	
2021 Council Approved Budget	1,787.8	220.508	17.460	203.048		1,808.8	209.785		1,825.3	220.505	
Base Budget Pressures											
1 Salary and Benefits cost of living adjustments	-	1.851	-	1.851	0.8%	-	2.259	1.1%	-	2.257	1.0%
Prior Year - Council Approval											
2 Children's Fines Elimination			(0.300)	0.300	0.1%						
Economic Increases											
3 Contracted services		0.987		0.987	0.5%		1.037	0.5%		1.089	0.5%
4 Library materials		0.536	0.107	0.429	0.2%		0.440	0.2%		0.451	0.2%
5 Supplies, services & rent		0.190		0.190	0.1%		0.188	0.1%		0.200	0.1%
6 Utilities		0.091		0.091	0.0%		0.250	0.1%		0.265	0.1%
7 Contribution to Fleet Reserve		0.012		0.012	0.0%		0.012	0.0%		0.013	0.0%
	-	1.817	0.107	1.710	0.8%	-	1.927	0.9%	-	2.017	0.9%
Base Budget Changes											
8 Digital Service Modernization	4.0	0.233		0.233	0.1%	3.0	1.391	0.7%		1.000	0.5%
9 Capital Projects Delivery Modernization	3.0	0.186	0.186	-	0.0%		-	0.0%		-	0.0%
	7.0	0.419	0.186	0.233	0.1%	3.0	1.391	0.7%	-	1.000	0.5%
Operating Impact of Capital											
10 Operating impact of capital	12.0	0.717		0.717	0.4%	11.5	1.396	0.7%	-	0.878	0.4%
Contribution to Asset Replacement Reserve											
11 Operating contribution to Fund TAMP capital		(0.400)		(0.400)	-0.2%						
12 Contribution to Asset Replacement Reserve		0.400		0.400	0.2%		1.000	0.5%		1.000	0.5%
	-	-	-	-	0.0%	-	1.000	0.5%	-	1.000	0.5%
2021 one-time COVID-related Base Budget Adjustments											
13 Reversal of 2021 COVID pressures (janitorial, security, revenues)		(2.104)	3.828	(5.933)	-2.9%						
14 Reversal of 2021 staff savings from phased reopening & VSP		4.710	-	4.710	2.3%						
	-	2.605	3.828	(1.223)	-0.6%	-	-	0.0%	-	-	0.0%
Balancing Actions & Efficiencies											
15 Vacancy Experience Impact		(2.267)		(2.267)	-1.1%		1.893	0.9%			
16 Forgo 2021 library materials economic increase		(0.536)	(0.107)	(0.429)	-0.2%						
17 Line by line efficiencies		(0.150)		(0.150)	-0.1%						
	-	(2.953)	(0.107)	(2.846)	-1.4%	-	1.893	0.9%	-	-	0.0%
Base budget Increase, before COVID pressures	19.0	4.457	3.715	0.742	0.3%	14.5	9.866	4.7%	-	7.152	3.2%
2022 COVID Pressures											
18 HVAC costs for MERV13 filter use		0.655		0.655	0.3%						
19 Janitorial services & supplies		0.650		0.650	0.3%						
20 Guard services		2.000		2.000	1.0%						
21 Reduction in venue costs and revenues		(0.080)	(0.650)	0.570	0.3%						
22 Reduction in other revenues			(0.904)	0.904	0.5%						
2022 COVID Pressures	-	3.225	(1.554)	4.779	2.4%	-	-	0.0%	-	-	0.0%
23 Base Budget Increase, including COVID pressures	19.0	7.682	2.161	5.522	2.7%	14.5	9.866	4.7%	-	7.152	3.2%
24 Council Approved 2022 Operating Base Budget	1,806.8	228.190	19.620	208.570	2.7%	1,823.3	219.651	4.7%	1,825.3	227.657	3.2%
Budget Enhancements											
25 Teens & adults overdue fines elimination			(1.100)	1.100	0.5%		0.300	0.1%			
26 Digital Literacy for Seniors	2.0	0.115		0.115	0.1%	2.0	0.554	0.3%			
	2.0	0.115	(1.100)	1.215	0.6%	2.0	0.854	0.4%			
27 Total Budget Increase	21.0	7.797	1.061	6.737	3.3%	16.5	10.720	5.1%	-	7.152	3.2%
28 Council Approved 2022 Operating Budget and 2023-2024 Outlook	1,808.8	228.305	18.520	209.785	3.3%	1,825.3	220.505	5.1%	1,825.3	227.657	3.2%



2022 operating budget adoption

TPL Board meeting

February 28, 2022



2022 operating budget

total budget: \$228.3 million

1,808.8 positions



3.3%

\$6.7 million



21 positions

2022 operating budget

Approved

	Council Approved Budget		Board Approved Submission		Not Approved	
	NET (\$M)	%	NET (\$M)	%	NET (\$M)	%
2021 Council-approved Operating Budget	203.048		203.048			
Recurring base budget pressures	1.965	0.9%	1.965	0.9%		
Reinstatement of services	4.710	2.3%	4.710	2.3%		
Reversal of 2021 COVID funding	(5.933)	-2.9%	(5.933)	-2.9%		
Base budget increase before COVID pressures	0.742	0.3%	0.742	0.3%		
2022 COVID budget pressures	4.779	2.4%	4.779	2.4%		
Base budget increase including COVID pressures	5.522	2.7%	5.522	2.7%		
Base budget including COVID pressures	208.570	2.7%	208.570	2.7%		
Budget enhancements						
Teens & adults overdue fines elimination	1.100	0.5%	1.100	0.5%		
Digital Literacy for Seniors (delay)	0.115	0.1%	0.206	0.1%	0.091	0.0%
	1.215	0.6%	1.306	0.6%	0.091	0.0%
Total budget increase	6.737	3.3%	6.828	3.3%	0.091	0.0%
Total 2022 Operating Budget	209.785	3.3%	209.876	3.3%	0.091	0.0%

Not Approved

Budget enhancement

Community Librarians Outreach	-		0.104	0.1%	0.104	0.1%
	-		0.104	0.1%	0.104	0.1%
Total	209.785	3.3%	209.981	3.4%	0.196	0.1%

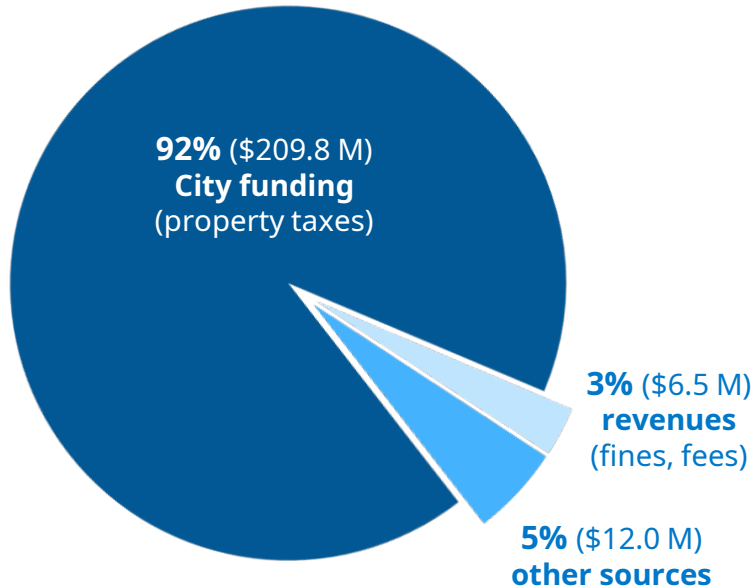
2022 operating budget

<u>Council Approved Budget</u>	<u>NET (\$M)</u>	<u>%</u>
Inflationary, staffing COLA and other increases	4.811	2.3%
Efficiencies	(0.579)	-0.3%
Reintroduction of services	4.710	2.3%
Budget to reintroduce and maintain services	8.941	4.3%
Temporary adjustments		
Increase in vacancy experience	(2.267)	-1.1%
2022 COVID Pressures	4.779	2.5%
2021 COVID Pressures Reversal	(5.933)	-2.9%
	(3.420)	-1.6%
Budget increase before enhancements	5.522	2.7%
Budget enhancements		
Teens & adults overdue fines elimination	1.100	0.5%
Digital Literacy for Seniors	0.115	0.1%
	1.215	0.6%
Total 2022 budget increase	6.737	3.3%
Total 2022 Operating Budget	209.785	3.3%

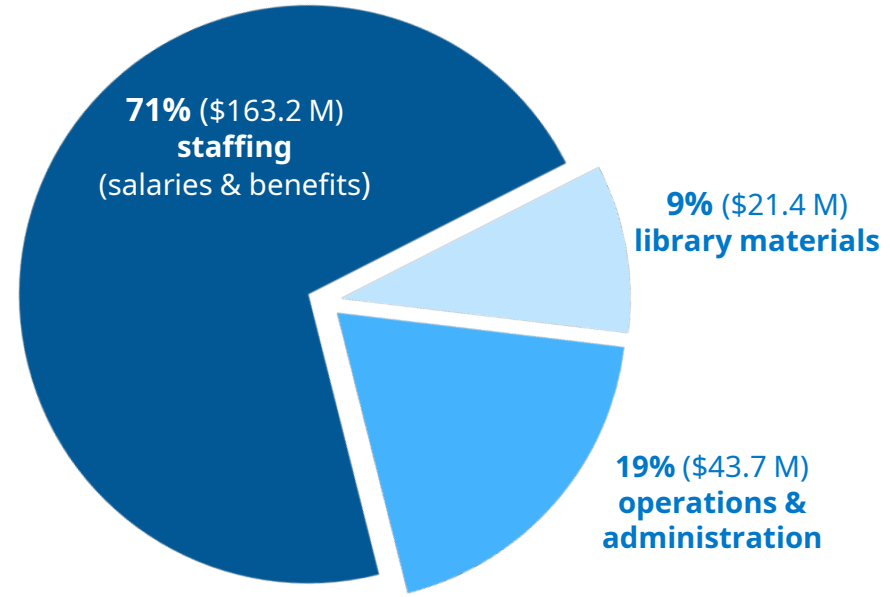
2022 operating budget

\$228.3 million gross

where the money **comes from**



where the money **goes**



operating budget progress over the past four years

- ↑ **16%** increase to operating budget
- + **74.5** new full time positions (+4%)
- + **14** new youth hubs (+ additional hours)
- + **29** branches with new or expanded Sunday hours
- 1000** wi-fi hotspots funded for lending program
- enhanced** on-line services and programming
- ALL** overdue fines eliminated