

2021 Operating Budget – Adoption

Date:	February 22, 2021
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library Board adoption of the 2021 Operating Budget of \$204.117 million net (\$221.576 million gross), including 1,787.8 full-time equivalents (FTEs), as approved by Council on February 18, 2021. The approved budget represents a significant investment by Council in Toronto Public Library (TPL) operations amidst the current pandemic and its impact on the 2021 budget and TPL’s phased reopening strategy.

The total budget increase over 2020 is \$7.422 million net (\$4.242 million gross), or 3.8% net, and is comprised of base budget funding (excluding COVID-19 impacts) of \$1.189 million net (\$2.138 million gross), or 0.6%, COVID-19 related funding of \$5.933 million net (\$2.104 million gross), or 3.0%, and budget enhancement funding of \$0.300 million net (\$0 gross), or 0.2%, which supports the City’s Poverty Reduction Strategy through the elimination of children’s fines. The elimination of children’s fines is an important step towards removing barriers to accessing library services for vulnerable communities.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. adopts the Council-approved 2021 Operating Budget of \$204.117 million net (\$221.576 million gross), which includes 1,787.8 Full Time Equivalents.

FINANCIAL IMPACT

The Council-approved 2021 Operating Budget is \$204.117 million net (\$221.576 million gross), which is comprised of base budget funding (excluding COVID-19 impacts) of \$1.189 million net (\$2.138 million gross), or 0.6%, including 1,787.8 FTEs, COVID-19 related funding of \$5.933 million net (\$2.104 million gross), or 3.0%, and budget enhancement funding of \$0.300 million net (\$0 gross), or 0.2%, which supports the City's Poverty Reduction Strategy through the elimination of children's fines, as detailed in Attachment 1 and summarized below in Table 1.

Table 1: 2021 Operating Budget Summary

	Gross		Net		FTEs
	(\$ millions)	%	(\$ millions)	%	
Approved 2020 Operating Budget	217.334		196.695		1,769.8
2021 Base Budget Increase	2.138	1.0%	1.189	0.6%	18.0
2021 COVID-19 Budget Increase	2.104	1.0%	5.933	3.0%	-
2021 Operating Base Budget	221.576	2.0%	203.817	3.6%	1,787.8
<u>Budget Enhancement</u>					
Children Fines Elimination	-	0.0%	0.300	0.2%	-
Total 2021 Budget Increase	4.242	2.0%	7.422	3.8%	18.0
Approved 2021 Operating Budget	221.576	2.0%	204.117	3.8%	1,787.8

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

DECISION HISTORY

At its meeting on October 19, 2020, the Board approved a [2021 Operating Budget Submission](#) of \$204.840 million net (\$224.195 million gross), which represented a \$8.145 million, or 4.1%, net increase over the 2020 budget and was comprised of:

- 1.1 a base budget increase of \$3.594 million net (\$4.437 million gross) or 1.8%;
- 1.2 COVID-19 related budget increases of \$3.933 million net (\$2.104 million gross) or 2.0%; and
- 1.3 budget enhancement requests totalling \$0.619 million net (\$0.319 million gross) or 0.3%;

At its meeting on November 16, 2020, the Board approved a [2021 Operating Budget Submission - Revised](#) of \$203.435 million net (\$222.895 million gross), which

represented a \$6.741 million, or 3.4%, net increase over the 2020 budget and was comprised of:

- 1.1 a base budget increase of \$2.189 million net (\$3.138 million gross) or 1.1%;
- 1.2 COVID-19 related budget increases of \$3.933 million net (\$2.104 million gross) or 2.0%; and
- 1.3 budget enhancement requests totalling \$0.619 million net (\$0.319 million gross) or 0.3%;

At its meeting on January 25, 2021, the Board endorsed a [2021 Operating Budget – City Staff Recommended](#) of \$204.117 million net (\$221.576 million gross), which represented a \$7.422 million net (\$4.242 million gross), or 3.8%, increase over the 2020 operating budget and was comprised of:

- 1.1 a base budget increase of \$7.122 million net (\$4.242 million gross), or 3.6%, comprised of:
 - 1.1a base budget funding (excluding COVID-19 impacts) of \$1.189 million net (\$2.138 million gross), or 0.6%, and
 - 1.1b COVID-19 related funding of \$5.933 million net (\$2.104 million gross), or 3.0%; and
- 1.2 budget enhancement funding of \$0.300 million net (\$0 gross), or 0.2%, for the elimination of Children’s fines.

The recommended budget did not include funding for two requested budget enhancements, Digital Literacy for Seniors and Community Librarians Outreach, and the Board adopted a recommendation to request Council to consider funding for these important initiatives. The Board also adopted a motion to provide a communication to all Councillors encouraging them to support the two budget enhancements which were not recommended by City staff. That communication is included in the Communications Report.

COMMENTS

Budget Committee – February 4, 2021 Final Wrap Up

On February 4, 2021, Budget Committee received a [report](#) from the Library Board requesting funding for, and emphasizing the importance of, TPL’s Community Librarians Outreach and Digital Literacy for Seniors budget enhancements, which was not included in the City staff recommended operating budget.

Budget Committee recommended to Executive Committee a 2021 Operating Budget of \$204.117 million net (\$221.576 million gross), which was unchanged from the City staff recommended operating budget.

Executive Committee – February 11, 2021

On February 11, 2021, the Executive Committee endorsed a 2021 operating budget of \$204.117 million net (\$221.576 million gross), which was unchanged from the Budget Committee recommended budget.

City Council – February 18, 2021

On February 18, 2021, City Council approved the 2021 Operating Budget of \$204.117 million net (\$221.576 million gross), which was unchanged from the Executive Committee recommended budget. The budget enhancements for Community Librarians Outreach and Digital Literacy for Seniors were not approved, however, City Council adopted two related motions:

EX21.2 Motion 10: City Council request the Chief Financial Officer and Treasurer, in consultation with the City Librarian, to report to the July 6, 2021 meeting of the Executive Committee on:

- a. the Toronto Public Library 2021 Operating Budget variance, and in particular, underspending due to the COVID-19 related public health measures' impacts on Toronto Public Library service hours and programming; and*
- b. the feasibility of reinvesting any positive Toronto Public Library budget variance into further new enhancements including community librarian outreach and / or digital literacy for seniors, as public health measures permit.*

EX21.2 Motion 13a 1: City Council request the Federal and Provincial governments fund the following COVID-19 related expenses and, subject to receiving funding, increase the 2021 Staff Recommended Operating Budget for Toronto Public Library by \$0.319 million gross and \$0 net, and associated increases in the staff complement of 4 Full Time Equivalent positions:

- a. \$0.212 million for Digital Literacy for Seniors; and*
- b. \$0.107 million for Community Librarians Outreach.*

TPL staff will monitor the situation during the year and report back to the Board as appropriate.

Children's Fines Elimination

There is growing evidence that overdue fines do not encourage the return of material as intended but may actually act as a barrier to the use of all library services. Fines create social inequity as the membership cards of people from racialized and low-income (high priority) communities are blocked from library use at a higher rate than others. A total of 5% of children from these communities have blocked cards compared to 1% of children from other areas. Just the fear of incurring fines may act as a barrier

to use. Only 28% of Torontonians from racialized and low-income communities, many of them newcomers, are library members, compared to 35% from other areas. There are currently 194 fines-free Canadian library systems, including 30 in Ontario and nine in the GTA, and these numbers are increasing.

TPL is taking a phased approach to eliminating overdue fines, beginning with children's fines in 2021, funding for which was approved by Council. The revised *Circulation and Collection Use (including Fees and Fines) Policy*, along with an implementation plan for the elimination of children's fines, will be presented to the Board at a future meeting. The elimination of adult fines will be considered for the 2022 budget submission.

Affordable Internet Connectivity - City Council – February 5, 2021

The Seniors Tech Help pilot was launched as a COVID-19 pandemic response service. This service provides free digital literacy help to seniors via telephone to support them in the use of technology and accessing online resources while they are staying at home during the pandemic. Seniors Tech Help provides one-on-one assistance via telephone on using e-books or other library services, including registering for a TPL Digital Access Card or support for how to use their computer, tablet or smartphone. This pilot service was funded through a Federal program to provide full-time digital internships to youth from BIPOC and underrepresented groups in urban public libraries. The grant funding has allowed TPL to hire six full time dedicated staff and train them on effective seniors' service and answering technical questions over the phone. The funding runs out in March 2021.

On February 5, 2021, during a regular meeting, City Council considered [EX20.8 Affordable Internet Connectivity for All – ConnectTO](#) and adopted the following motions:

8. *City Council direct the City Manager and request the Toronto Public Library Board to request the Federal and Provincial Governments to provide additional emergency funding, if and when existing funding is exhausted, to support the extension of Toronto Public Library's Seniors Tech Help program past the March 12, 2021 deadline.*
9. *City Council request the City Manager, in consultation with the City Librarian, Toronto Public Library, the General Manager, Seniors Services and Long-Term Care, and the Executive Director, Social Development, Finance and Administration, to expand the City's Digital Canopy program by extending free WiFi to 25 retirement communities located in Neighbourhood Improvement Areas.*

TPL will work with the City Manager to identify strategies for extending the Seniors Tech Help program.

CONCLUSION

The approved budget represents a significant investment by Council in TPL operations amidst the current pandemic and its impact on the 2021 budget and TPL's phased reopening strategy.

CONTACT

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SIGNATURE

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City Librarian

ATTACHMENTS

Attachment 1: 2021 Council Approved Operating Budget and 2022-2023 Outlook

TORONTO PUBLIC LIBRARY

Council Approved 2021 Operating Budget and 2022-2023 Outlook

	2021					2022 Outlook			2023 Outlook		
	STAFF	GROSS	REVENUE	NET	%	STAFF	NET	%	STAFF	NET	%
	FTE's	\$Ms				FTE's	\$Ms		FTE's	\$Ms	
2020 Council Approved Budget	1,769.8	217.334	20.640	196.695		1,787.8	204.117		1,800.8	211.763	
Base Budget Pressures											
1 Salary and Benefits costs	0.0	1.268	0.124	1.144	0.6%	0.0	4.364	2.1%	0.0	2.548	1.2%
Base Budget Changes											
2 Library Materials		0.523	0.105	0.418	0.2%		0.429	0.2%		0.440	0.2%
3 Utilities		0.244		0.244	0.1%		0.292	0.1%		0.269	0.1%
4 Supplies, Services and Rent		0.625		0.625	0.3%		0.270	0.1%		0.272	0.1%
5 Contracted Services		1.373		1.373	0.7%		0.500	0.2%		0.500	0.2%
6 Contribution to Fleet and Equipment Reserve		0.010		0.010	0.0%		0.011	0.0%		0.011	0.0%
7 Contribution to Insurance Reserve		-0.030		-0.030	0.0%						
8 Operating impact of capital - Technology projects		0.043		0.043	0.0%		0.400	0.2%		0.400	0.2%
9 Operating impact of capital - Building projects	2.0	0.072		0.072	0.0%	9.0	0.718	0.4%	2.0	0.491	0.2%
10 Line by Line efficiencies		-0.144	0.065	-0.209	-0.1%						
11 Toronto Public Library Foundation Grants	3.0	0.500	0.500	0.000	0.0%						
12 Increase in recovery from capital			0.068	-0.068	0.0%						
	5.0	3.216	0.737	2.479	1.3%	9.0	2.619	1.3%	2.0	2.382	1.1%
13 Digital Service Modernization	13.0	0.476	0.087	0.389	0.2%	4.0	0.490	0.2%	3.0	0.391	0.2%
14 Additional savings due to phased reopening plan		-1.332		-1.332	-0.7%		1.332	0.7%			
15 Other Additional savings		-0.491		-0.491	-0.2%		0.491	0.2%			
16 Additional savings due to adjustment to phased reopening strategy		-1.000		-1.000	-0.5%		1.000	0.5%			
Base Budget Increase	18.0	2.138	0.948	1.189	0.6%	13.0	10.296	5.0%	5.0	5.321	2.5%
COVID-related Budget Pressures											
17 Increase in janitorial supplies (PPE)		0.300		0.300	0.2%		-0.150	-0.1%		-0.150	-0.1%
18 Increase in janitorial services		1.000		1.000	0.5%		-0.500	-0.2%		-0.500	-0.2%
19 Increase in guard services		1.000		1.000	0.5%		-0.500	-0.2%		-0.500	-0.2%
20 Reduced tenant costs and revenues		-0.037	-0.153	0.116	0.1%		-0.058	0.0%		-0.058	0.0%
21 Reduction in Venues costs and revenues		-0.159	-0.856	0.697	0.4%		-0.348	-0.2%		-0.348	-0.2%
22 Reduction in Printing revenues			-0.252	0.252	0.1%		-0.126	-0.1%		-0.126	-0.1%
23 Reduction in Fines revenues			-0.567	0.567	0.3%		-0.267	-0.1%		-0.267	-0.1%
24 Additional Reduction in Revenues due to COVID-19 resurgence			-2.000	2.000	1.0%		-1.000	-0.5%		-1.000	-0.5%
	0.0	2.104	-3.828	5.933	3.0%	0.0	-2.950	-1.4%	0.0	-2.683	-1.3%
Base Budget Increase - including COVID-19 impacts	18.0	4.242	-2.880	7.122	3.6%	13.0	7.346	3.6%	5.0	2.638	1.2%
Operating Base Budget	1,787.8	221.576	17.760	203.817	3.6%	1,800.8	211.463	3.6%	1,805.8	214.401	1.2%
Budget Enhancements											
25 Children's Fines Elimination			-0.300	0.300	0.2%		0.300	0.1%			
subtotal - budget enhancements	0.0	0.000	-0.300	0.300	0.2%	0.0	0.300	0.1%	0.0	0.000	0.0%
Total Budget Increase	18.0	4.242	-3.180	7.422	3.8%	13.0	7.646	3.7%	5.0	2.638	1.2%
Council Approved 2021 Operating Budget and 2022-2023 Outlook	1,787.8	221.576	17.460	204.117	3.8%	1,800.8	211.763	3.7%	1,805.8	214.401	1.2%