



**STAFF REPORT
ACTION REQUIRED**

10.

2015 Operating Budget Adoption

Date:	March 23, 2015
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is for the Toronto Public Library Board to adopt the Council approved 2015 operating budget of \$188.646 million gross funded with \$172.130 million of City funding and \$16.516 million of other revenue. The net budget represents an increase of \$4.493 million or 2.7% over the 2014 budget and the addition of two staff positions. The 2015 budget increase includes: \$0.815 million gross and \$0.763 million net funding for the second year cost of operating the two new branches, Fort York and Scarborough Civic Centre; \$0.200 million to reinstate a portion of the security guard budget; and \$0.250 million gross and \$0.375 million net to fund two Library initiatives included in the City’s approved Poverty Reduction Initiatives, the Library Access – Fines Forgiveness program and Youth Hubs.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

- adopts the 2015 operating budget of \$188.646 million gross and \$172.130 million net, comprised of the following services:

<u>Service</u>	<u>Gross (\$000s)</u>	<u>Net (\$000s)</u>
Library Collections & Borrowing	71,526.8	65,700.4
Branch and E-Services	110,239.8	99,789.4
Partnerships, Outreach & Customer Engagement	6,879.5	6,640.2
	<u>188,646.0</u>	<u>172,129.9</u>

FINANCIAL IMPACT

The Toronto Public Library's 2015 operating budget of \$188.646 million is funded by \$172.130 million City funding and \$16.516 million of other revenue, mainly comprised of provincial grants, fines and fees, development charges and facilities rental. The 2015 net budget represents an increase of \$4.493 million or 2.7% over the 2014 budget, and the addition of two staff positions.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

At the January 19, 2015 meeting, the Board approved a revised 2015 operating budget request of \$171.555 million net (\$188.196 million gross), which maintains open hours and collections, and meets the City staff recommended net budget increase of 2.3%. The revised budget was communicated to the City's Budget Committee on January 20, 2015.

COMMENTS

At the February 20, 2015 meeting, the City's Budget Committee endorsed the Board's revised 2015 operating budget. At the meeting, a Poverty Reduction Initiative report was also endorsed with increased funding of \$0.375 million net (\$0.250 million gross) for two Toronto Public Library initiatives, resulting in a recommended operating budget of \$171.930 million net (\$188.446 million gross), representing a \$4.293 million or 2.6% increase.

Poverty Reduction Initiatives are aimed at creating greater equity in Toronto by mitigating the impacts of poverty for those with low income and by helping them to move out of poverty, as well as helping to prevent others from falling into poverty. Funding of \$0.375 million net (\$0.250 million gross) was approved for two Toronto Public Library initiatives, the Library Access – Fines Forgiveness Program and Youth Hubs.

The Library Access – Fines Forgiveness program is a program to improve access to library services for children and youth whose library privileges have been suspended due to unpaid fines. Funding of \$0.175 million net (\$0.050 million gross) will allow the forgiveness of outstanding fines for children and youth at library branches located in Neighbourhood Improvement Areas, restoring full access to borrowing and other library programs and services. This program will start in the second quarter of 2015, making summer reading programs, collections and after-school programs fully accessible to the target audience.

Youth Hubs provide much needed community space in neighbourhood improvement areas where there are large numbers of youth attending library branches. The hubs will be open during the school year, after school and in the summer months, and staffed by on-site library coordinators and volunteers from the community. The Hubs will be focusing on providing homework assistance, and programs to help develop social and leadership skills, in a safe and

welcoming environment, where youth can engage in fun and meaningful activities under the supervision of adults.

With a budget of \$0.200 million in 2015, the Library will be able to set up Hubs at the Cedarbrae and York Woods branches and start operating them in September with two additional staff. The expectation is to increase the funding by an additional \$0.200 million in 2016, which will allow two additional Hubs at the Fairview and Maria A. Shchuka branches and two additional staff.

At the March 2, 2015 meeting, the City’s Executive Committee endorsed the Budget Committee recommended 2015 operating budget for the Toronto Public Library without amendments.

At its meeting on March 10 – 11, 2015, City Council approved the Executive Committee recommended 2015 operating budget and also adopted an amendment to reinstate \$0.200 million to the security guard budget resulting in a 2015 operating budget of \$172.130 million net (\$188.646 million gross), representing a \$4.493 million or 2.7% increase.

At the meeting, City Council also adopted the following motion:

City Council request Toronto Public Library to report back on any progress achieved in the cost, terms and conditions to acquire and circulate e-material in time for the 2016 Budget process.

The 2015 Council approved operating budget is shown in the following table:

**APPROVED 2015 OPERATING BUDGET
Summary (\$000s)**

	<u>FTEs</u>	<u>Gross</u>	<u>Revenue</u>	<u>Net</u>	<u>%</u>
Board recommended budget - Jan 19/15	1,737.9	188,196.0	16,641.1	171,554.9	2.3%
Reinstate Security Guard Budget	-	200.0	-	200.0	0.1%
Poverty Reduction Initiatives					
Library Access - Fine Forgiveness		50.0	(125.0)	175.0	0.1%
Youth Hubs	2.0	200.0		200.0	0.1%
Subtotal - Poverty Reduction Initiatives	2.0	250.0	(125.0)	375.0	0.2%
Total 2015 Budget Increase	2.0	4,425.9	(66.6)	4,492.5	2.7%
Council Approved 2015 Budget	1,739.9	188,646.0	16,516.1	172,129.9	2.7%

Section 24(2) of the Public Libraries Act requires the Library Board to adopt the annual estimates that have been approved by Council.

CONTACT

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SIGNATURE

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