



August 20, 2010

To: Josie La Vita
Director of Financial Planning Division, Finance

From: Jane Pyper
City Librarian

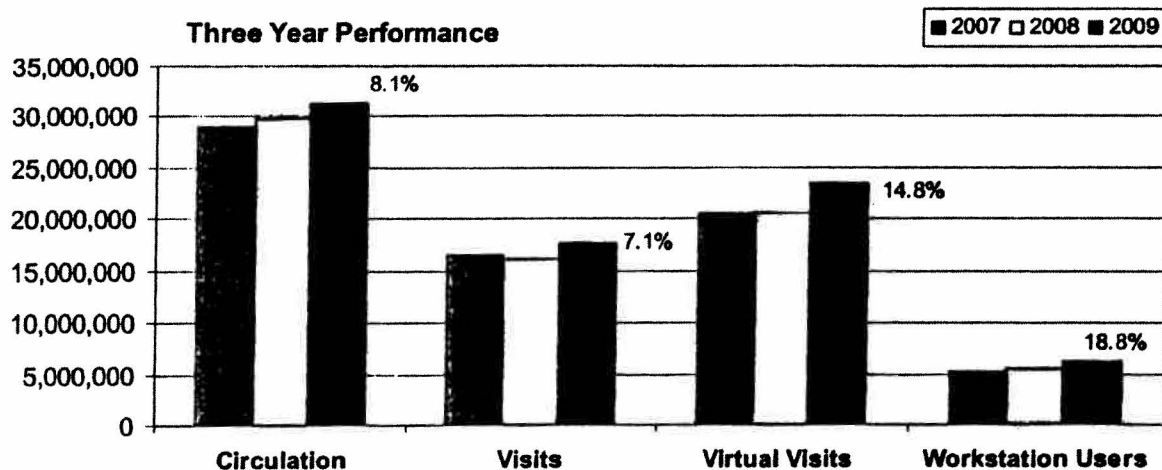
Subject: 2011 Operating Budget – Service Review 5% Reduction

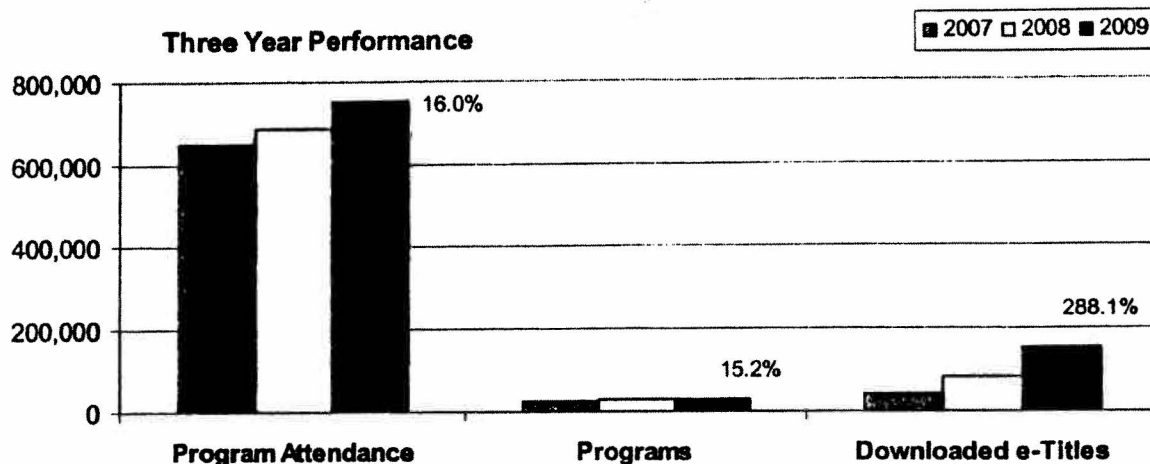
In response to City staff request to submit a plan which achieves permanent and sustainable reductions of \$8.196 million or 5% of the Toronto Public Library's (TPL) 2009 Operating Base Budget, TPL has prepared a Business Case with a combination of service reductions in the hours of business, library materials and associated administration savings (Attachment 1).

TPL SERVICE CONSIDERATIONS

Increasing Demand

Use of the library has increased over the past three years, with a notable increase since the fall of 2008, when the economy took a downturn. Traditional library usage including circulation, in person visits and attendance at library programs increased along with accelerated growth in electronic activity including the number of computer workstation users, visits to the library's web site ("virtual visits") and downloaded e-titles.





2010 performance measures reflect a continuing trend of increased demand and usage of library services.

Performance Measure	2009		January to June 2010	
	Total	% Increase over 2008	Total	% Increase over Jan. – Jun. 2009
Circulation	31,271,072	4.9%	16,020,179	5.0%
Visits	17,554,470	8.5%	8,959,855	6.4%
Programs	27,862	5.3%	15,367	3.1%
Program Attendance	750,200	9.3%	427,494	3.2%
Workstation Users	6,130,523	11.5%	3,013,184	1.90%
Wireless Sessions	677,364	20.4%	476,614	75.6%
Virtual Visits	23,393,920	13.4%	7,944,629	6.3%
Downloaded e-Titles	151,367	88.2%	109,013	56.0%

The notable increase in library usage since 2008 relates in part to the Library's contribution to the *Toronto Helps Strategy* with expanded access to employment related services including materials, the library's website and enhanced programming. Specific services include:

- More than 35,000 new books on jobs and careers; demand for job related materials increased by 41% in 2009.
- A 20% increase in computer based programs to support job seekers and a 35% increase in employment programs delivered in partnership with community agencies.
- Enhanced web content including a new webpage *Career and Job Search Help at Toronto Public Library* averaging over 250 visits per day and enhancements to the Virtual Reference Library's SmallbizXpress website which supports small business owners; usage of the site increased 48% in 2009.

Partnership Initiatives Undertaken

Through strategic partnerships with the City, cultural institutions, community groups and other levels of government, Toronto Public Library leverages resources and provides efficient and

targeted programs and services to meet diverse community needs. Strategies reflect both a long term commitment to joint planning and targeted service delivery to build enhanced community capacity and a strong network. Some examples of partnerships are listed below.

Partnerships with the City

- Co-located branches with other City services support site and building efficiencies, deliver complementary programs and services and promote ease of access and use for residents; examples include St. James Town, McGregor Park, Flemingdon Park, Throncliffe, Malvern and Alderwood branches.
- Collaborative community based planning and services through the Neighbourhood Action Teams and other City based groups supports resilient communities.
- Invest in Families, a partnership with Toronto Employment and Social Services, Public Health and Parks, Forestry and Recreation removes barriers to access to library service for low income families receiving social assistance.
- Kids@Computers led by Toronto Employment and Social Services provides 900 children annually with computer internet service, upon completion of training on web use and research skills delivered by Toronto Public Library.
- Live Green Toronto is a one stop resource provided in conjunction with the Toronto Environment Office.
- Building Physically Active Communities with Toronto Public Health promotes an active lifestyle; pedometers can be borrowed at 28 library branches with 10 more branches being added by the end of 2010.
- Small Business seminars are offered with Economic Development and Culture.
- Promotion of Parks, Forestry and Recreation Welcome Policy in library branches creates awareness and access to recreational programs for residents with low income.
- Collaborative planning for children's services through the Children's Advisory Committee, Middle Years Strategy Working Group, and the Best Start Network.
- Partnership with Economic Development, Culture & Tourism and Toronto Business Development Centre is under discussion to develop business incubation related programs at several locations.

Partnerships with other levels of government

- The Library Settlement Partnership (LSP) – a tri-level partnership between Citizenship and Immigration Canada, Toronto Public Library and community based settlement agencies – delivers settlement services at 18 branches in 23 languages. In 2009, 533 workshops were delivered on topics of interest to newcomers, including employment, housing and health.
- The Newcomer Youth Orientation Week (NOW), a partnership with Citizenship and Immigration Canada and local settlement agencies assists newcomer students in making a smooth transition into Canadian high schools. Youth receive an orientation to local libraries.
- The Service Ontario partnership provides funding for online access to Ontario government services and programs for small businesses.
- Adult Literacy tutoring is provided in partnership with the Ministry of Training, Colleges and Universities, and the grant funding they provide to support learners in the program.

Partnerships with School Boards

- English as a Second Language (ESL) instruction is offered with Toronto's school boards; 90,596 participate annually at the library.
- The Transitional Intervention Program for Suspended Students (TIPSS) builds skills and resiliency to support at risk students' reentry into school; tutoring is provided in library and the program is being considered as a province wide model.

Partnerships with cultural institutions

- The Iain Baxter & EcoArtVan, a partnership with No.9 (an organization committed to using art to stimulate social and environmental change), the Art Gallery of Ontario and the Toronto District School Board, delivers arts and environmental learning programs to at-risk communities.
- The Sun Life Financial Museum and Arts Pass (MAP), a public/private sector partnership, provides free access to 17 City museums and cultural venues for Toronto residents.
- For the past three years, the Library has partnered with Luminato, a ten day, city-wide festival of "arts and creativity" that takes place every June, by doing literary programming, as well as free cultural programs for kids and adults in various branches.
- Literary culture and reading are supported through programs, promotional events and discussions featuring authors, poets and other writers, and are often undertaken in partnership with others such as publishers and bookstores.

Community based partnerships

- A Pro-Tech Media Lab at Kennedy/Eglinton branch funded from the Partnership Opportunities Legacy Fund (POL) provides local access to technology and training for youth. The Media Lab is operated by community partners using library space and program support. A second Media Lab is under development for the Malvern branch as part of the SPOT Youth Hub with funding provided by POL and Youth Challenge Fund.
- Mentoring partnerships including Youth in Motion and the TRIEC mentoring which provide support for Toronto residents seeking employment.
- Funded from POL, the York Woods Library Arts Hub provides multi-use space to support local artists, arts groups and projects in the Jane/Finch community.

Volunteer Opportunities

Volunteer opportunities support resident engagement in community life and their education and career goals while building program capacity. Volunteers include youth fulfilling high school requirements for high school graduation and newcomers gaining Canadian experience. In 2009, 3,315 youth and adult volunteers contributed 111,854 hours to service delivery, an 18% increase over 2008.

- Youth Advisory Groups provide input into program planning and delivery and build leadership skills; sample programs developed by youth include art workshops, video game tournaments, Open Mic concerts, puppet shows and comedy workshops.

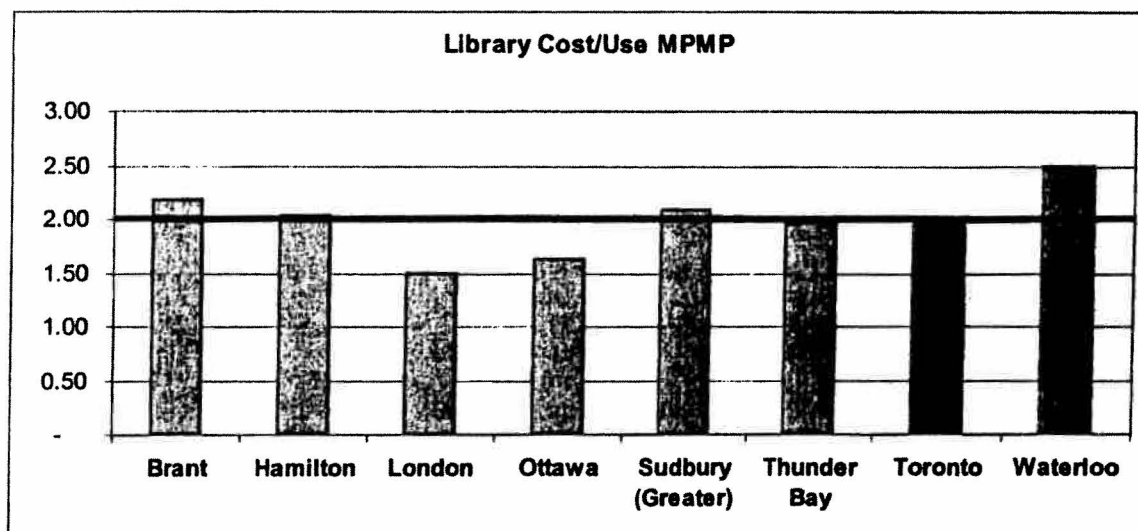
- Volunteers in literacy, technology and homework programs provide one on one tutoring to learners of all ages; programs include Leading to Reading for middle years children reading below grade level and Adult Literacy to support job seekers and other adult learners; as well as technology programs where youth mentor seniors.
- “Friends of the Library” volunteers operate two used bookstores with the proceeds going to TPL.

Efficiencies

When compared to other municipalities, Toronto Public Library offers a wide range of services at a relatively low cost per use. Services address Toronto’s dense urban form and respond to the complex needs of Toronto’s diverse population including the need for community meeting and study space. Services include 99 library branches serving all areas of the city, research and archival collections, materials in over 40 languages and city wide and local programs to support a vibrant cultural sector.

The Ontario Municipal Benchmarking Initiative (OMBI), in 2008 shows Toronto Public Library ranked as:

- #2 in library uses per capita (33.2);
- #1 in electronic visits per capita (9.29);
- #1 in electronic uses per capita (12.7);
- # 2 in computer workstation use per capita (2.01);
- # 2 in library circulation per capita (10.90);
- #1 in wireless connections per capita (.21);
- #3 lowest in cost per use (\$1.95)

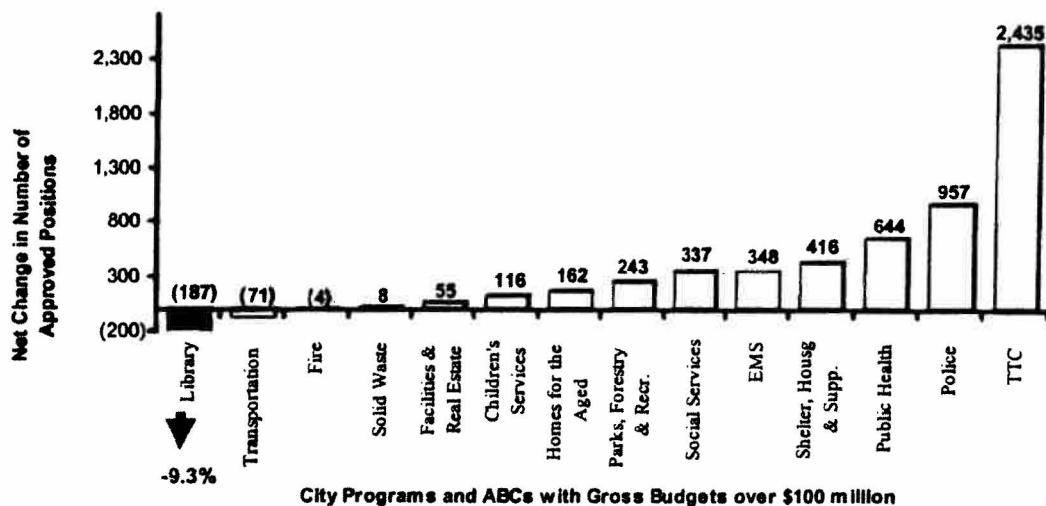


Median cost per use \$2.00.

To gain efficiency, processes that support service delivery are examined and alternatives evaluated on an ongoing basis, for example:

- More services are delivered electronically through the library's website (Virtual Branch) to build capacity to manage increased demand. Services can be delivered on a 24/7 basis.
- A one time capital investment in self check out technology enables the expansion of open hours at branches with high usage without additional staff. 120 hours per week were added during 2010 at 15 branches.
- Efficient scheduling of full-time and part-time staff have allowed TPL to handle the constant increase in service demand.
- Purchasing is coordinated with the City leveraging bulk purchases and volume discounts while maintaining or incorporating unique library requirements (e.g. vehicle purchases, audit services, telephone, utilities).
- Online selection, electronic ordering and invoicing have been introduced for library materials to maximize efficiencies for large orders.
- Review of IT systems for opportunities to simplify the technical environment and contain or reduce operating costs.
- The provision of WiFi access in every branch addresses increased demand for Internet access.
- Renovations include flexible design of public space to address different community needs; for example, a program room can be used to deliver library programs or used as a community room or quiet study space.
- Library material pick-up and delivery services were restructured to reduce the number of daily stops, resulting in savings without affecting service levels.
- The consolidation of materials distribution centres and an automated sorting system could provide considerable efficiencies, and the associated investment is being evaluated.

No Growth in Library Staffing since 1999



By utilizing best practices and implementing efficiencies, some of which are described above, TPL has managed the increase in service activity while adding almost no staff since the 10% reduction on Amalgamation. The supporting graph above highlights the stability in Library Staffing since 1999 vs other City services.

FRAMEWORK FOR REDUCTIONS

The magnitude of reductions necessary to meet the \$8.196 million reduction target cannot be achieved without major cuts to services. Considering that 75 percent of the budget funds staff, 10 percent funds library materials, 13 percent funds the operation and maintenance of 102 buildings and IT infrastructure, and 2 percent funds branch programs and other expenditures, any substantial savings require a reduction to staffing (library service hours) or collections.

In developing service reduction scenarios with service cuts, a number of general principles were used to mitigate the effects on specific neighborhoods or user groups. The extent of the budget reduction means that all library users will be affected to some degree and impacts will be felt across the City and in priority neighbourhoods.

Principles

- Avoid a disproportionately negative service impact on one or a few neighbourhoods.
- Avoid a disproportionately negative service impact on one segment of customers.
- Attain the target reductions within the shortest reasonable period.
- Try to minimize the number of customers affected and the impact of the service cut.
- Spread the impact of the reduction equitably between hours and library materials.
- A strategy for the reduction in hours which would be relatively consistent and relatively simple to communicate to the public.
- Feasibility of implementing reductions within the framework of current employment agreements.

PROPOSED REDUCTION

To achieve a permanent reduction target of \$8.196 million in 2011, reductions are being proposed which include:

- Monday to Saturday Hours
- Sunday Hours
- Library Materials budget
- Administration savings associated with reductions in hours and materials
- An implemented strategy to phase-in the savings from the service reductions, all of which cannot be achieved in 2011.

Library Materials Reduction

TPL has worked diligently at rebuilding its library materials budget after substantial cuts in the 1990's. Today, the library materials budget of \$17.4 million has recovered back to the level it was in 1993, after adjusting for inflation. TPL's circulation of over 31 million, the highest in North America, is directly linked to the availability of current materials which meet the needs of Torontonians.

The proposed reduction of \$1,995 million or 11% of the library materials budget will result in approximately 116,000 fewer items per year. Newer materials have higher circulation therefore, the reductions will have a significant impact on library usage.

Hours of Service Reduction

It is well documented that library use increases significantly during an economic downturn. A comparison between 2009 to 2008 shows that computer use is up 11.5%, visits are up 8.5%, program attendance is up 9.3%, information requests are up 15.6% and circulation is up 4.9%. The Library provides many resources for people looking to access employment assistance to find jobs and to access affordable recreational and cultural activities. In these difficult times, the library plays an increasingly important role.

A decrease in hours of service will reduce access to collections, library programs, information services, internet services and study space. There will be fewer morning, evening and Saturday hours for patrons to access library services and Sunday services will be limited to 5 branches, eliminating Sunday services in 22 locations.

The proposed reduction of \$4.415 million or 9.6% of Monday-Saturday hours of service will reduce 25,740 hours from the current annual service hours of 267,150, impacting 53 branches across the City.

A reduction of \$1.435 million in Sunday services or 81.5% of service hours will reduce 2,849 hours from the current 3,496 hours, resulting in the closure of Sunday services in 14 District and 8 Neighbourhood branches, leaving only 5 locations open. Based on 2009 statistics, this service reduction could be expected to result in:

- a 69.9% drop in Sunday circulation (approximately 680,000 fewer items circulated)
- a 59.4% drop in visits to the library on Sunday (approximately 280,000 fewer visits)

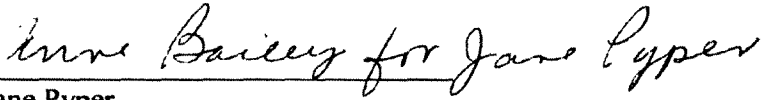
Administration savings

As a result of reductions in hours of service and library materials, associated support costs would also be reduced.

Implementation Plan

Given the timing of the budget approval, the steps involved in implementing the proposed changes and contractual obligations, it will take at least two years to achieve the full savings from reducing the hours of service. The savings shortfall in 2011 will have to be made up from an additional one-time cut to library materials of \$3.1 million.

Yours truly,


Jane Pyper
City Librarian

ATTACHMENTS

Attachment 1: 2011 Summary of Reductions to Meet City Target

Attachment 2: 2010 Service Review Process Business Cases – not attached

c.c.:

Cam Weldon, Deputy City Manager and Chief Financial Officer

Alan Cohen, Manager, Financial Planning

Bert Riviere, Manager, Financial Planning

Tim Lam, Financial Planning Analyst

Larry Hughsam, Director, Finance and Treasurer, Toronto Public Library

TORONTO PUBLIC LIBRARY
2011 OPERATING BUDGET
SUMMARY OF REDUCTIONS TO MEET CITY TARGET (\$8.196M or 5%)

		A	B
		Reductions	
		\$000's	%
Monday - Saturday Service Hours Reduction			
(99 Branches: 2 Research & Reference (R&R), 1 Urban Affairs, 17 District, 79 Neighbourhood; annual cost: \$79.164 million; 267,150 hrs of service)			
Reduction Proposed			
1	Reduction in service hours will limit access to collections, library programs, information service, internet services and study space. Additionally, there will be fewer morning, evening and Saturday hours available for customers to access library service.	4,415	2.7
		(6% of Mon-Sat \$cost)	
25,740 or 9.6% fewer Mon-Sat hrs/yr in 2 Research & Reference, 1 Urban Affairs, 14 District and 36 Neighbourhood Branches (53 total branches)			
<ul style="list-style-type: none">2 Research & Reference and 14 District will go down to 59.5 hrs/wk resulting in a combined loss of 4,134 hours per year or 1.5%The 25 busiest neighbourhood branches will go down to 50.5 hrs/wk resulting in loss of 15,158 hrs per year or 5.7%11 other neighbourhood branches and Urban Affairs will go down to 40 hrs/wk resulting in a combined loss of 6,448 hrs per year or 2.4%			
Sunday Service Hours Reduction			
(27 Branches: 2 R&R, 17 District, 8 Neighbourhood; 3,496.5 hours of service during 37 Sundays @ 3.5 hrs/day; annual cost \$2.462 million)			
Reduction Proposed			
2	Only 5 locations will remain open for 37 Sundays. As a result, Sunday service at 14 District and 8 Neighbourhood Branches (22 total branches) will be discontinued.	1,435	0.9
		(58% of Sun \$cost)	
2,849 or 81.5% fewer Sunday hrs/yr from closure of 14 District and 8 Neighbourhood Branches (22 total branches)			
<ul style="list-style-type: none">5 locations that will remain are Toronto Reference Library, North York Central Library, Cedarbrae, Lillian H. Smith, and RichviewService will begin Jan.9th, 2011 and will close for the summer on June 26th, 2011Service will resume Sept.11th, 2011 and will end Dec.18th, 2011			
		Subtotal - Combined Hours (Mon-Sat + Sun) (reduced by 11% or 28,589 hrs/yr)	
		5,850	3.6
		(7% of combined Mon-Sun \$cost)	
Library Materials Reduction			
(2010 annual budget is \$17.4M; estimated cost per item is \$17)			
Reduction Proposed			
3	Library Material Budget permanently reduced by 11% resulting in loss of approximately 116,000 library items	1,995	1.2
		(11% of LM \$budget)	
		Subtotal - Service Reduction	
		7,846	4.8
Administration Savings			
4	Administration Savings	350	0.2
		Subtotal - Service Reduction + Administrative Savings	
		8,196	5.0
		Total Reductions	
		8,196	5.0
OTHER MEASURES AND IMPACT			
5	Additional temporary LM budget reductions to phase-in service hours cuts (50% for Mon-Sat and 38% for Sun savings)	3,100	
6	Total 2011 reductions in library materials (29% of LM budg)	5,095	
7	Number of branches impacted (Mon-Sat hours reduction)	53	
8	Number of Mon- Sat hours reduced weekly	495	
9	Number of Mon- Sat hours reduced annually	25,740	
10	Average number of Sunday hours reduced annually	2,849	
11	Number of FTEs reduced	55.0	