



2015 Operating Budget Submission

Toronto Public Library Board

November 17, 2014

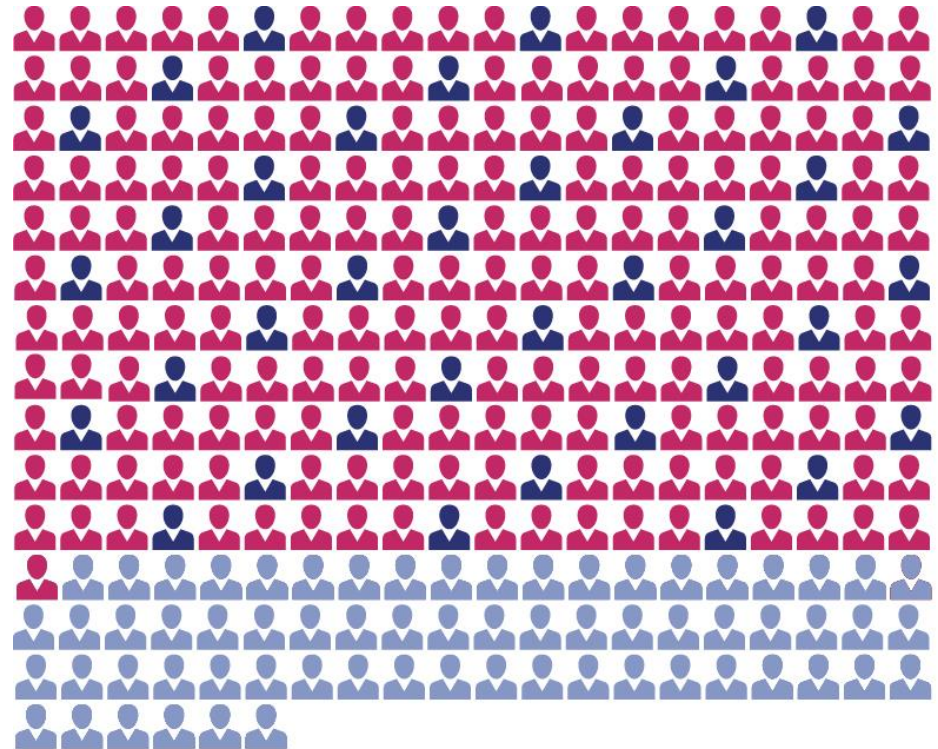


Context of Budget Request

Increasing Demand

Connecting people to information and ideas

In 2012, Torontonians visited the library and borrowed materials in large numbers:



-  72% used the library in 2012
-  One in six visited once a week

Context of Budget Request

Increasing Demand

Connecting people to information and ideas

In 2013, Torontonians visited the library and borrowed materials in large numbers:



19 million visits to branches



27 million visits to the library website



32 million items borrowed



810,000 people attended 31,000 programs



96% increase in the use of e-books



58% of Torontonians used a library computer or accessed the library's wireless network

Context of Budget Request

Increasing Demand

Total Circulation	10.4%	↑
In-Person Visits	9.2%	↑
Virtual Visits	34.0%	↑
In-library Use of Collections	-27.3%	↓
Reference Questions	-15.2%	↓
Total Use	13.4%	↑

Context of Budget Increase

History of Increased Open Hours

2 R&R and 17 District Branches

Standardized, 65.5 hours Mon-Sat

Neighbourhood Branches

50% have increased hours

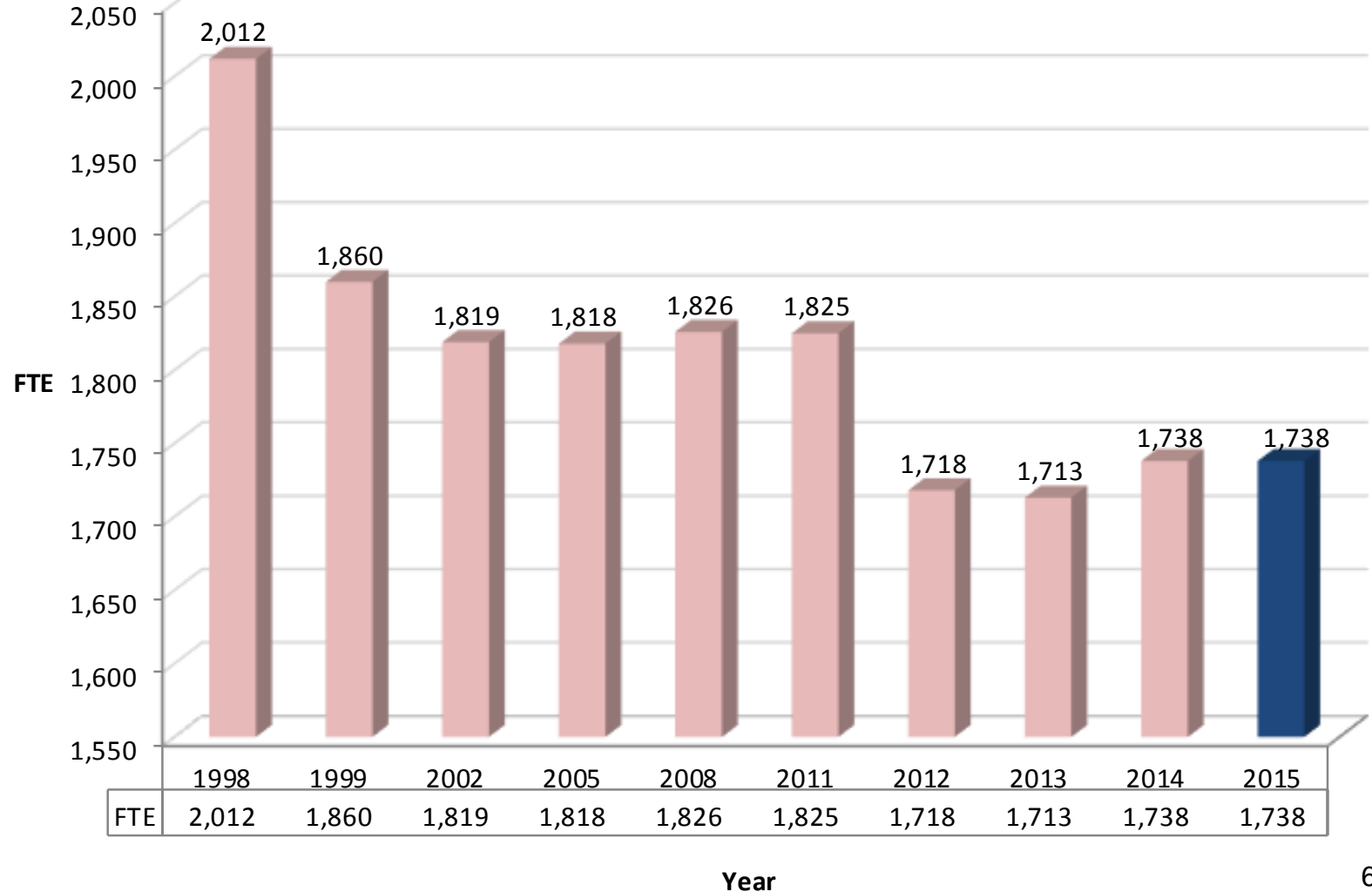
Increased open hours achieved through:

- Efficient scheduling
- Self-service circulation
- Two new branches

**Achieved increase of 431 hours per week,
or 30% of Plan increase**

Context of Budget Increase

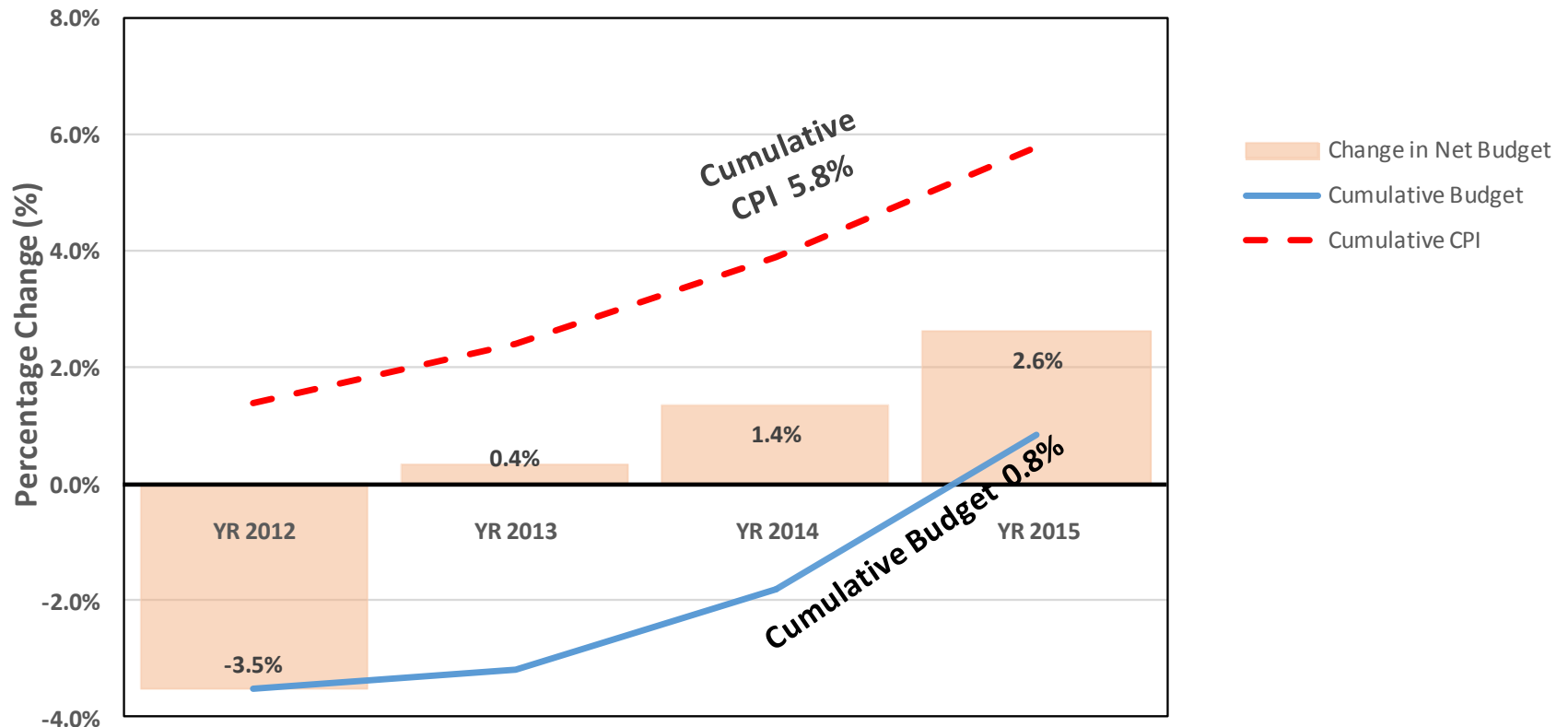
History of Staff Changes



Context of Budget Increase

History of TPL Budget Increases

Net Budget Increase vs Inflation (CPI)



2015 Operating Budget

Service Levels & Strategic Plan

- Maintaining collections, open hours, programs and services at current branches
- Opening Scarborough Civic Centre Library
- Implementing programs that support children's initiatives, including a redesigned web presence for young children and parents
- Launching Digital Innovation Hubs along with maker space programming at various branches
- Expanding access to e-content
- Supporting the Pan Am / Para Pan Am Games through major program initiatives

2015 Operating Budget

Summary

2015 operating budget presented to Budget Committee

(\$000s)

	<u>Net</u>	<u>%</u>
2014 Approved budget	<u>167,637.4</u>	
Budget pressures		
Cost increases	5,050.3	3.0%
Fines revenue shortfall	<u>775.0</u>	<u>0.5%</u>
	<u>5,825.3</u>	<u>3.5%</u>
Budget reliefs		
Efficiency and expense savings	(881.8)	-0.5%
Revenue increases	<u>(520.0)</u>	<u>-0.4%</u>
	<u>(1,401.8)</u>	<u>-0.9%</u>
Budget increase*	<u>4,423.5</u>	<u>2.6%</u>
Recommended 2015 operating budget	<u><u>172,060.9</u></u>	<u><u>2.6%</u></u>

* Excluding the cost of the two new branches, the budget increase is \$3.661 million, or an increase of 2.2%

2015 Operating Budget

Pressures

2015 operating budget presented to Budget Committee
(\$000s)

	<u>Net</u>	<u>%</u>
Salary COLA (2.25% Collective Agreement)	2,762.0	1.6%
2nd year cost for 2 new branches	763.3	0.5%
Operating impact from other capital projects	32.0	0.0%
Utilities	408.0	0.2%
Service contracts and other	640.0	0.4%
Library collections economic increase	445.0	0.3%
	<u>5,050.3</u>	<u>3.0%</u>
Reduction in fines revenue	<u>775.0</u>	<u>0.5%</u>
	<u>5,825.3</u>	<u>3.5%</u>

2015 Operating Budget

Expense Reductions

2015 operating budget presented to Budget Committee

(\$000s)

	Net	%
Reduction in contribution to TAMP capital	(570.0)	-0.3%
Changes to security guards services*	(150.0)	-0.1%
Efficiencies in barcode labels and RFID tags	(90.0)	-0.1%
Savings from services, material processing, supplies and licenses	(71.8)	0.0%
Reduction in Pan Am Games one-time funding	-	0.0%
	(881.8)	-0.5%

* Budget Committee recommended an additional \$0.513 million reduction to the security guard budget

2015 Operating Budget

Revenue Increases

2015 operating budget presented to Budget Committee

(\$000s)

	<u>Net</u>	<u>%</u>
Development charges funding for collections economic adjustment*	(445.0)	-0.4%
Revenue from self-publishing printing	(25.0)	0.0%
New revenue from sale of used books	(50.0)	0.0%
	<u>(520.0)</u>	<u>-0.4%</u>

* Budget Committee recommended an additional \$0.507 million funding from development charges (DC) for collections for a budget relief

2015 Operating Budget

Budget Reduction Scenarios

2015 budget increase presented to Budget Committee **\$4,423.5 million or 2.6%**

Reductions

Budget Reduction Scenario 1 **\$3.360 million or 2.2%**

0% target adjusted for two new branches

Budget Reduction Scenario 2 **\$0.506 million or 0.3%**

reduction and service standardization

2015 Operating Budget

Budget Reduction Scenario 1

Target 0% Adjusted for Two New Branches

\$3.660 million or 2.2%

(\$000s)

	Net	%
2015 operating budget increase	4,423.5	2.6%
Less second year cost of two new branches	(763.0)	-0.4%
Revised target	<u>3,660.5</u>	<u>2.2%</u>
Service reductions		
Up to 7.1% or 370 fewer Mon-Sat hours/week in R&R Libraries, District and Neighbourhood branches (approximately 63 branches)*	(2,934.0)	-1.8%
Library collections budget permanently reduced by 4% or 39,000 items	(726.0)	-0.4%
Total service reductions	<u>(3,660.0)</u>	<u>-2.2%</u>

* To phase-in service hours cuts, an additional one-time reduction to the collections budget of up to \$1.5 million in 2015 would result in a total collections budget reduction of \$2.2 million

2015 Operating Budget

Budget Reduction Scenario 2

Reductions and Service Standardization in Neighbourhood Branches

\$0.506 million or 0.3%

(\$000s)

	<u>Net</u>	<u>%</u>
2015 operating budget increase	<u>4,423.5</u>	<u>2.6%</u>
Service changes		
2.8% or 148 fewer Mon-Sat hours/week in approximately 24 Neighbourhood branches	(864.0)	-0.5%
3.4% or 176 greater Mon-Sat hours/week in approx. 31 Neighbourhood branches	574.0	0.3%
Net budget reduction with increase of 28 Mon-Sat hours /week*	<u>(290.0)</u>	<u>-0.2%</u>
Library collections budget permanently reduced 1% or 12,000 items	<u>(216.0)</u>	<u>-0.1%</u>
Total budget reductions and service changes	<u>(506.0)</u>	<u>-0.3%</u>
Revised 2015 operating budget increase	<u>3,917.5</u>	<u>2.3%</u>
Less second year cost of two new branches	<u>(763.0)</u>	<u>-0.4%</u>
2015 budget Increase excluding impact of two new branches	<u>3,154.5</u>	<u>1.9%</u>

* To phase-in service hours changes, an additional one-time collections budget reduction of up to \$0.200 million in 2015 would result in a total collections budget reduction of \$0.416 million

2015 Operating Budget

Budget Reduction Scenario 2

- Standardization of neighbourhood branch open hours
- Net increase of 28 weekly hours with savings of \$0.29 M
- Improved geographical distribution of services
- Reduction to Library collections of approximately 12,000 items

Budget Reduction Scenario 2

Implementation Issues and considerations

- 1. Does not achieve Open Hours Plan for neighbourhood branch weekday hours**
 - Some bands of hours reduced
 - Many gains made since 2007 reversed
- 2. Does not meet Board's harmonization strategy**
 - Does not protect legacy hours
 - Instead harmonization achieved by reducing hours (~ 24 branches lose between 2.5 to 14 weekly hours)
- 3. Methodology for distributing hours based solely on use**
 - Does not take other factors into consideration – e.g. NIAs
- 4. Requires public consultation**
- 5. A change in branch schedules in up to 55 branches will impact customers, services and staff**

Revised 2015 Operating Budget

Budget Committee Recommended Reductions

\$1.020 million or 0.6%
(\$000s)

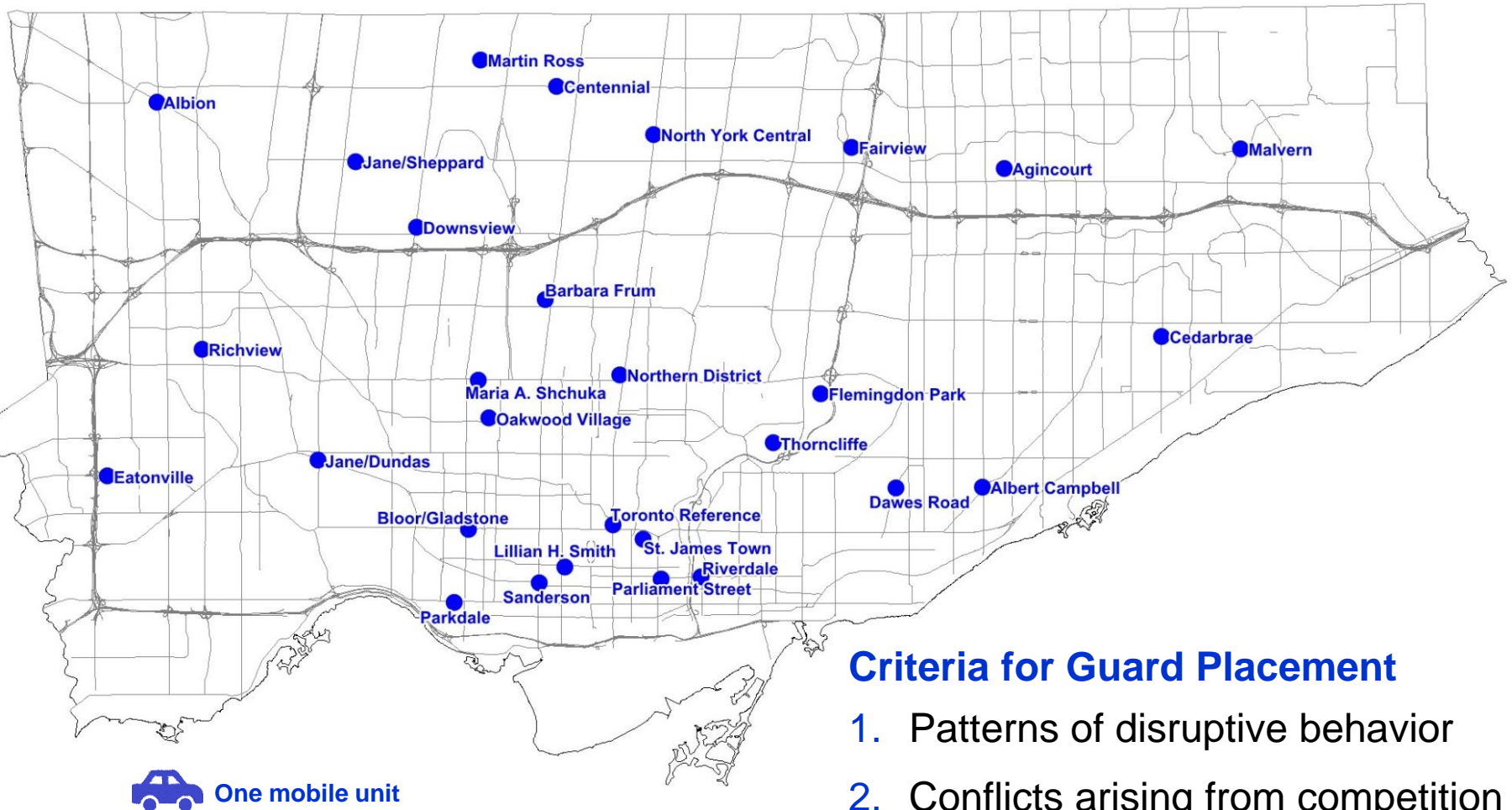
	Net	%
2015 operating budget increase (presented to Budget Committee)	4,423.5	2.6%
Budget Committee recommended reductions		
Reduce security guard budget to \$1 million	(513.0)	-0.3%
Increase draw from DC reserve for budget relief	(507.0)	-0.3%
Total recommended changes	(1,020.0)	-0.6%
 Budget Committee recommended 2015 operating budget increase	 3,403.5	 2.0%

Components of an effective security service model

- 1. Pro-active**
- 2. Preventative**
- 3. Reactive**

Revised 2015 Operating Budget

Current Security Guard Service



Criteria for Guard Placement

1. Patterns of disruptive behavior
2. Conflicts arising from competition for space & equipment
3. Large and multi-floor public spaces

Revised 2015 Operating Budget

Security Guard Reductions

\$0.663 million or 40.0%
(\$000s)

	<u>Net</u>
2014 security guard budget	<u>1,663.0</u>
Reductions to security guard budget	
Changes to security guard services presented to Budget Committee	(150.0)
Additional Budget Committee recommended reduction	<u>(513.0)</u>
Reductions to security guard budget (40%)	<u>(663.0)</u>
 2015 remaining security guard budget	 <u>1,000.0</u>

Development Charge Funding for Collections

The allowable level of DC draw from the DC reserve is based on a number of conditions:

- DC Bylaw restrictions
- Revenue projections based on development activity
- DC funding for capital program requirements
- Appropriate annual level of DC funding for collections

Revised 2015 Operating Budget

Development Charge Draw for Collections

\$0.952 million
(\$000s)

	<u>Net</u>
2014 approved DC draw for collections	<u>2,725.0</u>
Increase in DC draw for collections	
Draw to fund economic adjustment presented to Budget Committee	445.0
Budget Committee recommended increase draw from DC reserve for budget relief	507.0
Total increase in DC draw for collections	<u>952.0</u>
2015 annual DC draw for collections	<u>3,677.0</u>

Revised 2015 Operating Budget

Budget Committee Revised 2015 Operating Budget

OPERATING BUDGET SUMMARY

Budget Committee Revised 2015 Operating Budget (\$000s)

	Net	%
2014 approved budget	167,637.4	
Budget Increase (considered by Budget Committee)	4,423.5	2.6%
Additional Budget Committee recommended reductions		
Reduce security guard budget to \$1 million	(513.0)	-0.3%
Increase draw from development charges for collections	(507.0)	-0.3%
Total Budget Committee recommended reductions	(1,020.0)	-0.6%
Budget Committee revised budget increase	3,403.5	2.0%
Budget Committee revised 2015 operating budget	171,040.9	2.0%



Thank You