



STAFF REPORT ACTION REQUIRED

Auditorium, Meeting Room and Theatre Rental Policy

Date:	April 12, 2010
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

At its December 14, 2009 meeting, the Board approved a \$75,000 increase in room booking revenue to offset budget pressures in the 2010 Operating Budget. Accordingly, this report recommending fee increases is being brought forward. There have been no increases in fees since 2003.

The recommended fee structure increases rates for all users. It creates a single category of fees for non-profit groups, replacing the two current categories of with dues/contributions and without dues/contributions. The new rates exclude sales taxes, simplifying the administration of the policy. Based on the results of an environmental scan of booking rates at other organizations, booking fees at Toronto Public Library will continue to be aligned with or lower than rates for comparable rooms at similar organizations.

A number of minor updates and clarifications to the policy are also recommended. The conditions of use are expanded to include social events, which will be piloted at designated locations.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the revised Auditorium, Meeting Room and Theatre Rental Policy (Attachment 1) and fee schedule (Attachment 3); and
2. authorizes and directs appropriate Library staff to take the necessary action to give effect thereto.

Implementation Points

The new policy and fees will be implemented on July 1, 2010 to coincide with the implementation of the Harmonized Sales Tax (HST). The new fees will apply to all new bookings taking place after July 1. Bookings already in place will be honoured at the current rate. Toronto Public Library will communicate with all room booking customers to advise them of the upcoming change in rates.

FINANCIAL IMPACT

The new fee schedule will increase the revenue generated by room and theatre rentals by an estimated \$65,000 to \$90,000 for a full year at the new rates, depending on the number of room bookings. In 2010, the revenue increase will be lower at approximately \$40,000 to \$50,000, again depending on the number of bookings. This is because of implementation half way through 2010 and the legal requirement to honour contractual obligations for existing bookings. The increase in revenues will allow the Library to continue to recover the administrative costs associated with the room booking service.

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

DECISION HISTORY

In 1999, the Library Board approved the Auditorium, Meeting Room and Theatre Rental Policy. Implementation of the approved policy was deferred pending a review of the impact on groups that regularly use the Library's facilities. After extensive review and consideration, the Library Board approved minor revisions to the policy and a new fee structure at its January 21, 2002 meeting. A three-year phased implementation plan was approved at the July 15, 2002 meeting. Implementation was set for 2003, following a notification period. A report was brought back to the Board in September 2004 describing the successful implementation of the policy and the lack of negative impact on the number of bookings and revenues.

At its December 14, 2009 meeting, the Board approved a \$75,000 increase in room booking revenue to offset budget pressures in the 2010 Operating Budget.

ISSUE BACKGROUND

The Auditorium, Meeting Room and Theatre Rental Policy established that these facilities are made available to individuals and groups whose primary purpose is the promotion of cultural, educational and community activities. It provided that other community and commercial groups could rent the facilities when they were not required for Library programs and services. A new fee structure was implemented based on three main categories of bookings: no charge bookings; non-profit bookings with

dues/contributions and without dues/contributions; and commercial bookings. The fee schedule has not changed since it was implemented in 2003.

Rooms and theatres are currently booked for 39 branches through a centralized department using an automated system. As part of the 2010 work plan, the Library is working to centralize all of its locations with meeting rooms, adding 36 locations. Centralization offers better customer service, and streamlines and automates contract administration and financial management. It will also allow the Library to produce more comprehensive statistics about room and theatre usage.

COMMENTS

Library meeting rooms and theatres are a popular and important resource across the city. They are used first and foremost for Library purposes, including programming and quiet study. Between 2006 and 2009, the number of Library programs and co-sponsored events rose by 50%, reflecting the priorities of the Strategic Plan.

Room bookings by the public remained steady throughout this time period. The largest proportion of users is non-profit organizations at 84%. No charge bookings (including City of Toronto bookings) make up 14% of all bookings and commercial bookings 2%.

2009 Room and Theatre Booking Statistics					
Type of User	No Charge	Non-Profit (with dues)	Non-Profit (without dues)	Commercial	Total
Number of Bookings	1,025	3,765	2,515	180	7,485
Percentage	14%	50%	34%	2%	100%
Revenues*	\$0	\$191,123	\$79,566	\$38,683	\$309,372

*Excludes revenue for security (cost recovery) and extra equipment.

Policy Update

The policy sets out the purpose of the meeting and theatre facilities, the priorities for their use, the categories of users and fees, conditions of use and the circumstances under which denial of use may be determined (Attachment 1). A number of minor updates and clarifications to the policy are recommended. The legal statements at the beginning of the policy have been synchronized with the Bram and Bluma Appel Salon at the Toronto Reference Library Rental Policy, acting upon legal advice (Section 1). The conditions of use are expanded to include social events, responding to customer demand and providing an opportunity to increase revenue (Section 4.6). This will be piloted at designated locations.

Fee Schedule

Fees for bookings are charged on a cost recovery basis. There have been no increases to the rates since 2003 (Attachment 2), during which time costs have risen. A \$75,000 annual increase in booking revenues has been included in the 2010 Operating Budget. The proposed fee structure (Attachment 3) will achieve a revenue increase and allow administrative costs to be recovered. The recommended fee structure increases rates for all users.

The new structure puts forward a single category of fees for non-profit groups, replacing the two current categories of with dues/contributions and without dues/contributions. The two categories have proven to be difficult to administer. They are also less reflective of a group's ability to pay than had been supposed. For example, government agencies with defined sources of revenue are currently charged the lower rate because they do not have membership fees. And, the non-profit rate for religious organizations varies because the groups may or may not accept contributions during their events held in libraries, although they are ultimately supported by their members.

The fee for non-profit groups to book most Library rooms will be \$15/hour, instead of the current mix of \$10 and \$15 rates for non-profits. The new Harmonized Sales Tax (HST) will also increase costs for users. Currently, Goods and Services Tax (GST) of 5% is included within rates and Provincial Sales Tax (PST) is not applicable. The new HST will be in effect on July 1, 2010 at a rate of 13%. Because sales taxes (HST) will no longer be included in the fee but instead added on, this does represent a small increase even for groups currently booking at the \$15 rate. The single \$15 rate balances the need to keep the rate affordable for non-profits, to standardize at a single non-profit rate and to meet the Library's financial objectives. As well, a simplified fee structure will facilitate the Library's long-term objective of offering self-service room bookings on the website.

An environmental scan of room and theatre rental rates was undertaken (Attachment 4). Booking fees at Toronto Public Library are and will continue to be reasonable in comparison with other organizations.

Fall Consultation

One of the initiatives in the Toronto Public Library 2010 Strategic Plan Work Plan is to consult with community agencies, customers and Library staff about the use of meeting rooms and theatre space. Consultation will focus on the availability of affordable space, particularly in priority neighbourhoods. The aim is to ensure that the priorities for the use of room and theatre space laid out in the room booking policy are supported in practice and balanced with the need for revenue. The provision of free space for co-sponsored programs is one method of ensuring that the needs of local community groups are met.

CONTACT

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SIGNATURE

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ATTACHMENTS

- Attachment 1: Revised Auditorium, Meeting Room and Theatre Policy
- Attachment 2: Current Fee Structure
- Attachment 3: Proposed Fee Structure
- Attachment 4: Environmental Scan