

Toronto Public Library

2012 Operating Budget Presentation

Toronto Public Library Board

October 17, 2012



Budget Context

10 year trend

- Total library usage has increased by 29%
- 77 million uses → 99 million uses
- Total usage is comprised of:

Circulation

Program attendance

Reference requests

Wireless use

Downloads

Visits

In-library use of collections

Workstation users

Virtual visits

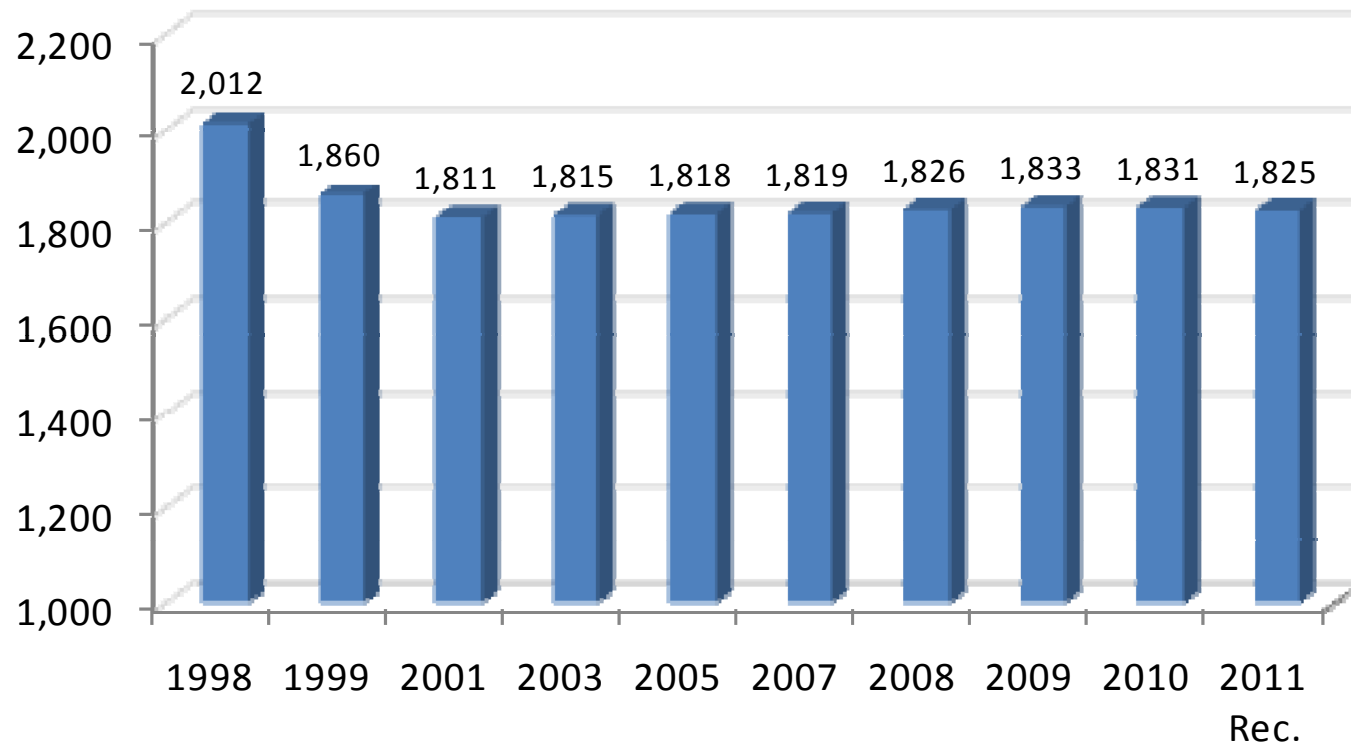
eDatabase searches

January – June 2011

↑ Circulation 1.5%

↑ Visits 3.4%

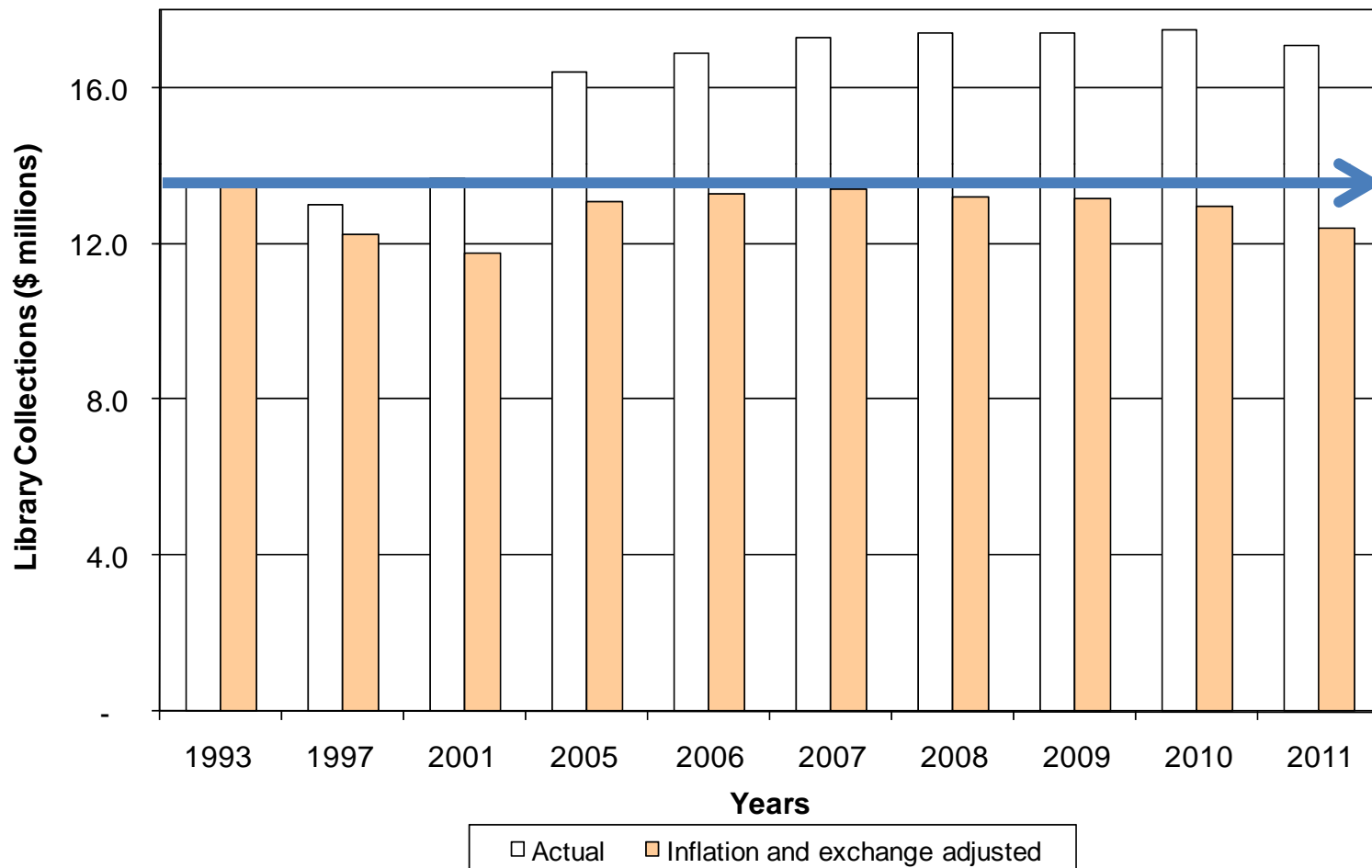
History of Staff Changes



Net decrease of 187 FTEs

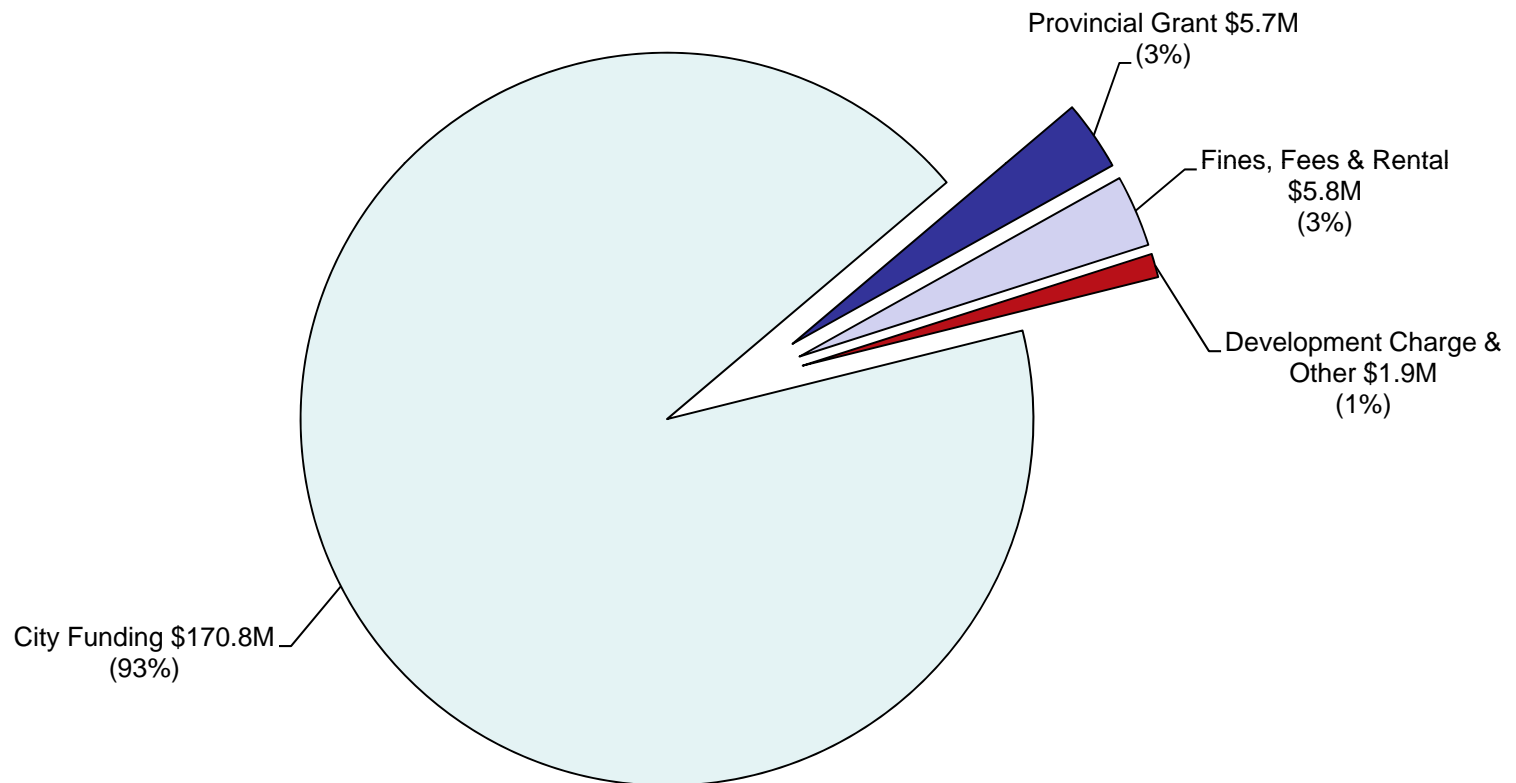
Collections Expenditures: 10% of 2011 Operating Budget

Library Collection Budget History



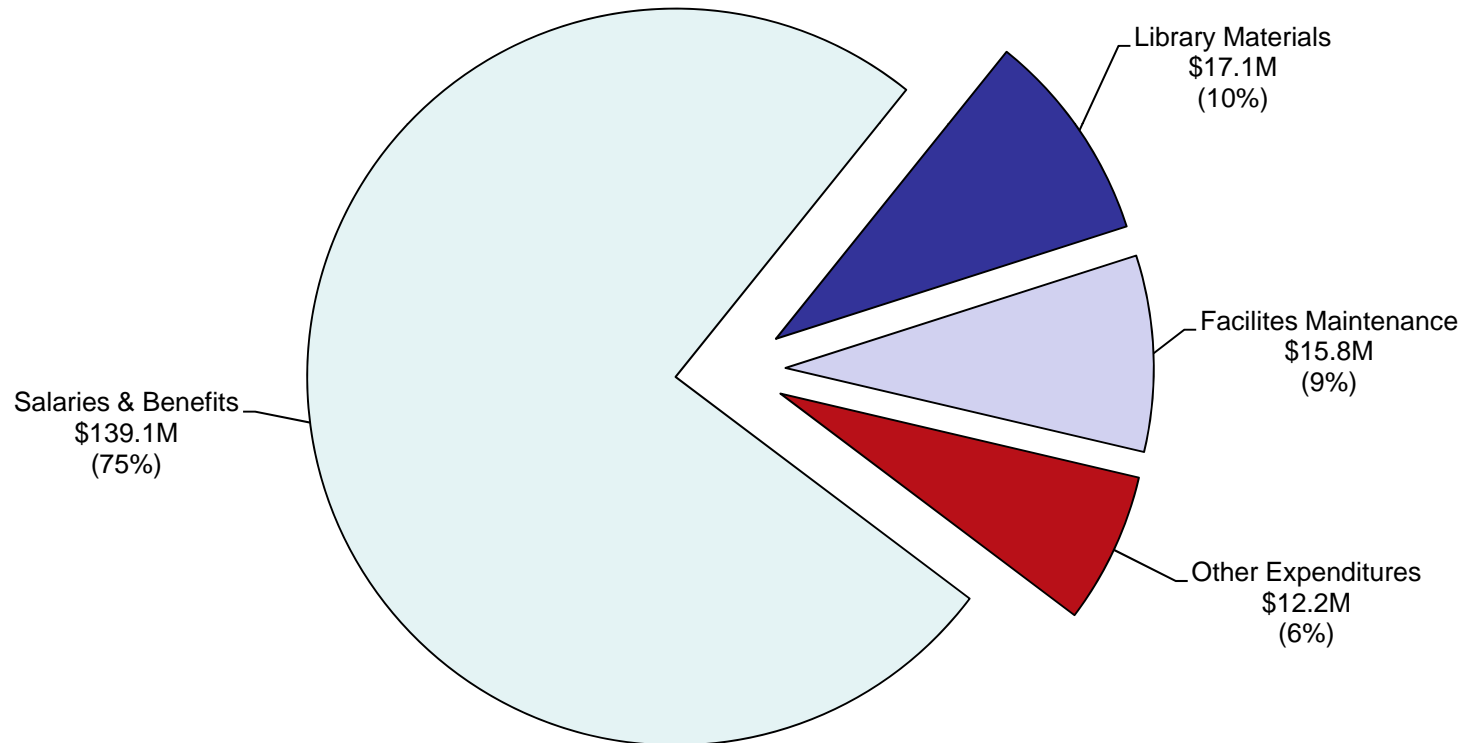
2011 Revenues

2011 Revenues: \$184.2 Million



2011 Expenditures

2011 Expenditures: \$184.2 Million



Focus on Efficiencies

Services

- More self-serve options provided online and in-branch
- Expanded open hours without additional staff through efficient staff scheduling and introduction of self-service: 321 hrs/wk added between 2007 and 2011
- Branch renovations that maximize use of space, reduce service points and allow for efficient staffing

Operations

- Restructured shipping & delivery services to get items to customers faster
- Coordinated purchasing with City for volume discounts
- Automated processes for large library materials orders to maximize efficiencies
- Review of IT systems helps contain operating costs to meet demand

Update on City Service Review

- Core Service Review
- Service Efficiency Studies
- User Fee Review

Update on City Service Review

- City Council considered **Core Service Review recommendations** at its September 2011 meeting. Decisions affecting the library are summarized below:
 - City Council received but did not approve the recommendation to consider closing branches
 - City Manager to review remaining efficiency-related opportunities, including potential for reduction of Library open hours and/or days of operation, to determine whether and in what manner implementation is appropriate through 2012, 2013 and 2014 Operating Budget
 - Consider other potential savings from sharing support services with City, based on outcome of studies currently underway
 - City Manager to undertake study of community infrastructure, including libraries, and report to Executive Committee on a plan to maximize City assets and enhance service system coordination

Update on City Service Review

- **Service Efficiency Study being led by external consultants DPRA Canada** includes the following areas of focus:
 - Rationalization of services such as the number and distribution of library locations, days and hours of operations, space and facilities utilization
 - The use of digital technology and the viability of increased use of virtual services and e-business
 - The materials handling processes involved in borrowing, returning, delivery and shelving library materials
- DPRA review started at the beginning of August. Completion originally expected end of Sept; now expected by end of October.
- Recommendations from Study to be evaluated within context of all savings and service reductions already identified to determine their feasibility and potential for savings.
- **Library-led efficiency study results and recommendations** presented as part of 2012 Operating Budget submission

Update on City Service Review

- **City Council adopted a User Fee Policy on Sept. 27, 2011**, which requires that all City programs and local boards comply with the principles, rules and procedures established therein.
- Fundamental principle of policy is that:
 - User Fees should pay for City services that provide a direct benefit to specific users, while services that benefit the entire community should be funded by property taxes; in implementing the policy staff are to take into consideration access and equity for Toronto's diverse communities
- A report to the Library Board will provide further information on the City direction

2012 Operating Budget Submission

2012 Operating Budget Submission

Target – 10% reduction or \$17 million

- Efficiencies **\$8.36 million**
- Additional Revenues **\$1.36 million**

\$9.72 million
- Potential Service Reductions **\$7.33 million**

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Efficiencies & Additional Revenues

Efficiencies & Additional Revenues \$9.72 million, 100 FTEs

1. Detailed budget review / capital budget adjustments
2. Service consolidations
3. Technology-driven efficiencies
4. Business process re-engineering using Lean Six Sigma
5. Management and support staff reductions
6. Revenue increases

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Efficiencies

1. Detailed budget review / capital budget adjustments (\$821,000)

- Line-by-line review of actual expenditures compared to budget for past few years
 - Microfilm service contract
 - Sunday pay
 - Benefits (dental, extended health)
- Revised staffing levels and adjustments to capital project construction schedules

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Efficiencies

2. Service Consolidations (\$1.71 million)

- Annualized savings from consolidation of Urban Affairs and periodicals at TRL (approved in 2011 operating budget)
- Consolidation of separate business desks at TRL
- Consolidation of two delivery hubs into one existing hub at Ellesmere
 - Reduce delivery routes; more efficient use of staff and vehicle resources
- Moving Bookmobile & Home Library Service operations from three locations to one at NYCL
 - Consolidates staff, collections and vehicles; more efficient use of resources

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Efficiencies

3. Technology-driven efficiencies (\$1.93 million)

- Reduce maintenance and license contract costs
- Telecommunications contract with Bell Canada
- Self-service RFID technology
 - Apply further efficiencies resulting from current four-year capital project implementation towards achieving reductions
 - Add 10 new additional branch locations
 - Automated sorting systems planned for NYCL, Agincourt, Richview

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Efficiencies

4. Business Process Re-engineering (\$3.15 million)

- Process-intensive operations – selection, acquisition, cataloguing and processing of new collections – areas of focus for continuous improvement for many years
 - Since 1998 Bib Services staff reduced by over 45%
 - Savings achieved by analyzing and adjusting workflow and allocation of resources; establishing output targets; capitalizing on technological change; leveraging vendors' value add services
 - 2012 savings build on these efficiencies using LSS methodologies to find additional process improvements – batch processing, EDI, reducing movement of collections, reducing wait times between processes, increasing standardization, streamlining selection process

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Efficiencies

4. Business Process Re-engineering (cont'd)

- Focus on improving process for filling customers' holds
 - Holds wrapper – reduces number of steps in filling holds and reduces rework as a result of errors
 - Will result in savings of staff time, will get holds to customers more quickly
- Process improvements to timekeeping will reduce potential for errors and the need for time-consuming corrections

2012 Operating Budget Submission

Efficiencies

5. Management and Support Reductions (\$764,000)

- A review of management and support areas resulted in the reduction of 9 FTEs including 6 management/exempt positions



2012 Operating Budget Submission

Revenue Increases

\$000s

1. Literacy and basic skills grant	\$0.04 million
2. TRL café lease	\$0.06 million
3. Fund Collections budget with DC reserves	\$0.75 million
4. Fines and fees	\$0.50 million
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	\$1.36 million

2012 Operating Budget Submission

Service Reductions

Open Hours Reductions \$5.437 million, 61 FTEs

Framework

- Maintain a range of open hours across weekdays, evenings and weekends
- Provide minimum service levels of 5 days, 40 hours per week
- Maintain distributed geographic access to library resources across the city
- Provide the greatest number of open hours at largest/busiest branches with the most access to collections and services

Reductions

- Hours reduction of 7% or 19,444 hours/year out of the current total of 268,124 per year (Monday – Sunday)
 - 56 branches have reduced hours – 42 unchanged
 - Sunday Service maintained at 19 locations, eliminated at 8 branches

2012 Operating Budget Submission

Service Reductions

Open Hours Impacts

Fewer open hours impacts service in two ways:

- Limited available hours for residents to visit, limiting time available for study, accessing collections, programs, etc.
- When library is open, space will be more congested and crowded, reducing access to study space, computers, and to zoned spaces including those for teens, children and pre-schoolers

2012 Operating Budget Submission

Service Reductions

Collections Budget Reductions & Impacts **\$1.89 million**

- Permanently reduces collections budget by 11% resulting in a loss of approximately 106,000 library items purchased annually
- Impacts to a reduction in the library materials budget would include:
 - Fewer copies purchased of some collections with longer wait times for holds
 - Fewer titles purchased which reduces the scope and currency of collections available
 - Funds would be deferred for replacements of classic and standard titles, resulting in gaps in some collection areas

2012 Operating Budget Submission

Budget Transitional Pressures

- Challenging to achieve full year budget reductions in 2012 because of the timing of the 2012 budget approval + need to provide notice to the public of service changes
- An additional one-time collections budget reduction of up to \$2.8 million may be required in 2012 to phase in service hours cuts
- As tool to assist with transitioning to full budget reductions, proposal is to draw up to \$2 million of Development Charges (DC) in 2012 to fund collections
- An analysis of current and future commitments against the DC reserve shows one-time draw of up to \$2 million can be accommodated