



# **Toronto Public Library Board**

## **2015 Operating Budget - Update**

January 19, 2015



# 2015 Operating Budget Update

## Board Approved vs. City Staff Recommended

|   | Board Approved   |             | City Staff Recom. |             | Difference   |             |
|---|------------------|-------------|-------------------|-------------|--------------|-------------|
|   | Net \$000s       | %           | Net \$000s        | %           | Net \$000s   | %           |
| <b>2014 Approved budget</b>                           | <b>167,637.4</b> |             | <b>167,637.4</b>  |             | -            |             |
| Budget pressures                                      |                  |             |                   |             |              |             |
| Cost increases  | 5,050.3          | 3.0%        | 5,050.3           | 3.0%        | -            | -           |
| Fines revenue shortfall                               | 775.0            | 0.5%        | 775.0             | 0.5%        | -            | -           |
|   | 5,825.3          | 3.5%        | 5,825.3           | 3.5%        | -            | -           |
| Budget reliefs  |                  |             |                   |             |              |             |
| Efficiency and expense savings                        | (881.8)          | -0.5%       | (881.8)           | -0.5%       | -            | -           |
| Revenue increases                                     | (520.0)          | -0.4%       | (520.0)           | -0.4%       | -            | -           |
|   | (1,401.8)        | -0.9%       | (1,401.8)         | -0.9%       | -            | -           |
| <b>Subtotal Budget Increase before other reliefs</b>  | <b>4,423.5</b>   | <b>2.6%</b> | <b>4,423.5</b>    | <b>2.6%</b> | -            | -           |
| Other budget reliefs approved by <b>Board</b>         |                  |             |                   |             |              |             |
| Reduce security guard budget to \$1 million           | (513.0)          | -0.3%       | -                 | -           | 513.0        | 0.3%        |
| Incr. draw from development charges for collections   | (507.0)          | -0.3%       | -                 | -           | 507.0        | 0.3%        |
|   | (1,020.0)        | -0.6%       | -                 | -           | 1,020.0      | 0.6%        |
| Other budget reliefs recom. by <b>City staff</b>      |                  |             |                   |             |              |             |
| Collections reduction                                 | -                | -           | (216.0)           | -0.1%       | (216.0)      | -0.1%       |
| Savings - standardization of hours at neigh. branches | -                | -           | (290.0)           | -0.2%       | (290.0)      | -0.2%       |
|   | -                | -           | (506.0)           | -0.3%       | (506.0)      | -0.3%       |
| <b>2015 Operating budget</b>                          | <b>171,040.9</b> | <b>2.0%</b> | <b>171,554.9</b>  | <b>2.3%</b> | <b>514.0</b> | <b>0.3%</b> |

# 2015 Operating Budget Update

## Board Budget Submission (Not recommended by City staff)

- 1. Further reductions to Security Guard Service \$513k**
  - 10 additional locations lose service
  - Contracted services to be tendered mid-year and implementation to start second quarter
  - Impacts to maintaining safe, welcoming environment in affected branches
  
- 2. Increased draw on DC for budget relief \$507k**
  - In addition to \$445k draw for collections econ. increase
  - Revenue projections based on development activity which is slowing
  - Permanent funding source for operating budget

# 2015 Operating Budget Update

## City Staff Recommended Budget (Rejected by the Board)

- 1. Reduction to Library Collections** **\$216k**
  - Reduction of approximately 12,000 items
  - Roughly half of the economic adjustment
  - Impact greater with falling Canadian dollar
- 2. Standardization of branch open hours** **\$290k**
  - Net increase of 28 weekly hours (24 branches lose hours, 31 gain)
  - Improved geographical distribution of services
  - Issues with implementation and service impacts

# 2015 Operating Budget Update

## City Staff Recommended Budget

### Hours Standardization: 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. 8 NIAs will lose a total of 148 hours per week
- 4. Requires public consultation**
- 5. A change in branch schedules in up to 55 branches will impact customers, services and staff**

# 2015 Operating Budget Update

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| Efficiency and expense savings                        | (881.8)          | -0.5%       | (881.8)           | -0.5%       | -            | -           |
| Revenue increases                                     | (520.0)          | -0.4%       | (520.0)           | -0.4%       | -            | -           |
|   | (1,401.8)        | -0.9%       | (1,401.8)         | -0.9%       | -            | -           |
| <b>Subtotal Budget Increase before other reliefs</b>  | <b>4,423.5</b>   | <b>2.6%</b> | <b>4,423.5</b>    | <b>2.6%</b> | -            | -           |
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|   | -                | -           | (506.0)           | -0.3%       | (506.0)      | -0.3%       |
| <b>2015 Operating budget</b>                          | <b>171,040.9</b> | <b>2.0%</b> | <b>171,554.9</b>  | <b>2.3%</b> | <b>514.0</b> | <b>0.3%</b> |

## Budget Revisions

- Achieve City staff recommended budget of 2.3% increase
- Revise security guard reduction from \$513k to \$200k (\$313k decrease) – maintain service at affected District branches and Riverdale, and some funding for guards as-needed
- Revise increase in draw from DC reserve for collections from \$507k to \$306k (\$201k decrease)
- Maintain collections and service hours
- Address City staff budget concerns

# 2015 Operating Budget Update

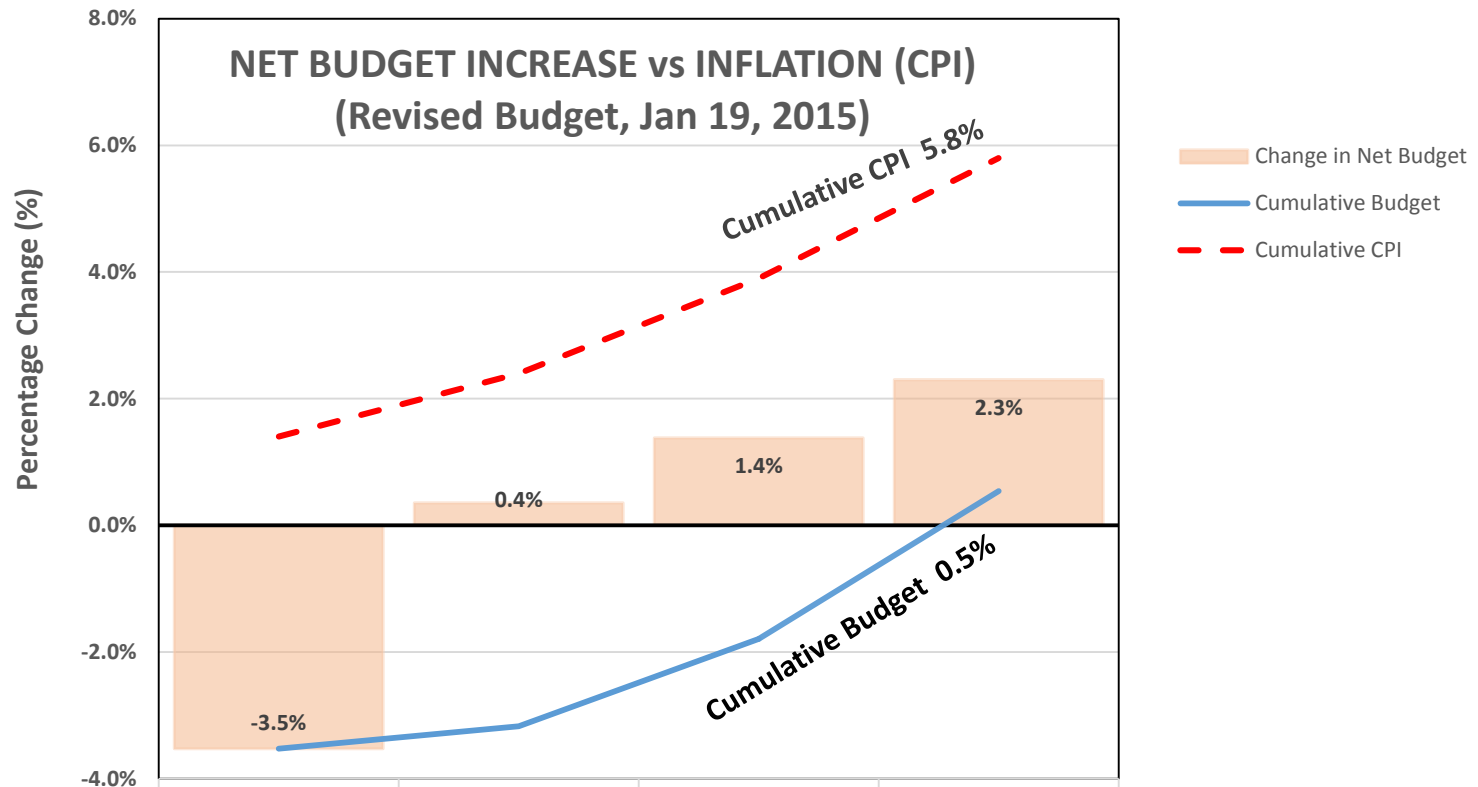
## Revised Budget

|   | Board Approved<br>Nov. 17, 2014 |              | City Staff<br>Recommended |              | Revised<br>Jan. 19, 2015 |              |
|---|---------------------------------|--------------|---------------------------|--------------|--------------------------|--------------|
|   | Net \$000s                      | %            | Net \$000s                | %            | Net \$000s               | %            |
| <b>2014 Approved budget</b>                           | <b>167,637.4</b>                |              | <b>167,637.4</b>          |              | <b>167,637.4</b>         |              |
| Budget pressures                                      |                                 |              |                           |              |                          |              |
| Cost increases  | 5,050.3                         | 3.0%         | 5,050.3                   | 3.0%         | 5,050.3                  | 3.0%         |
| Fines revenue shortfall                               | 775.0                           | 0.5%         | 775.0                     | 0.5%         | 775.0                    | 0.5%         |
|   | <u>5,825.3</u>                  | <u>3.5%</u>  | <u>5,825.3</u>            | <u>3.5%</u>  | <u>5,825.3</u>           | <u>3.5%</u>  |
| Budget reliefs  |                                 |              |                           |              |                          |              |
| Efficiency and expense savings                        | (881.8)                         | -0.5%        | (881.8)                   | -0.5%        | (881.8)                  | -0.5%        |
| Revenue increases                                     | (520.0)                         | -0.4%        | (520.0)                   | -0.4%        | (520.0)                  | -0.4%        |
|   | <u>(1,401.8)</u>                | <u>-0.9%</u> | <u>(1,401.8)</u>          | <u>-0.9%</u> | <u>(1,401.8)</u>         | <u>-0.9%</u> |
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| Other budget reliefs approved by Board                |                                 |              |                           |              |                          |              |
| Reduce security guard budget to \$1 million           | (513.0)                         | -0.3%        | -                         | -            | (200.0)                  | -0.1%        |
| Increase draw from DC reserve for collections         | (507.0)                         | -0.3%        | -                         | -            | (306.0)                  | -0.2%        |
|   | <u>(1,020.0)</u>                | <u>-0.6%</u> | <u>-</u>                  | <u>-</u>     | <u>(506.0)</u>           | <u>-0.3%</u> |
| Other budget reliefs recomm. by City Staff            |                                 |              |                           |              |                          |              |
| Collections reduction                                 | -                               | -            | (216.0)                   | -0.1%        |                          | 0.0%         |
| Savings - standardization of hours at neigh. branches | -                               | -            | (290.0)                   | -0.2%        |                          | 0.0%         |
|   | <u>-</u>                        | <u>-</u>     | <u>(506.0)</u>            | <u>-0.3%</u> | <u>-</u>                 | <u>0.0%</u>  |
| <b>2015 Operating budget</b>                          | <b>171,040.9</b>                | <b>2.0%</b>  | <b>171,554.9</b>          | <b>2.3%</b>  | <b>171,554.9</b>         | <b>2.3%</b>  |



# 2015 Operating Budget Update

## Revised Budget Budget Increase 90% below Inflation



|                      | YR 2012 | YR 2013 | YR 2014 | YR 2015 |
|----------------------|---------|---------|---------|---------|
| Change in Net Budget | -3.5%   | 0.4%    | 1.4%    | 2.3%    |
| Cumulative Budget    | -3.5%   | -3.2%   | -1.8%   | 0.5%    |
| Cumulative CPI       | 1.4%    | 2.4%    | 3.9%    | 5.8%    |