



Attachment 1

Revised

October 16, 2002

Mr. Eric Gam
Commissioner
Community & Neighbourhood Services
Metro Hall
8th Floor, 55 John Street
Toronto, Ontario M5V 3C6

Dear Mr. Gam:

Re: 2003 Operating Budget

The Toronto Public Library's total 2003 Requested Base Budget (the cost of maintaining existing services and service levels) is \$123.960 million, an increase of \$7.136 million or 6.1% over the 2002 Base Budget. The increase is comprised of economic adjustments and prior year approvals of \$5.254 million (4.5%) and other changes to the base of \$1.882 million (1.6%). In addition to the 2003 Requested Base Budget are the New/Enhanced Service changes of \$1.669 million (1.4%). This brings the total 2003 Operating Budget submission to \$125.629 million (7.5%).

Achievements

In 2002, the Library continues to meet increasing demand through more efficient use of resources. The increased demand for services has resulted in the following:

- a 7% increase in collections use
- a 6% increase in visits and a 37% increase in virtual visits
- a 25% increase in holds placed through on-line catalogue

For the third year in a row, the Library's circulation and total visits have increased. This year we expect almost 30 million visits to the Library, 18 million in person visits and 12 million virtual visits. It is projected that patrons will borrow just under 30 million items this year.

This year there was a focus on reaching out to people in the community. We are projecting to reach 400,000 children and teens through our programs, including reading and homework help clubs.

With many of our programs relying on volunteer support, it is projected that volunteers will contribute almost 60,000 hours to the Library's patrons.

By the end of 2002 we anticipate that there will be a 10% increase in registrations for the use of our Home Library collection which is used extensively by seniors and homebound patrons.

In terms of efficiencies, we have reduced the physical handling of inter-branch returns by 50%, allowing us to get materials back on the shelf faster and improve working conditions for staff. We have also introduced "Best Bets", which gives patrons access to new and popular materials in 29 branches. In addition, lighting equipment has been replaced in 49 buildings and HVAC monitoring has been automated in 60 buildings. As a result of this we expect to realize cost avoidance of \$300,000 per year and substantially reduce greenhouse emissions.

Requested Base

In spite of these efficiency measures, Library staff has identified a number of pressures, which are supported by business cases as required. A summary of the 2003 Operating Budget requests is attached (Appendix1) and the most significant pressures relating to the 2003 Requested Base are listed below.

- With the new collective agreement between the Library and the Toronto Civic Employees Union, there is a 3% COLA increase in 2002 and 2003 for represented staff. The 3% COLA adjustment was also applied to the non-represented staff in 2002 and 2003. While COLA costs have been included in the 2003 adjusted base budget, the cost of the associated benefits was not. We are requesting \$1.161 million to cover the additional benefits costs resulting from the 2002 and 2003 COLA increases.
- A request for \$0.800 million for Library materials to be fully funded from development charges will help the address the collection needs relating to population growth and increased use. This will have a net zero cost to the City.
- An additional \$0.350 million has been requested to partially address the loss of purchasing power of the library materials budget over the past 11 years.
- The capital project relating to the upgrade of existing information systems, networks and infrastructure will increase the operating budget by \$0.146 million.
- The development of TPL's second strategic plan for the period 2004 – 2006 will assist the Library in achieving its goals, objectives and budget priorities at a cost of \$.090 million (one-time cost).
- As a result of an increase in public demand for internet information, an increase in the internet bandwidth is required to maintain the current level of service. The cost of this initiative in 2003 is \$0.094 million.
- The Library's compliance with the City's requirement of an employment equity program will require additional funding of \$0.131 million.

As noted above, the Library is requesting an increase of 6.1% or \$7.136 million for the 2003 Requested Base. Another way to look at the breakdown of the total increase is as follows:

<u>Description</u>	<u>\$ Millions</u>	<u>%</u>
Staff Costs Including Collective Agreement	4.541	3.9%
Library Collection	1.141	1.0%
General Economic Adjustment	0.681	0.6%
Electronic Services	0.309	0.3%
Other	0.464	0.3%
Increase in 2003 Requested Base	<u>7.136</u>	<u>6.1%</u>

New/Enhanced Services

Over and above the 2003 Requested Base Budget are the New/Enhanced Service requests, which are as follows:

- As the host library for the American Library Association/Canadian Library Association conference in 2003, one-time funding of \$0.329 million is required. This event is expected to generate \$41.0 million in revenue for Toronto and attract 25,000 delegates.
- With continued increasing activity in 2002, the Library will not be able to maintain its current gapping level of 3.5% and maintain service levels. In order to preserve current service levels, the proposal is to reduce the gapping target in 2003 to 2.6% which would mean a \$0.892 million increase in salary costs.
- In order to provide adequate services to seniors, the fastest growing age group in Toronto, we are proposing expansions in Home Library Service, large print and audio collections as well as internet training for seniors at a cost of \$0.348 million.
- An additional request of \$0.100 million for the Leading to Reading program will allow us to reach an additional 600 children who are performing below the grade level in grades 2 – 6.

Other

- This 2003 Operating Budget submission does not include a provision for costs associated with the harmonization of wage rates and job classifications.
- Service level adjustment options (Form #012 Z) will be submitted after the Library Board has reviewed these options. This review is scheduled to take place at the October 28, 2002 Board meeting.
- In order to comply with the City's budget instructions, we have classified the 2003 merit and step increase as a "prior year approval".
- At the time of this submission, only the August forecast numbers were available and were used in the budget submission as opposed to the September forecast.

- The Library's 2003 Operating Budget submission will be presented to the Library Board for the first time at the meeting of October 28, 2002.

If you have any questions about the content of the Library's submission, please contact Larry Hughsam at 416-397-5946.

Yours truly,

Josephine Bryant
City Librarian

Attachments:

- Appendix 1 – Toronto Public Library - 2003 Operating Budget Summary
- Appendix 2 – Toronto Public Library - 2003 Operating Budget Submission

cc:

Bob Mavin, Director of Budget Services, Finance
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