

# Analyst Briefing Notes

## Budget Committee - February 16, 2010

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February 16, 2010

**PART I: 2010 OPERATING BUDGET****Executive Summary**

- Toronto Public Library (TPL) provides free and equitable access to library services that meet the changing needs of the people of Toronto. The services and activities offered by TPL uphold the principle of intellectual freedom by preserving and promoting universal access to a broad range of human knowledge, experience, information and ideas in a welcoming and supportive environment. In order to achieve this, TPL provides comprehensive library services and programs including 24/7 access to the library catalogue, digital content, and interactive services such as the library's online book club through TPL's online virtual branch, as well as adult literacy services, materials for children, and wireless internet access at all of the 99 library branches in the City.
- The Toronto Public Library's key service objectives include the following:
  - Over a 3-year period, TPL plans to expand library open hours by 25%, which would result in 1,053 additional library open hours per week;
  - Promote early reading skills for children, support educational achievement for youth as a foundation for future success, engage youth in programs with an emphasis on leadership skills and social integration, and enhance seniors quality of life, independence and pursuit of lifelong learning for 2010 and beyond; and,
  - Continue to improve the virtual library branch and TPL's newly redesigned website, with additional functionality and searching improvements, new online services, and expanded virtual content for 2010 and beyond.
- Toronto Public Library achieved the following major accomplishments in 2009:
  - Expanded broadband wireless access at all 99 library branches;
  - Introduced a redesigned website with enhanced content in December 2009;
  - Increased downloadable e-content including e-Books, e-Audiobooks, e-Videos and music, and with more than 150,000 e-titles being borrowed in 2009;
  - Added 35,000 new books on career and job search, introduced new pages on these topics on the library website, and increased job search programs and training sessions offered across the City through participation in the City's Recession Strategy "Your City Can Help".
  - Opened the Bram and Bluma Appel Salon, a public space for civic events and community engagement in the Toronto Reference Library. The Salon hosted 11 cultural, literary, and civic engagement events in 2009 and attracted over 3,000 attendees;

- Opened a the ProTech Media Centre at the Kennedy/Eglinton Branch. The ProTech Media Centre provides youth with free access to and instruction in urban media arts programming; and,
- Expanded the Library Settlement Partnership to 19 branches. The Library is providing space and support for community agencies to offer settlement services in the languages of local communities and programming to address local issues. Since its inception in 2007, the Library Settlement Partnership program has served over 30,000 clients.
- For 2009, the Toronto Public Library projects to be \$0.024 million or 0.01% below the 2009 Approved Budget of \$163.914 million.
  - The projected over expenditure of \$0.650 million (gross) is primarily due to higher expenditures for library programs that are fully funded by external grants and donations, which are partially offset by savings in utilities and snow clearing.
  - The projected favourable revenue of \$0.674 million is mainly the result of higher than budgeted external grants and donations for library programs, which fully offset the expenditures associated with the same library programs for which these grants were received, such as the Summer Reading Club, Leading to Reading, and English Can Be Fun.

**Table 1: 2010 Recommended Budget**

|                           | 2009               |                       | 2010 Recommended Operating Budget |                        |                  | Change - 2010 Recommended Operating Budget v. 2009 Appvd. Budget |       | FY Incremental Outlook |         |
|---------------------------|--------------------|-----------------------|-----------------------------------|------------------------|------------------|--|-------|------------------------|---------|
|                           | 2009 Appvd. Budget | 2009 Projected Actual | 2010 Rec. Base                    | 2010 Rec. New/Enhanced | 2010 Rec. Budget |  |       | 2011                   | 2012    |
|                           | \$                 | \$                    | \$                                | \$                     | \$               | \$   | %     | \$                     | \$      |
| <b>GROSS EXP.</b>         | 177,675.8          | 178,325.8             | 180,372.7                         | 0.0                    | 180,372.7        | 2,696.9  | 1.5   | 3,637.9                | 4,188.4 |
| <b>REVENUE</b>            | 13,761.9           | 14,436.1              | 13,487.8                          | 0.0                    | 13,487.8         | (274.1)  | (2.0) | (187.0)                | 0.0     |
| <b>NET EXP.</b>           | 163,913.9          | 163,889.7             | 166,884.9                         | 0.0                    | 166,884.9        | 2,971.0  | 1.8   | 3,824.9                | 4,188.4 |
| <b>Approved Positions</b> | 1,832.6            | 1,832.6               | 1,830.6                           | 0.0                    | 1,830.6          | (2.0)  | (0.1) | 0.0                    | 0.0     |

| TARGET COMPARISON      | 2010 Target | 2010 Rec. Budget | 2010 Rec. Budget vs. 2010 Target | 2011 Target |
|------------------------|-------------|------------------|----------------------------------|-------------|
| NET BUDGET             | 161,151.5   | 166,884.9        | 5,733.4                          | 152,955.8   |
| PROGRAM REDUCTION (\$) | (8,195.7)   | (2,423.2)        | 5,772.5                          | (8,195.7)   |
| PROGRAM REDUCTION (%)  | (5.0)       | (1.5)            | 3.5                              | (5.0)       |

- The 2010 Recommended Operating Budget for Toronto Public Library of \$180.373 million gross and \$166.885 million net is \$2.971 million or 1.8% higher than the 2009 Approved Operating Budget of \$163.914 million net. The Program reductions of \$2.423 million or 1.5% of the 2009 Approved Budget is \$5.773 million or 3.5 % less than the reduction target of \$8.196 million or 5.0% for Toronto Public Library in 2010.
- The 2010 Recommended Operating Budget for Toronto Public Library does not include funding for any new or enhanced service priority actions. Approval of the 2010 Recommended Budget will result in the Program’s total staff complement decreasing from 1832.6 to 1830.6 approved positions due to the elimination of 2.0 permanent positions arising from 2010 recommended service changes.

- The 2010 Recommended Operating Budget for Toronto Public Library results in incremental future year net impacts to the Program of \$3.825 million in 2011 and \$4.188 million in 2012.
  - The 2011 Outlook incremental increase of \$3.825 million includes COLA and fringe benefits increases of \$2.897 million, increases for progression pay and step increases of \$0.392 million, and the operating impacts of \$0.332 million for approved capital projects at the expanded Cedarbrae and Brentwood Libraries, and the reversal of one-time saving of \$0.017 million achieved through delay the re-opening of the Thorncliffe library. The 2011 Outlook also includes a reduction in revenue of \$0.187 million representing the reversal of one-time revenues recommended in 2010.
  - The 2012 Outlook of \$4.188 million includes COLA and fringe benefits increases of \$2.956 million, the operating impacts of \$0.831 million for approved capital projects at the renovated Brentwood Library and the newly constructed Waterfront Neighbourhood Library, and the increases for progression pay and step costs of \$0.401 million.
  - TPL presented 2011 reduction options during the 2010 operating budget process which may assist the Program's 2011 reduction target of \$8.196 million or 5% of the 2009 Approved Budget. These options will be further reviewed over the course of the year and presented for consideration with the 2011 Operating Budget.
- The 2010 Recommended Base Budget provides funding for the following key cost drivers:
  - Labour cost funding of \$2.971 million mainly for COLA and fringe, progression pay and step increases;
  - Operating impacts from prior year's approved capital projects totaling \$0.319 million for the expansion/construction of Cedarbrae District Library, the Malvern District Library, and the York Woods Library, and the reopening of the Thorncliffe and the Bloor/Gladstone Libraries.
- The cost drivers noted above will be partially off-set by the following savings included in the 2010 Recommended Operating Budget:
  - Reduction in inflationary increase for library materials of \$0.348 million;
  - Increase in revenues including one-time revenue of \$0.187 million from the Citizen and Immigration Canada, the Federal Community Access Program, and the Service Ontario Grant; fines revenue of \$0.100 million through additional collection activities; room booking and advertising revenue of \$0.100 million;
  - Reduction in IT maintenance of \$0.075 million, printing expenditure of \$0.025 million, and delays in reopening of the Thorncliffe Library due to construction delays, for a one-time saving of \$0.017 million; and,
  - Reduction in net expenditure of \$0.327 million achieved through on-going monitoring in spending and revenue in areas such as employee benefits, utilities, snow clearing, and rental revenue, or TPL will reduce its spending in library materials in the event that the recommended savings of \$0.327 million is not achieved in 2010.

- The Program's 2010 Recommended Operating Budget includes additional service changes with savings of \$0.744 million for 2010 that have no incremental impact in 2011. The service changes include service efficiency saving of \$0.234 million from the following:
  - Reducing institutional services resulting in salary savings of \$0.104 million;
  - Extending the computer replacement from 4 to 5 years for a saving of \$0.101 million; and,
  - Reducing printing costs for similar contents available on TPL's website of \$0.028 million.

Minor service level changes of \$0.510 million include:

- Reducing hours of operations on Sunday from 37 Sundays in 2009 to 32 Sundays in 2010 for a saving of \$0.325 million;
  - Reducing collection preservation activities for a saving of \$0.105 million; and,
  - Reducing Library programming for a saving of \$0.081 million.
- Approval of the Service Changes will result in a reduction of 2 permanent positions reducing the staff complement to 1,830.6 effective May 2010.
  - The following key program issues have been identified during the 2010 Operating Budget process:
    - Toronto Library Board has not approved all the recommended service changes of \$2.423 million including the proposed reduction in Sunday service hours;
    - The TPL's Development Charge (DC) Reserve Fund will be monitored closely during 2010 to ensure sufficient funding is available to provide for \$1.0 million or 5.7% of library material funding, as well as approved capital projects for 2010 and beyond; and,
    - TPL and CUPE Local 4948 reached a settlement in November 2009, however the potential financial sick leave pay-out impact on TPL's 2010 Recommended Operating Budget is not known at this point. The resulting budget pressure in 2010 will be reported during the year. TPL does not have Sick Leave Reserves and thus, additional funding will be required in 2010 for the budget pressure resulted from the Special Sick Leave Pay-out.
  - The 2010 Recommended Operating Budget will fund the following services and activities:
    - Through its 99 branches, TPL provide the residents of the City of Toronto with access to wireless internet access in all branches and 2,037 public computer workstations with access to word processing and Microsoft Office application software, including 1,605 computers with free high speed internet; ;
    - Continue to enhance the redesigned website with additional content and functionality in 2010;

- Increase open hours by 67.5 per week (weekdays) once Phase 1 of the Self-Service for Expanding Open Hours capital project is completed in 2010;
- Continue to open 32 Sundays at 27 libraries in 2010;
- Continue to manage the circulation of approximately 30 million items, provide 24/7 virtual library services, and respond to over 7.5 million information requests;
- Continue to provide free of charge library services and programs for newcomers such as ESL, English Can Be Fun, and small business resources and programs, as well as collections of library materials in 40 languages; and,
- Continue to participate in Neighbourhood Action Teams in city priority neighbourhoods, focusing on youth and employment programs and providing approximately 1,500 volunteer opportunities.

## Recommendations

The City Manager and Chief Financial Officer recommend that:

1. City Council approve the 2010 Recommended Operating Budget for Toronto Public Library of \$180.373 million gross and \$166.885 million net, comprised of the following service:

| <u>Service:</u>      | <u>Gross</u><br><u>(\$000s)</u> | <u>Net</u><br><u>(\$000s)</u> |
|----------------------|---------------------------------|-------------------------------|
| Library Services     | 180,372.7                       | 166,884.9                     |
|                      |                                 |                               |
| Total Program Budget | 180,372.7                       | 166,884.9                     |
|                      |                                 |                               |

2. Toronto Library Board report to Budget Committee on March 5, 2010 with reduction options that are permanent, sustainable, and with identifiable service level impacts, to achieve the 1.8% increase over the 2009 Approved Budget.
3. Toronto Library Board report to Budget Committee on the Special Sick Leave Pay-out cost estimates for 2010 resulting from the implementation of the new Illness or Injury Plan, once the financial impact is known.

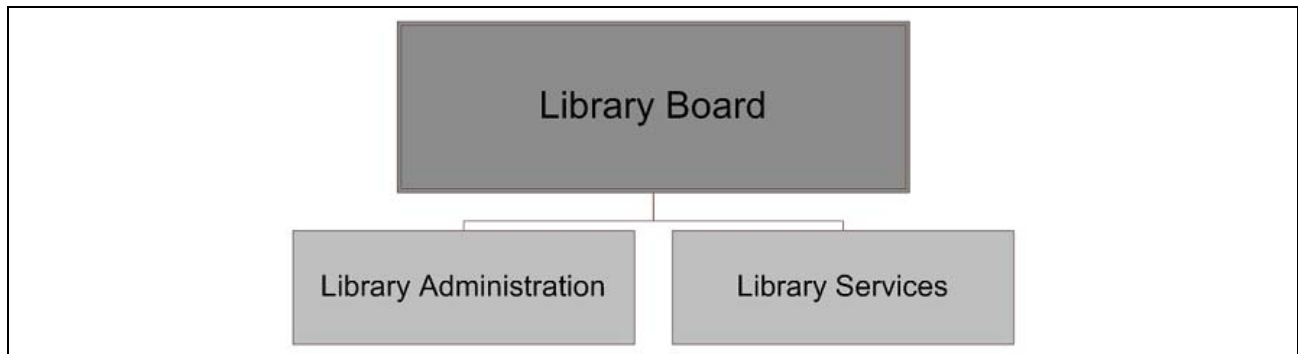
## PART II: 2010 SERVICE OVERVIEW AND PLAN

### Mission Statement

Toronto Public Library (TPL) preserves and promotes universal access to a broad range of human knowledge, experience, information and ideas in a welcoming and supportive environment for residents of all ages and backgrounds. Toronto Public Library will continue to invest in public service by providing free and equitable access to library services that meet the changing needs of Toronto residents, with specific focuses on their diverse interests, cultures, languages and needs.

Toronto Public Library delivers two services: Library Administration and Library Services as noted in the following Program Map:

### Program Map



**Note: TPL's program map is currently under review.**

### 2010 Recommended Services: Overview

#### *Library Services*

Toronto Public Library provides library services that strengthen at-risk neighbourhoods by addressing the issue of growing income disparity in the city, providing free-of-charge library programs, textbooks, access to the internet, word processing and Office applications software to low income neighbourhoods in identified areas, and continue to contribute to community capacity building.

The 2010 service levels for Library Services are as follows:

- Provide on average 5,100 hours of operation weekly and offer 27,000 library programs;
- Provide 2,037 computer workstations to 6.1 million users, 24/7 virtual services, and wireless internet access in all branches;
- Provide the residents of the City of Toronto with access to over 10 million items in a variety of formats and languages, with circulations of over 30 million items; and,

- Provide over 2 million annual reference transactions.

## Service Objectives

The Toronto Public Library's service objectives primarily reflect the need to provide free and equitable access to library services that meet the changing needs of the people of Toronto. Extending Library branch open hours, supporting literacy and educational goals for vulnerable individuals, engaging diverse communities, and expanding access to technology and online services reflect Toronto Public Library's strong commitment to the social, cultural, and intellectual sustainability of the city. The 2010 – 2012 service objectives for Toronto Public Library are listed below:

### **Increasing Open Hours on Sundays and Evenings:**

1. *Increase Library Open Hours by 25% in 3 years.*

Toronto Public Library's goal is to extend library branch open hours by approximately 1,053 hours per week. The 3-Year Phased implementation plan for extending open hours would allow Sunday service to be expanded from the 27 branches in 2010 to 51 branches, with year-round Sunday service and longer hours in 19 of the largest branches; late night hours from Monday to Saturday will be provided at 19 largest branches; longer weekday hours at 65 branches; and an extra day of library service at 28 branches. This implementation will require significant operating investments of \$14.5 million over a three-year implementation period.

### **Addressing the Growing Income Gap – Towards a city of opportunity shared by all:**

2. *Address the needs of vulnerable individuals and neighbourhoods and focus on supporting literacy and educational goals for adults.*

Toronto Public Library's goal is to extend its Kindergarten and High School Outreach programs to 100% of schools in priority neighbourhoods; to expand the Library Settlement Partnership program, where the library provides space and support for community agencies to offer settlement services in languages of local communities and programming to address local issues; and to offer complementary summer programs and support partnership to address the needs of youth.

### **Engaging Diverse Communities – in the City and in its Neighbourhood:**

3. *Support educational achievement for youth as a foundation for future success, engage youth in programs with emphasis on leadership skills and social integration, and enhance seniors quality of life, independence and pursuit of lifelong learning for 2010 and beyond.*

Toronto Public Library plans to increase the number of outreach programs targeting at-risk youth and seniors with an emphasis on priority neighbourhoods. The result will be a projected increase in the number of programs offered from 26,743 in 2009 to 27,231 by 2012 and increase attendance from 713,435 individuals in 2009 to 727,593 individuals in 2012.

**Expanding Access to Technology and Online Services:**

4. *Create an outstanding virtual library branch, along with a new library website with additional functionality and searching improvements, to provide new online services, and continue to expand virtual contents for 2010 and beyond.*

Toronto Public Library will launch in 2010 a redesigned website with enhanced content and additional online self service functionality which will be rolled out over the next three years. In addition to wireless internet access being available at all branches, the bandwidth on library computers will be improved in 2010. As a result of these improvements, an increase in virtual visits and public workstation usage is anticipated.

**PART III: 2009 EXPERIENCE****2009 Accomplishments**

In 2009, the Toronto Public Library achieved the following key accomplishments:

- Expanded broadband wireless access at all 99 library branches;
- Increased library usage in all areas including circulation (4.9%), library visits (8.5%), computer workstation use (11.5%), in-library use of materials (6.3%), and information requests (15.6%).
- Increased downloadable e-content including e-Books, e-Audiobooks, e-Videos and music, with more than 150,000 e-titles being borrowed in 2009;
- Added 35,000 new books on career and job search, introduced new pages on these topics on the library website, and increased job search programs and training sessions offered across the city through participation in the City's Recession Strategy "Your City Can Help".
- Piloted an innovative program, Transitional Intervention Program for Suspended Students (TIPSS), in partnership with the Toronto Catholic District School Board (TCDSB) to provide at risk students with a link to their local library;
- Opened the Bram and Bluma Appel Salon, a public space for civic events and community engagement in Toronto Reference Library. The Salon hosted 11 cultural, literary, and civic engagement events in 2009 and attracted over 3,000 attendees;
- Opened a ProTech Media Centre at the Kennedy/Eglinton Branch. The ProTech Media Centre provides youth with free access to and instruction in urban media arts programming;
- Reopened Jane Sheppard and Bloor/Gladstone Branches after extensive renovation and expansion; and,
- Expanded the Library Settlement Partnership to 19 branches. The library is providing space and support for community agencies to offer settlement services in the languages of local communities and programming to address local issues. Since its inception in 2007, the Library Settlement Partnership program has served over 30,000 clients.

**Table 2: 2009 Budget Variance Review (\$000s)**

| (In \$000s)               | 2008 Actuals | 2009 Approved Budget | 2009 Projected Actuals* | 2009 Appvd. Budget vs Projected Actuals Variance |       |
|---------------------------|--------------|----------------------|-------------------------|--|-------|
|                           | \$           | \$                   | \$                      | \$   | %     |
| <b>GROSS EXP.</b>         | 178,929.2    | 177,675.8            | 178,325.8               | 650.0  | 0.4   |
| <b>REVENUES</b>           | 21,444.6     | 13,761.9             | 14,436.1                | 674.2  | 4.9   |
| <b>NET EXP.</b>           | 157,484.6    | 163,913.9            | 163,889.7               | (24.2)   | (0.0) |
| <b>Approved Positions</b> | 1,826.2      | 1,832.6              | 1,832.6                 | 0.0  | 0.0   |

\* Based on the Third Quarter Operating Budget Variance Report, adjusted for 2009 COLA per collective agreement settled on November 9, 2009.

## 2009 Budget Variance Analysis

Toronto Public Library's Third Quarter Variance report projects that the Program will be \$0.024 million or 0.01% under the 2009 Approved Operating Budget of \$163.914 million by year-end.

The projected net favourable variance of \$0.024 million is primarily attributable to the Program's continuous effort to minimize spending where possible. The projected year-end over-expenditure of \$0.650 million in materials, supplies and services for programs such as Summer Reading Club, Leading to Reading, English Can Be Fun, and the Sun life Museum and Art pass, are fully funded from higher than budget external grants and donations.

## Impact of 2009 Operating Variance on the 2010 Recommended Budget

- The higher than budgeted funding from external grants and donations are for specific one-time purposes to fund 2009 program expenditures such as Summer Reading Club, Leading to Reading, and English Can Be Fun. The continuation of these programs is contingent upon receipt of external grants and donations in 2010 and are not included in the 2010 Recommended Budget.

## PART IV: 2010 RECOMMENDED BASE BUDGET

**Table 3: 2010 Recommended Base Budget (\$000s)**

| (In \$000s)               | 2009 Appvd.<br>Budget | 2010<br>Recommended<br>Base | Change<br>2010 Recommended Base<br>v.<br>2009 Appvd. Budget |       | FY Incremental Outlook |         |
|---------------------------|-----------------------|-----------------------------|---|-------|------------------------|---------|
|                           | \$                    | \$                          | \$  | %     | 2011                   | 2012    |
|                           |                       |                             |   |       | \$                     | \$      |
| <b>GROSS EXP.</b>         | 177,675.8             | 180,372.7                   | 2,696.9   | 1.5   | 3,637.9                | 4,188.4 |
| <b>REVENUE</b>            | 13,761.9              | 13,487.8                    | (274.1)   | (2.0) | (187.0)                | 0.0     |
| <b>NET EXP.</b>           | 163,913.9             | 166,884.9                   | 2,971.0   | 1.8   | 3,824.9                | 4,188.4 |
| <b>Approved Positions</b> | 1,832.6               | 1,830.6                     | (2.0)   | (0.1) | 0.0                    | 0.0     |

| TARGET COMPARISON             | 2010 Target | 2010 Rec.<br>Budget | 2010 Rec. Budget vs.<br>2010 Target | 2011 Target |
|-------------------------------|-------------|---------------------|-------------------------------------|-------------|
| <b>NET BUDGET</b>             | 161,151.5   | 166,884.9           | 5,733.4                             | 157,671.0   |
| <b>PROGRAM REDUCTION (\$)</b> | (8,195.7)   | (2,423.2)           | 5,772.5                             | (8,195.7)   |
| <b>PROGRAM REDUCTION (%)</b>  | (5.0)       | (1.5)               | 3.5                                 | (5.0)       |

**Table 3a: Program Reduction Requirements (\$000s)**

| (In \$000s)   | 2010 Required<br>Reductions | 2011 Required<br>Reductions |
|---|-----------------------------|-----------------------------|
| 2009 Approved Budget                                | 161,889.3                   |                             |
| 2009 COLA - Per collective agreement on Nov 9, 2009 | 2,024.6                     |                             |
| <b>Adjusted 2009 Approved Budget</b>                | <b>163,913.9</b>            |                             |
| <b>Pressures Reported with 2010 Budget</b>          | <b>5,433.3</b>              | <b>4,715.2</b>              |
| Pressures Not Reported with 2010 / 2011 Outlook     | 0.0                         | TBD                         |
| <b>5% Reduction Target</b>                          | <b>(8,195.7)</b>            | <b>(8,195.7)</b>            |
| Additional Pressures not in 2010 Reported Outlook   | (0.0)                       | 0.0                         |
| <b>Program Reduction Target</b>                     | <b>(8,195.7)</b>            | <b>(8,195.7)</b>            |
| <b>Net Budget Target</b>                            | <b>161,151.5</b>            | <b>157,671.0</b>            |

### *2010 Recommended Base Budget*

The 2010 Recommended Base Budget of \$166.885 million net represents a \$2.971 million or 1.8% increase over Toronto Public Library's 2009 Approved Operating Budget of \$163.914 million net. The 2010 Recommended Base Budget includes funding of \$5.394 million for Base Budget increases, which have been offset by \$2.423 million in budget reductions including Service Changes.

The 2010 Recommended Base Budget of \$166.885 million net includes recommended service changes of \$2.423 million for service efficiencies and revenue changes. These adjustments are \$5.773 million or 3.5% below TPL's 2010 Operating Budget reduction target of \$8.196 million or

5% of the 2009 Approved Budget. Further reductions to reach the 2010 target of -5.0% of 2009 Approved Operating Budget are not recommended as it would result in significant service level impacts.

- The 2010 Recommended Base Budget accommodates increased labour costs arising from inflationary and progression pay pressures and provides funding for operating costs to re-open 5 libraries that were renovated or expanded as part of prior years' Capital Budgets. The recommended base budget increase has been limited to \$2.971 million, partially due to revenue increases and base expenditure reductions of \$1.679 million. The 2010 Recommended Base Budget also includes savings of \$0.744 million arising from recommended service changes, summarized below.

Approval of the 2010 Recommended Budget will result in the Program's total staff complement decreasing from 1832.6 to 1830.6 approved positions due to the elimination of 2.0 permanent positions arising from the service changes recommended for 2010.

### **2010 Base Budget Key Cost Drivers**

The 2010 Recommended Base Budget provides funding for the following key cost drivers:

- Salary pressures arising from the Cost of Living adjustments (COLA) and fringe benefits increases of \$2.589 million, progression pay and step increases of \$0.382 million;
- Reduce reliance on development charge to fund library materials by \$0.500 million in 2010; and,
- Operating costs from prior year's approved capital projects totaling \$0.319 million for the expansion/construction of Cedarbrae District Library, the Malvern District Library, and the York Woods Library, as well as the re-opening of Bloor/Gladstone and Thorncliffe Libraries.

The cost drivers noted above will be partially offset by the following savings included in the 2010 Recommended Base Budget:

- Reversal of the inflationary increase for library materials of \$0.348 million;
- An increase in revenues including one-time revenue of \$0.187 million from the Citizen and Immigration Canada, the Federal Community Access Program, and the Service Ontario Grant; increase fine revenue of \$0.100 million from additional collection activities; and room bookings and advertising revenue of \$0.100 million;
- Savings from a reduction in IT maintenance costs of \$0.075, printing expenditure of \$0.025 million, and delays in reopening of the Thorncliffe Library due to construction delays, for a one-time saving of \$0.017 million; and,
- Unallocated reduction in net expenditures of \$0.327 million achieved through on-going monitoring in spending or through reduction in library materials.

### **2010 Service Changes**

Toronto Public Library's 2010 Recommended Base Budget includes service change savings of \$2.423 million representing 1.5% of the 2009 Approved Budget that has an incremental impact of

\$0.204 million in 2011. The recommended 2010 service changes are comprised of \$1.679 million in base change savings noted above and \$0.744 million in savings arising from minor service level changes.

The recommended service changes are summarized below:

*Service Efficiencies*

- Reduction in printing expenditure of \$0.025 million as information will be more accessible on line and in multiple electronic formats;
- Extension of the computer replacement cycle from 4 to 5 years for a total saving of \$0.101 million; and,
- Elimination of 1.4 library staff handling collections and other services at the Hospital for Sick Children and the Bridgepoint Health and Toronto Rehabilitation Institute for an anticipated savings of \$0.105 million.

*Minor Service Level Changes*

- Reduction in collection preservation activities that will result in \$0.105 million in savings and a reduction of 0.6 of an approved position;
- Reduction in Branch programming resulting in savings of \$0.081 million; and,
- Reduction in hours of operation by 5 Sundays in the fall season of 2010 for savings of \$0.325 million.

Please refer to Part VI for a more detailed discussion regarding the 2010 Recommended Service Changes.

## **2011 and 2012 Outlook: Net Incremental Impact**

Approval of the 2010 Recommended Base Budget for Toronto Public Library will result in a 2011 incremental increase of \$3.825 million and 2012 incremental impact of \$4.188 million to maintain the 2010 level of service and staff complement. Future year costs are primarily attributed to the following:

- The 2011 Outlook incremental gross expenditures are projected to be \$3.638 million and include increases for COLA and fringe benefits increases of \$2.897 million, progression pay and step increases of \$0.392 million, and the operating impacts of \$0.332 million for approved capital expansion project at the Cedarbrae District and the Brentwood Libraries.
- TPL has presented 2011 reduction options during the 2010 process. These options will be further reviewed over the course of the year and presented for consideration during the 2011 Operating Budget process.
- The 2012 projected increase of \$4.188 million includes increased COLA and fringe benefits costs of \$2.956 million, progression pay and step increases of \$0.401 million, and additional operating costs of \$0.831 million for the renovated Brentwood library and newly constructed Waterfront Library.

## PART V: 2010 RECOMMENDED SERVICE CHANGES

**Table 4: 2010 Recommended Service Change Summary**  
(In \$000s)

| Description                                    | 2010 Recommended Service Changes |                  |                  |                           | Net Incremental Impact |            |
|--|----------------------------------|------------------|------------------|---------------------------|------------------------|------------|
|  | Position Change                  | Gross Exp.       | Net Exp.         | % Change over 2009 Budget | 2011                   |            |
|  | #                                | \$               | \$               | #                         | \$                     | # Pos      |
| <b>Base Change Summary</b>                     | <b>0.0</b>                       | <b>(991.3)</b>   | <b>(1,678.9)</b> | <b>-1.0%</b>              | <b>204.0</b>           | <b>0.0</b> |
| <b>Service Efficiencies:</b>                   |                                  |                  |                  |                           |                        |            |
| Reduction of Institutional Service             | (1.4)                            | (104.8)          | (104.8)          | -0.1%                     |                        |            |
| Extend Workstation lifecycle from 4 to 5 years |                                  | (101.0)          | (101.0)          | -0.1%                     |                        |            |
| Reduction in Printing Costs                    |                                  | (28.0)           | (28.0)           | 0.0%                      |                        |            |
| <b>Revenue Changes:</b>                        |                                  |                  |                  |                           |                        |            |
| <b>Minor Service Level Changes:</b>            |                                  |                  |                  |                           |                        |            |
| Reduction in Hours of Operations on Sundays    |                                  | (325.0)          | (325.0)          | -0.2%                     |                        |            |
| Reduction in Library Programming               |                                  | (81.0)           | (81.0)           | 0.0%                      |                        |            |
| Reduction in Collection Preservation           | (0.6)                            | (104.5)          | (104.5)          | -0.1%                     |                        |            |
| <b>Major Service Level Changes:</b>            |                                  |                  |                  |                           |                        |            |
| <b>Sub-Total Service Changes</b>               | <b>(0.6)</b>                     | <b>(744.3)</b>   | <b>(744.3)</b>   | <b>-0.5%</b>              | <b>0.0</b>             | <b>0.0</b> |
| <b>Total Changes</b>                           | <b>(0.6)</b>                     | <b>(1,735.6)</b> | <b>(2,423.2)</b> | <b>-1.5%</b>              | <b>204.0</b>           | <b>0.0</b> |

### 2010 Recommended Service Changes

The budgetary impact of implementing the following service changes are included in the 2010 Recommended Base Budget resulting in savings estimated at \$2.423 million in 2010 and incremental costs of \$0.204 million in 2011. Approval of the recommended service changes will result in a reduction of 2 approved permanent filled positions reducing the approved staff complement to 1,830.6 positions. The \$2.423 million savings include \$1.679 million in expenditure reductions and additional revenues applied to the base budget, which will have no impact in the level of service provided by the Program in 2010.

## Service Changes

The following 6 recommended service changes included in Toronto Public Library's 2010 Recommended Base Budget, resulting in 2010 savings of \$0.744 million net are discussed below.

### *Service Efficiencies*

#### *Reduction of 1.4 TPL Staff for Institutional Service*

Service at Bridgepoint Health and Toronto Rehabilitation Institute includes programs and bedside service to residing patients. Both hospitals are long-term care facilities. Adjusting the current service model to one based on deposit collections that are coordinated by hospital staff and volunteers would standardize the Library's institutional service at these locations and eliminate the need for 1.0 position, resulting in estimated savings of \$0.065 million in 2010.

Further, several options are being considered to realign Library services provided in partnership with the Toronto District School Board to children who are patients at the Hospital for Sick Children, including the provision of a deposit collection, regularly scheduled programs, training support for hospital volunteers and continued support for the Reading Room collection, resulting in estimated savings of \$0.040 million and 0.6 staff position.

#### *Extension of Computer Replacement Cycle*

TPL owns and maintains 2,414 computer workstations that are equipped with word processing and Microsoft Office application software, and many with free high speed internet. TPL's public computers serve over 6.1 million users annually. TPL's current IT replacement policy is to replace these computer workstations every 4 years. The recommended service efficiency change of extending the replacement cycle from every 4 to 5 years will result in saving of \$0.101 million in 2010. Approval of this recommended service change will not impact the current service levels.

#### *Reduction in Printing Costs*

As the Library redesigns its web site, information about library schedules, programs and other initiatives currently distributed in printed form at the branches will be more accessible on line and in multiple formats, reducing the volume of printed material required.

Approval of this recommended service change will not impact the current service levels.

### *Minor Service Level Changes*

#### *Reduction in Hours of Operation on Sundays*

Toronto Public Library currently provides Sunday service for 37 Sundays at 27 branches commencing from the weekend after Labour Day to the last weekend of June. In order to achieve the anticipated savings of \$0.325 million, TPL will reduce the hours of operation by 5 Sundays in the fall season of 2010, with fall Sunday service begins after Thanksgiving and ends before Christmas, in 2 Research and Reference Libraries, 17 District Libraries, and 8 Neighbourhood Libraries.

#### *Reduction in Library Programming*

Reduction in programming such as Keep Toronto Reading/ One Book, Word on the Street, Summer Reading Club, and Canadian Children's Book Week at its branches will save \$0.081 million in

2010. Approval of this recommended service change will result in fewer author events, less arts, culture and entertaining activities, fewer hobbies, leisure and life-long learning programs and reduce performance and employment opportunities for local authors, performers and storytellers. TPL will also not participate in Nuit Blanche in 2010.

*Reduction in Collection Preservation*

TPL binds periodical titles into annual compilations to preserve the titles for permanent retention at its two Research and Reference Libraries. The bound compilations are less vulnerable to theft, damage and loss, and therefore, increase the availability of research materials for future use.

Approval of this recommended service change will result in a reduction of 0.6 position and \$0.067 million savings in materials. The number of periodical titles bound will be reduced by 50% (from 11,000 compilations in 2009 to 5,500 compilations in 2010), for an estimated cost saving of \$0.105 million in 2010.

## PART VII: ISSUES FOR DISCUSSION

### 2010 Budget Issues

#### 2010 Recommended Service Changes

Although the City's guideline for the 2010 Operating Budget requires a 5% reduction from the 2009 Approved Budget, the 2010 recommended budget increase for TPL is 1.8%. The increase of 1.8% is recommended as further reductions will result in significant service level impacts. In order to limit the increase in costs to 1.8% or \$2.971 million (approximately the cost of wage settlements) over the 2009 Approved Operating Budget, various options totaling \$2.423 million are recommended.

During its meeting on January 18<sup>th</sup>, 2010, the Toronto Library Board did not endorse all of the recommended reduction options totaling \$2.423 million as summarized below. In particular, the Board did not endorse the reduction in Sunday Service of \$0.325 million and proposed to increase the unallocated reduction from \$0.327 million to \$0.443 million.

The total recommended reduction of \$2.423 million and the reduction of \$2.215 million endorsed by the Toronto Public Library Board are compared below:

|   | TPL Board Approved Base and Service Changes<br>(January 18, 2010) |               |           | Recommended Base and Service Changes |               |           | Difference  |               |           |
|---|---|---------------|-----------|--------------------------------------|---------------|-----------|-------------|---------------|-----------|
|   | Gross<br>\$   | Revenue<br>\$ | Net<br>\$ | Gross<br>\$                          | Revenue<br>\$ | Net<br>\$ | Gross<br>\$ | Revenue<br>\$ | Net<br>\$ |
| <b>Base Changes</b>   |   |               |           |                                      |               |           |             |               |           |
| Increase fines revenue through additional collection activities |   | 100.0         | (100.0)   |                                      | 100.0         | (100.0)   | -           | -             | -         |
| Increase room booking and advertising revenue                   |   | 100.0         | (100.0)   |                                      | 100.0         | (100.0)   | -           | -             | -         |
| One-Time Grants in 2010*  |   | 187.0         | (187.0)   |                                      | 187.0         | (187.0)   | -           | -             | -         |
|   |   |               | -         |                                      |               | -         | -           | -             | -         |
| Reduce travel and IT maintenance expenditures                   | (100.0)   |               | (100.0)   | (100.0)                              |               | (100.0)   | -           | -             | -         |
| Forego 2010 economic adjustment for library materials           | (348.3)   |               | (348.3)   | (348.3)                              |               | (348.3)   | -           | -             | -         |
| Postpone reopening of branches due to construction delays*      | (17.0)  |               | (17.0)    | (17.0)                               |               | (17.0)    | -           | -             | -         |
| Unallocated Reduction**   | (443.2)   |               | (443.2)   | (326.6)                              |               | (326.6)   | 116.6       | -             | 116.6     |
| <b>Total Base Changes:</b>                                      | (908.5)   | 387.0         | (1,295.5) | (791.9)                              | 387.0         | (1,178.9) | 116.6       | -             | 116.6     |
| <b>Service Efficiencies</b>                                     |   |               |           |                                      |               |           |             |               |           |
| Extend workstation lifecycle from 4 to 5 years                  | (101.0)   |               | (101.0)   | (101.0)                              |               | (101.0)   | -           | -             | -         |
| Reduce printing costs   | (28.0)  |               | (28.0)    | (28.0)                               |               | (28.0)    | -           | -             | -         |
| Reduction of Institutional Services (1.4 positions)             | (105.0)   |               | (105.0)   | (105.0)                              |               | (105.0)   | -           | -             | -         |
| <b>Total Service Efficiencies</b>                               | (234.0)   |               | (234.0)   | (234.0)                              |               | (234.0)   | -           | -             | -         |
| <b>Minor Service Level Changes</b>                              |   |               |           |                                      |               |           |             |               |           |
|   |   |               | -         |                                      |               | -         |             |               | -         |
|   |   |               | -         |                                      |               | -         |             |               | -         |
| Contribution from DC Reserve Fund for Library Materials         |   | 500.0         | (500.0)   |                                      | 500.0         | (500.0)   | -           | -             | -         |
| Reduction in Collection Preservation (0.6 positions)            | (105.0)   |               | (105.0)   | (105.0)                              |               | (105.0)   | -           | -             | -         |
| Reduction in Branch Programming                                 | (81.0)  |               | (81.0)    | (81.0)                               |               | (81.0)    | -           | -             | -         |
| Reduction in Hours of Operations on Sundays                     |   |               | -         | (325.0)                              |               | (325.0)   | (325.0)     | -             | (325.0)   |
| <b>Total Minor Service Level Changes</b>                        | (186.0)   | 500.0         | (686.0)   | (511.0)                              | 500.0         | (1,011.0) | (325.0)     | -             | (325.0)   |
| <b>Total Service and Other Changes</b>                          | (1,328.5)   | 887.0         | (2,215.5) | (1,536.9)                            | 887.0         | (2,423.9) | (208.4)     | -             | (208.4)   |

\* One-time reduction options

\*\* TPL will manage the unallocated budget reduction through monitoring in spending and revenue in areas such as employee benefits, utilities, snow clearing, and rental revenue or through reduction in library materials.

Although the 2010 Recommended Operating Budget includes an unallocated reduction of \$0.327 million (i.e. Program will monitor utilities, snow clearing, and rental revenue or through reduction in library materials, to achieve the saving of \$0.327 million), all reduction options should be permanent and sustainable, with identifiable service level impacts. Thus, it is recommended that Toronto Library Board report to Budget Committee on March 5, 2010 with reduction options that are permanent, sustainable, and with identifiable service level impacts, to achieve the 1.8% increase over the 2009 Approved Budget.

***Library Materials – Contribution from Development Charge (DC) Reserve Fund***

Library materials are eligible for DC funding under the City’s Development Charge By-Law and in prior years Council approved funding of a portion of the library materials budget from the DC reserve fund in order to allow the library materials budget to grow during a period of constrained budget increases. The funding sources for library materials since 2004 are summarized in the following table:

| Year | Funding Source      |                              | Total Library Material Budget | Comment   |
|------|---------------------|------------------------------|-------------------------------|---|
|      | Development Charges | City Funded (Property taxes) |                               |   |
| 2004 | \$2.051             | \$13.668                     | \$15.719                      | 2004 Approved Materials Budget                              |
| 2005 | -                   | 0.065                        | 0.065                         | - Library Materials impacts from Capital Projects           |
|      | -                   | 0.629                        | 0.629                         | - Inflationary Increase (4%)                                |
| 2006 | -                   | 0.008                        | 0.008                         | - Library Materials impacts from Capital Projects           |
|      | -                   | 0.517                        | 0.517                         | - Inflationary Increase (3%)                                |
| 2007 | 0.350               | (0.019)                      | 0.331                         | - Inflationary Increase (2%)                                |
| 2008 |                     | 0.132                        | 0.132                         | - Library Materials impacts from Capital Projects           |
|      | (0.350)             | 0.350                        | -                             | - Reversal of one-time additional DC draw of \$0.350M in 07 |
| 2009 |                     | 0.014                        | 0.014                         | - Library Materials impacts from Capital Projects           |
|      | (0.551)             | 0.551                        | -                             | - Recommended reduction in reserve draw for Lib. Material   |
| 2010 |                     | 0.083                        | 0.083                         | - Library Materials impacts from Capital Projects           |
|      |                     | (0.066)                      | (0.066)                       | - Impact of recommended reductions                          |
|      | (0.500)             | 0.500                        | -                             | - Recommended reduction in reserve draw for Lib. Material   |
|      | \$1.000             | \$16.432                     | \$17.432                      | 2010 Materials Budget Recommended                           |

To preserve the on-going DC Reserve Fund Contributions to Library Materials and to approved capital projects, the 2010 Recommended Operating Budget reflects a reduction in the budgeted contribution from the Development Charge Reserve Fund from \$1.500 million to \$1.000 million. The Development Charge Reserve Fund will be monitored closely during 2010 to ensure sufficient funding is available for Library Materials and the capital projects approved in the 2010 Capital Budget and 10-Year Capital Plan.

***Operating Impacts from Approved Capital Projects***

The 2010 Approved Capital Budget and Capital Plan for the years 2011 and 2012 will result in a cumulative increase in TPL’s Operating Budget of \$1.419 million and 16.4 positions. The net

incremental operating costs include salaries, utilities, services and rents, materials, supplies and software licenses.

The following table summarizes the operating impacts from capital projects from 2010 to 2012:

| Project Name                        | 2010 Rec. Budget |           | 2011 Outlook |            | 2012 Outlook |             | Total          |             |
|-------------------------------------|------------------|-----------|--------------|------------|--------------|-------------|----------------|-------------|
|                                     | \$000's          | Positions | \$000's      | Positions  | \$000's      | Positions   | \$000's        | Positions   |
| <b>Previously Approved Projects</b> |                  |           |              |            |              |             |                |             |
| Bloor/Gladstone Library             | 83.0             |           |              |            |              |             | 83.0           |             |
| Thorncliffe Library                 | 134.0            |           |              |            |              |             | 134.0          |             |
| Cedarbrae District Library          | 26.0             |           | 26.0         |            |              |             | 52.0           |             |
| Brentwood Library                   |                  |           | 306.0        | 5.4        | 306.0        |             | 612.0          | 5.4         |
| Waterfront Neighbourhood Library    |                  |           |              |            | 525.0        | 11.0        | 525.0          | 11.0        |
| St. Lawrence Library                | 63.0             |           |              |            |              |             |                |             |
| Malvern District Library            | 10.0             |           |              |            |              |             | 10.0           |             |
| <b>New Projects - 2010</b>          |                  |           |              |            |              |             |                |             |
| York Woods Library                  | 3.0              |           |              |            |              |             | 3.0            |             |
| <b>Total Recommended (Net)</b>      | <b>319.0</b>     | <b>-</b>  | <b>332.0</b> | <b>5.4</b> | <b>831.0</b> | <b>11.0</b> | <b>1,419.0</b> | <b>16.4</b> |

The 2010 operating impact from capital projects is \$0.319 million specifically resulting from the construction/expansion of the Cedarbrae District Library, the renovation of the Malvern District Library, the expansion of the York Woods Library, and the re-opening the Bloor/Gladstone, St. Lawrence, and Thorncliffe Libraries. The operating impact for the re-opening of the Brentwood library totals \$0.306 million and 5.4 positions in 2011. A significant operating impact of \$0.831 million is projected for 2012 with the re-opening of the Brentwood Library and the opening of the new West Waterfront Library, which requires \$0.525 million and 11.0 positions in 2012 to operate. Future year operating impacts will be reviewed annually through the Operating Budget process and are subject to capital project completion.

***Sick Leave Pay-Out Plan***

TPL has a sick leave pay-out plan which allows employees to accumulate and bank sick credits, up to a maximum limit of six months, which are paid out when the employee leaves the organization. The sick leave pay-out plan applies to full-time union staff. In the case of non-union staff, the sick leave pay-out entitlements was discontinued in 2008 and replaced with a short-term disability plan effective January 1, 2009.

TPL reached a settlement with CUPE Local 4948 for the sick leave pay-out plan in November 2009 to allow its union employees to choose for immediate pay-out of the accumulated sick credits or continue to accumulate and bank sick credits, up to a maximum of six months, until retirement. While it is difficult to predict the decision of the individuals, TPL anticipated that 50% of the eligible employees will choose immediate pay-out. TPL does not have any sick leave reserves and thus, additional funding will be required to finance the one-time budget pressure resulting from the Special Sick Leave Pay-out in 2010.

Although the potential sick leave pay-out impact to TPL's 2010 Operating Budget is not available at this point, it is recommended that Toronto Library Board report to Budget Committee on the Special Sick Leave Pay-out cost estimates for 2010 resulting from the implementation of the new Illness or Injury Plan, once the financial impact is known.

## Appendix A

## 2010 Recommended Base Budget Changes vs. 2009 Approved Budget

| (In \$000s)                                      | Summary of 2010 Base Budget Adjustments |                    |                 |                  | Net Incremental Outlook |                |
|--|---|--------------------|-----------------|------------------|-------------------------|----------------|
|  | Approved Positions                      | Gross Expenditures | Revenues        | Net              | 2011                    | 2012           |
|  |   | \$                 | \$              | \$               | \$                      | \$             |
| <b>2009 Council Approved Operating Budget</b>    | <b>1,832.6</b>                          | <b>175,651.2</b>   | <b>13,761.9</b> | <b>161,889.3</b> | <b>0.0</b>              | <b>0.0</b>     |
| Technical Adjustments                            |   | 2,024.6            |                 | 2,024.6          |                         |                |
| In-year Budget Adjustments                       |   |                    |                 |                  |                         |                |
| <b>2009 Approved Operating Budget</b>            | <b>1,832.6</b>                          | <b>177,675.8</b>   | <b>13,761.9</b> | <b>163,913.9</b> | <b>0.0</b>              | <b>0.0</b>     |
| Prior year impacts                               |   |                    |                 |                  |                         |                |
| Annualizations from Prior Year                   |   |                    |                 |                  |                         |                |
| Reversals from Prior Year                        |   | (245.0)            | (1,301.7)       | 1,056.7          |                         |                |
| Operating Impacts of Capital                     |   | 587.0              | 268.0           | 319.0            | 332.0                   | 831.0          |
| Zero base items                                  |   |                    |                 |                  |                         |                |
| Economic Increases:                              |   |                    |                 |                  |                         |                |
| Salary   |   | 3,005.0            | 34.0            | 2,971.0          | 3,288.9                 | 3,357.4        |
| Non Salary                                       |   | 1,047.5            |                 | 1,047.5          |                         |                |
| <b>Adjusted Base Budget</b>                      | <b>1,832.6</b>                          | <b>182,070.3</b>   | <b>12,762.2</b> | <b>169,308.1</b> | <b>3,620.9</b>          | <b>4,188.4</b> |
| Base Expenditure Changes*                        |   | (953.3)            | 38.0            | (991.3)          | 17.0                    |                |
| Base Revenue Changes                             |   |                    | 687.6           | (687.6)          | 187.0                   |                |
| <b>2010 Base Budget Prior to Service Changes</b> | <b>1,832.6</b>                          | <b>181,117.0</b>   | <b>13,487.8</b> | <b>167,629.2</b> | <b>3,824.9</b>          | <b>4,188.4</b> |
| Recommended Service Changes:                     |   |                    |                 |                  |                         |                |
| Service efficiencies                             | (1.4)                                   | (233.8)            |                 | (233.8)          |                         |                |
| Revenue adjustments                              |   |                    |                 |                  |                         |                |
| Minor Service Impact Changes                     | (0.6)                                   | (510.5)            |                 | (510.5)          |                         |                |
| Major Service Impact Changes                     |   |                    |                 |                  |                         |                |
| <b>Total Recommended Base Changes</b>            | <b>(2.0)</b>                            | <b>(744.3)</b>     | <b>0.0</b>      | <b>(744.3)</b>   | <b>0.0</b>              | <b>0.0</b>     |
|  |   |                    |                 |                  |                         |                |
| <b>2010 Recommended Base Budget</b>              | <b>1,830.6</b>                          | <b>180,372.7</b>   | <b>13,487.8</b> | <b>166,884.9</b> | <b>3,824.9</b>          | <b>4,188.4</b> |

\* Base Budget adjustment includes an unallocated reduction of \$0.327 million in TPL's 2010 Recommended Budget. TPL will monitor its expenditure and revenue to ensure the total savings of \$0.327 million is achieved in 2010.

**Appendix B**  
**Summary of Service Changes**

## Appendix D

## Program Summary by Expenditure Category

| CLUSTER: Agencies, Boards and Commissions<br>PROGRAM: Toronto Public Library |                            |                              |                               |  |               |                  |                  |
|--|----------------------------|------------------------------|-------------------------------|--|---------------|------------------|------------------|
|  | 2009<br>Approved<br>Budget | 2009<br>Projected<br>Actuals | 2010<br>Recommended<br>Budget | Change from<br>2009 Approved<br>Budget |               | 2011<br>Outlook  | 2012<br>Outlook  |
|  | \$                         | \$                           | \$                            | \$                                     | %             | \$               | \$               |
| Salaries and Benefits  | 133,056.4                  | 133,706.4                    | 135,202.1                     | 2,145.7                                | 1.6%          | 138,761.0        | 142,741.4        |
| Materials and Supplies   | 19,716.8                   | 19,716.8                     | 19,743.6                      | 26.8                                   | 0.1%          | 19,763.6         | 19,867.6         |
| Equipment  | 10.3                       | 10.3                         | 112.3                         | 102.0                                  | 990.3%        | 112.3            | 112.3            |
| Services & Rents   | 22,513.3                   | 22,513.3                     | 22,897.7                      | 384.4                                  | 1.7%          | 22,956.7         | 23,060.7         |
| Contributions to Capital   | 1,708.0                    | 1,708.0                      | 1,708.0                       | 0.0                                    | 0.0%          | 1,708.0          | 1,708.0          |
| Contributions to Reserve/Res Funds   | 667.0                      | 667.0                        | 705.0                         | 38.0                                   | 5.7%          | 705.0            | 705.0            |
| Other Expenditures   | 4.0                        | 4.0                          | 4.0                           | 0.0                                    | 0.0%          | 4.0              | 4.0              |
| Interdivisional Charges  |                            |                              |                               | 0.0                                    | n/a           |                  |                  |
| Required Adjustments   |                            |                              |                               | 0.0                                    | n/a           |                  |                  |
| <b>TOTAL GROSS EXPENDITURES</b>  | <b>177,675.8</b>           | <b>178,325.8</b>             | <b>180,372.7</b>              | <b>2,696.9</b>                         | <b>1.5%</b>   | <b>184,010.6</b> | <b>188,199.0</b> |
| Interdivisional Recoveries   |                            |                              |                               | 0.0                                    | n/a           |                  |                  |
| Provincial Subsidies   | 5,674.9                    | 5,674.9                      | 5,650.4                       | (24.5)                                 | (0.4%)        | 5,637.4          | 5,637.4          |
| Federal Subsidies  | 44.3                       | 44.3                         | 174.0                         | 129.7                                  | 292.8%        | 0.0              | 0.0              |
| Other Subsidies  | 245.0                      | 245.0                        | 43.2                          | (201.8)                                | (82.4%)       | 43.2             | 43.2             |
| User Fees & Donations  | 5,163.6                    | 5,837.8                      | 4,368.1                       | (795.5)                                | (15.4%)       | 4,368.1          | 4,368.1          |
| Transfers from Capital Fund  | 530.8                      | 530.8                        | 564.8                         | 34.0                                   | 6.4%          | 564.8            | 564.8            |
| Contribution from Reserve Funds  | 1,500.0                    | 1,500.0                      | 1,000.0                       | (500.0)                                | (33.3%)       | 1,000.0          | 1,000.0          |
| Contribution from Reserve  |                            | 0.0                          | 0.0                           | 0.0                                    | n/a           | 0.0              | 0.0              |
| Sundry Revenues  | 603.3                      | 603.3                        | 1,687.3                       | 1,084.0                                | 179.7%        | 1,687.3          | 1,687.3          |
| Required Adjustments   |                            |                              | 0.0                           | 0.0                                    | n/a           | 0.0              | 0.0              |
| <b>TOTAL REVENUE</b>   | <b>13,761.9</b>            | <b>14,436.1</b>              | <b>13,487.8</b>               | <b>(274.1)</b>                         | <b>(2.0%)</b> | <b>13,300.8</b>  | <b>13,300.8</b>  |
| <b>TOTAL NET EXPENDITURES</b>  | <b>163,913.9</b>           | <b>163,889.7</b>             | <b>166,884.9</b>              | <b>2,971.0</b>                         | <b>1.8%</b>   | <b>170,709.8</b> | <b>174,898.2</b> |
| <b>APPROVED POSITIONS</b>  | <b>1,832.6</b>             | <b>1,832.6</b>               | <b>1,830.6</b>                | <b>(2.0)</b>                           | <b>(0.1%)</b> | <b>1,836.0</b>   | <b>1,847.0</b>   |

## Appendix E

### Inflows / Outflows to / from Reserves & Reserve Funds

#### Program Specific Reserve / Reserve Funds

| Reserve / Reserve Fund Name<br>(In \$000s)                          | Reserve /<br>Reserve Fund<br>Number | Description                 | 2010*          | 2011           | 2012           |
|---|-------------------------------------|-----------------------------|----------------|----------------|----------------|
|   |                                     |                             | \$             | \$             | \$             |
| Development Charge Reserve<br>Fund - Library                        | XR2029                              | Beginning Balance           | 3,842.0        | 3,923.0        | 4,025.0        |
|   |                                     | Proposed<br>Withdrawals (-) | (2,349.0)      | (2,558.0)      | (4,021.0)      |
|   |                                     | Contributions (+)           | 2,430.0        | 2,660.0        | 2,940.0        |
| <b>Development Charge Reserve Fund (XR2029) BALANCE AT YEAR-END</b> |                                     |                             | <b>3,923.0</b> | <b>4,025.0</b> | <b>2,944.0</b> |

\* Balance as of December 2009

#### Corporate Reserve / Reserve Funds

| Reserve / Reserve Fund Name<br>(In \$000s)                | Reserve /<br>Reserve Fund<br>Number | Balance as of<br>December<br>2009 | Proposed Withdrawals (-) /<br>Contributions (+) |              |              |
|---|-------------------------------------|-----------------------------------|---|--------------|--------------|
|   |                                     |                                   | 2010  | 2011         | 2012         |
|   |                                     | \$                                | \$  | \$           | \$           |
| Vehicle Equipment Reserve                                 | XQ1700                              | 510.2                             | 310.0   | 297.0        | 322.0        |
| Insurance Reserve Fund                                    | XR1010                              | 40,043.0                          | 420.0   | 420.0        | 420.0        |
| <b>Total Reserve / Reserve Fund Draws / Contributions</b> |                                     |                                   | <b>730.0</b>                                    | <b>717.0</b> | <b>742.0</b> |