

Toronto Public Library



2014 Recommended Operating Budget & 2014 – 2023 Capital Budget and Plan

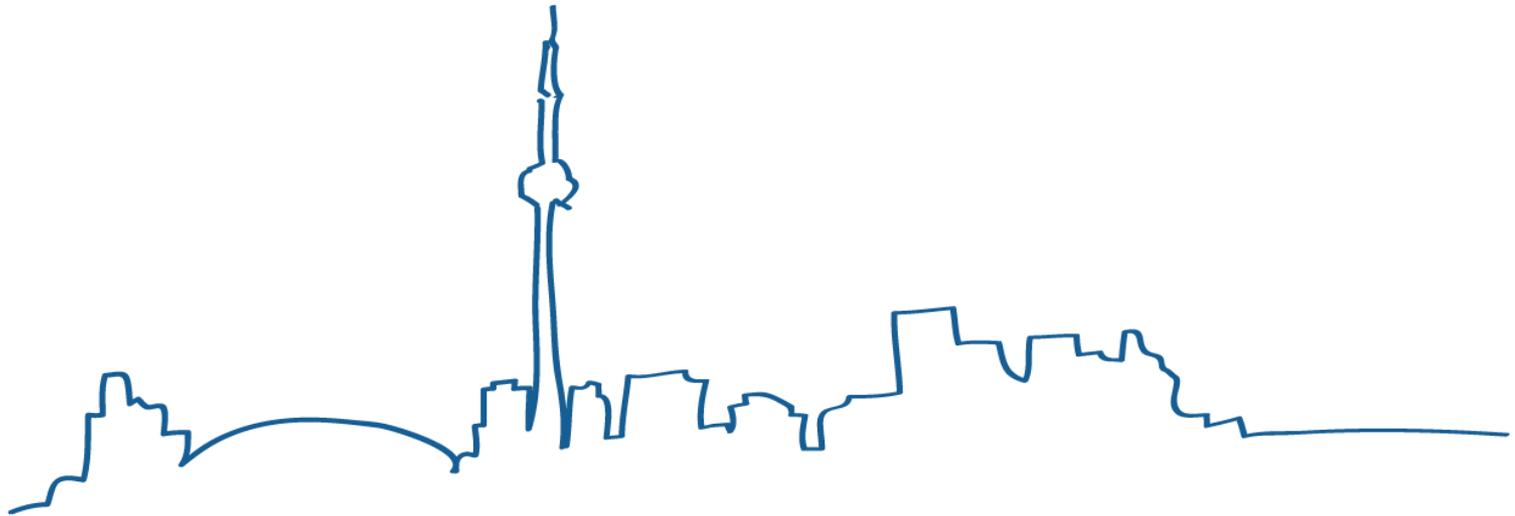
Budget Committee Presentation – December 11, 2013

Agenda

- Operating Overview
 - 2013 Service Performance
 - 2014 Staff Recommended Operating Budget
- Capital Overview
 - 2013 Capital Performance
 - 2014 – 2023 Staff Recommended Capital Budget & Plan
- Key Issues for 2014 and Beyond



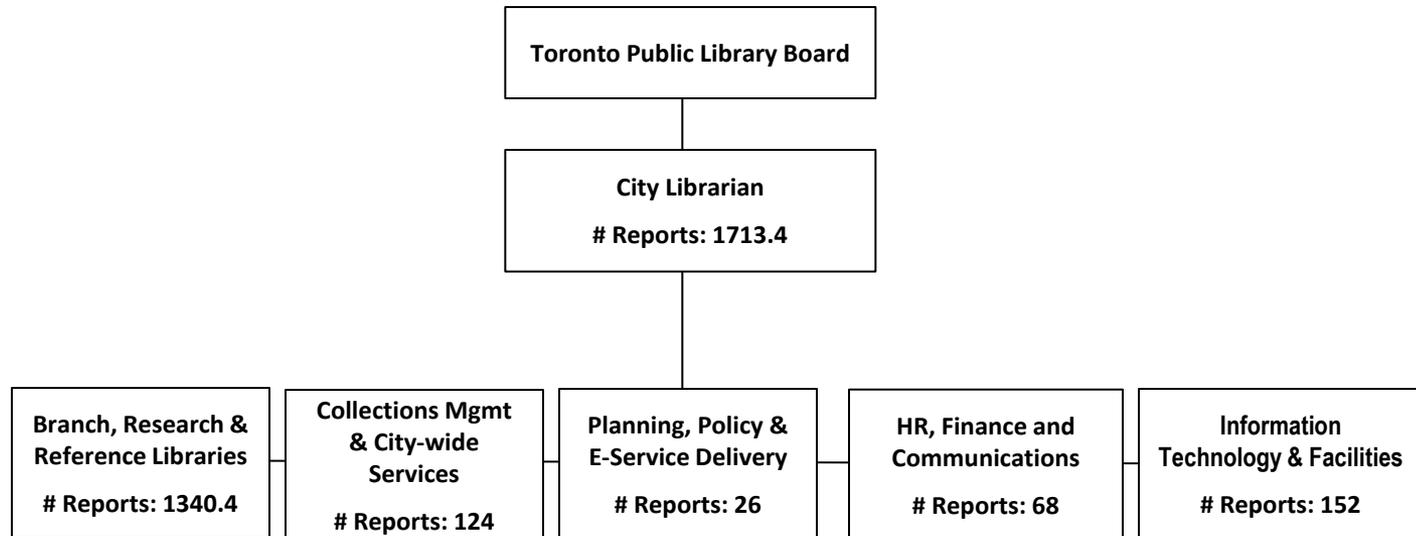
Operating Overview



2014 Key Service Levels

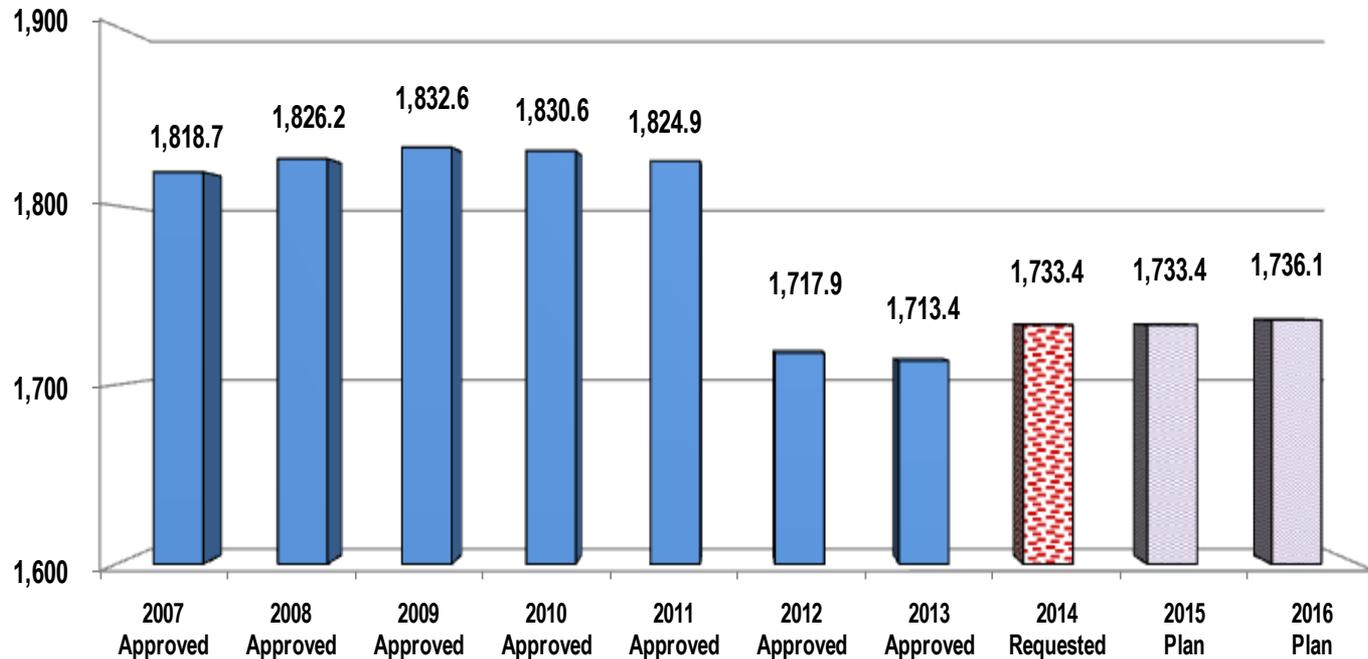
Activity	Service Levels	
	2013	2014 Proposed
Collection Use and Borrowing	Collection size per capita: 3.9 0.28 new items added per capita Turnover 5.2 (average number of circulations per item per year)	Collection size per capita: 3.9 0.28 new items added per capita Turnover 5.3 (average number of circulations per item per year)
Branch and Virtual Access	1 library branch per minimum 25,000 population 62,862 sq .ft. of library space per 100,000 population 9,283 open hours per 100,000 population 76.4 workstations per 100,000 population Wireless internet access in all locations 1076 programs per 100,000 Virtual Library Branch Services available 24/7	1 library branch per minimum 25,000 population 63,955 sq. ft. of library space per 100,000 population 9,514 open hours per 100,000 population 78.9 workstations per 100,000 population Wireless internet access in all locations 1076 programs per 100,000 Virtual Library Branch Services available 24/7
Partnerships, Outreach and Customer Engagement	Maintain over 120 partnerships Maintain 86,200 in volunteer hours Deliver mobile library services, including 2 Bookmobiles and home library service Outreach to community based groups and schools including Kindergarten and Grade 4 classes reaching 100% classes in priority neighbourhoods and 75% all other schools.	Maintain over 120 partnerships Maintain 86,200 in volunteer hours Deliver mobile library services, including 2 Bookmobiles and home library service Outreach to community based groups and schools including Kindergarten and Grade 4 classes reaching 100% classes in priority neighbourhoods and 75% all other schools.

2014 Organization Chart



Category	Management	Exempt Professional & Clerical	Union	Total
Full-time	80	29	1147	1256
Part-time			457.4	457.4
Total	80	29	1604.4	1713.4

Staffing Trend



Key Points:

- 2012 – 107 FTE reductions as part of efficiencies – service consolidations, technology implementation, business process re-engineering (Lean Six Sigma), and management & exempt positions
- 2013 – 4.5 FTE reductions – from implementation of self-service and automated sorting technologies
- 2014 - 20 FTE additions to staff – Fort York and Scarborough new branches
- The chart does not reflect 4 additional FTEs required to implement additional operating hours and after hours study halls requested by the Board in 2014.

Net Operating Budget and Staff Changes

- 5 Year Overview

(\$000's)	Approved Budget					Rec'd Base
	2009	2010	2011	2012	2013	2014
Approved Net Budget	163,913.9	167,099.6	170,797.9	164,778.2	165,359.6	167,327.4
Net Change		3,185.7	3,698.3	(6,019.7)	581.4	1,967.8
% Change from Prior Year		1.94%	2.21%	-3.52%	0.35%	1.19%
Approved Complement	1,832.6	1,830.6	1,824.9	1,717.9	1,713.4	1,733.4
Net Change		(2.0)	(5.7)	(107.0)	(4.5)	20.0
% Change in Staff Complement		-0.11%	-0.31%	-5.86%	-0.26%	1.17%

Key Changes:

- Maintain open hours and collection level
- Invest in technology to achieve efficiencies
- Focus on efficiencies in support areas, including materials processing
- Focus on revenue diversification



2013 Service Performance



2013 Key Accomplishments

1. Maintenance of service and activity levels, including:

- 19.2 million visits to branches
- 26 million virtual visits
- 32.4 million total circulation
- 30,045 programs delivered, with 770,000 annual program attendance

2. Key Strategic Plan Initiatives Delivered

READ: Grow a City of Readers

- Increased access to e-collections including books, audio books and magazines; over 100% increase in usage.
- Early literacy initiatives: 80,000 *Let's Get Ready for Reading* guides distributed across Toronto and Ontario; new interactive early literacy centre, KidsStop, at Mount Dennis and Bloor/Gladstone branches.

LEARN: Develop a City of Learners

- System-wide education and learning programs focused on technology and targeting older adults.
- Supporting student success through school outreach programs, homework help, Leading to Reading literacy support programs, afterschool newcomer hubs.

2013 Key Accomplishments

2. Key Strategic Plan Initiatives Delivered (cont'd)

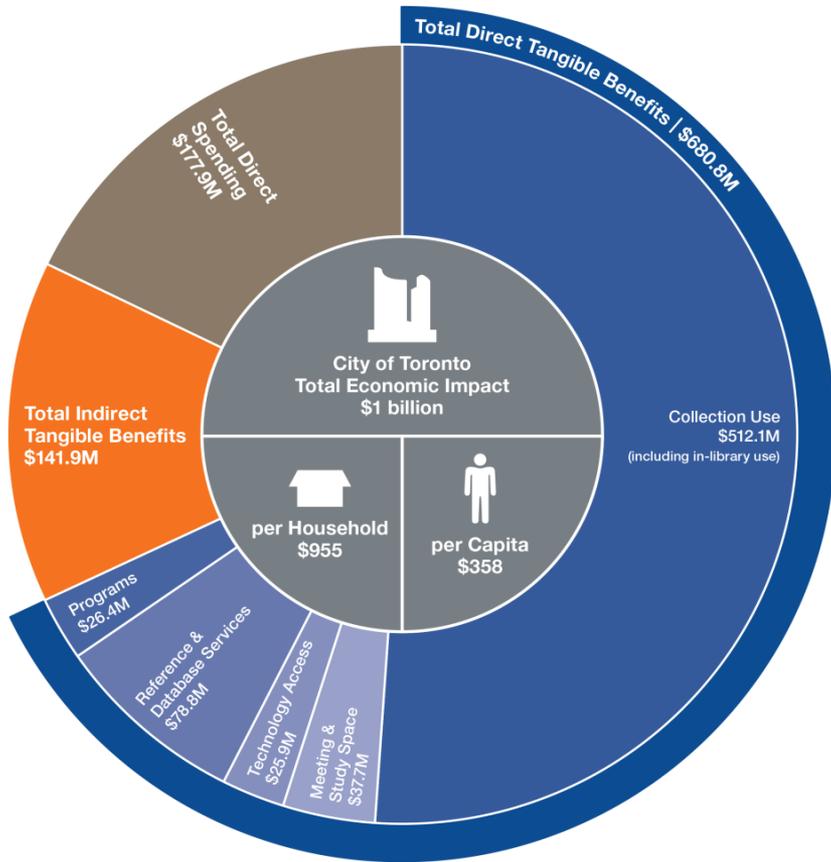
CREATE: Catalyze and Connect a City of Innovators, Entrepreneurs and Creators

- S.P.O.T. youth hub at Malvern branch in partnership with community and Library Foundation; maker programs for children
- Support for employment and entrepreneurs – expert staff help, meeting and work spaces, programs and seminars, in-branch and online information resources

DELIVER: Deliver Excellent Library Service to Torontonians Efficiently & Effectively

- Introduction of online fines payment for improved service and efficiency
- New revenue streams including date due slip advertising, art exhibit fees, and retail affiliate book and e-book program
- Library Economic Impact Study by the Rotman School of Management's Martin Prosperity Institute
- Updating and application of TPL's Accessibility for Persons with Disabilities Policy to support AODA compliance; included community and stakeholder consultations, TPL website and electronic databases audit, and staff training

Economic Impact of Toronto Public Library



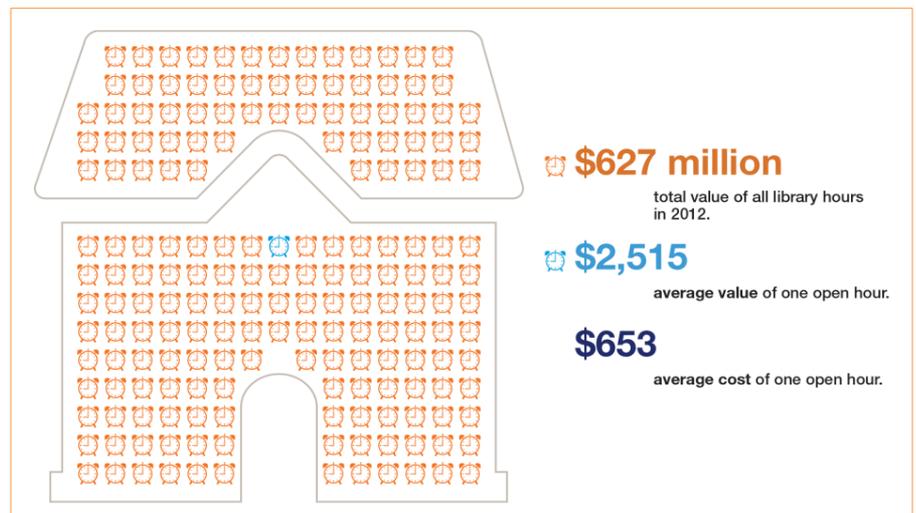
\$1 invested = \$5.63 of economic impact

think read listen enjoy
borrow explore watch
experience learn hear
see discuss contemplate

\$502 value of a library membership.



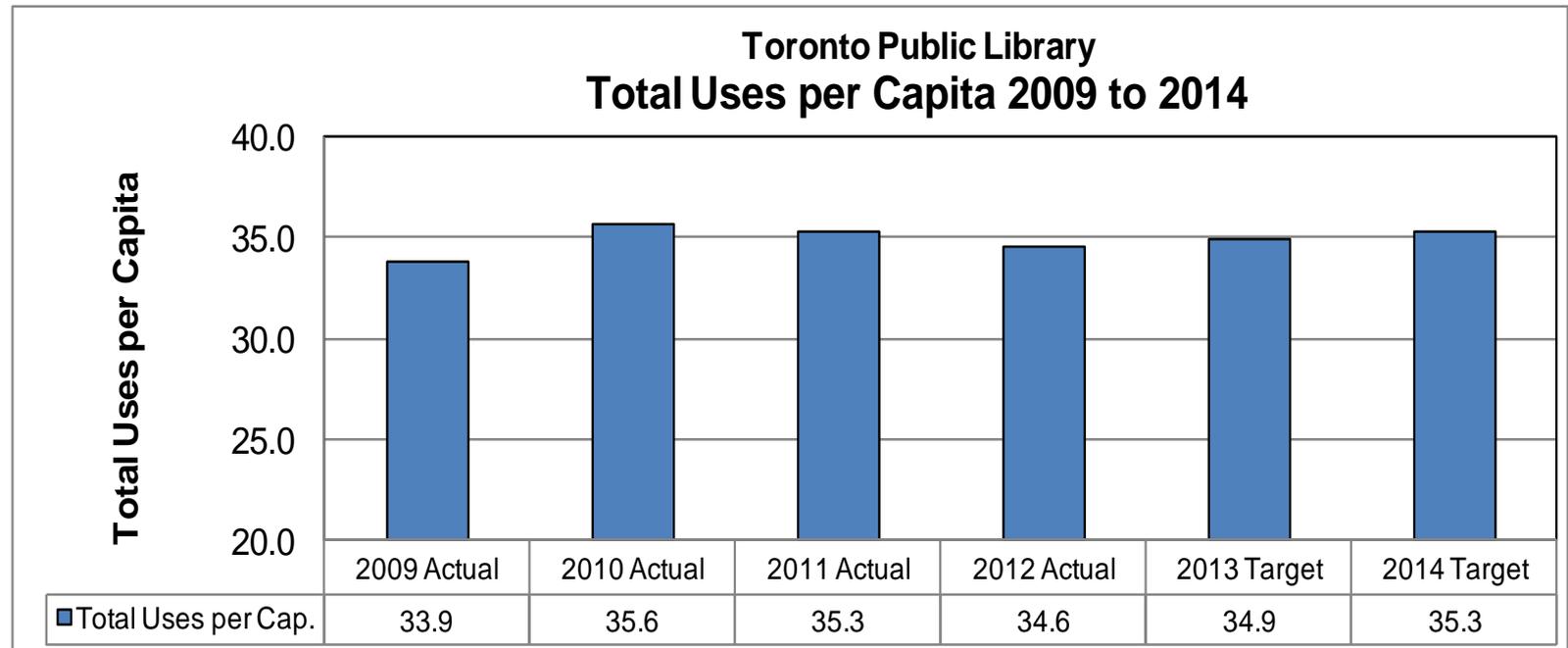
Based on up to **\$1 billion** in total direct benefits and use of the library by **72%** of Torontonians.



Library Activity 10 year trend (2003 – 2013)

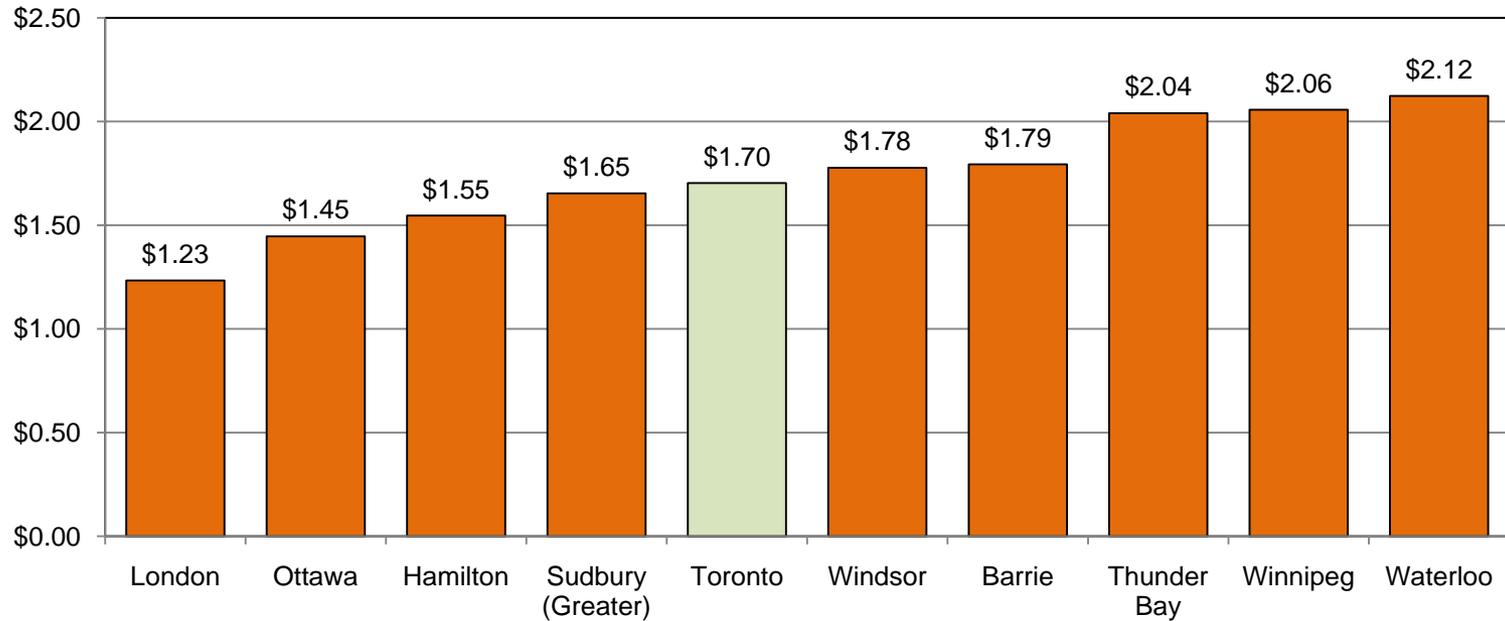
Circulation	12%	↑
In-person Visits	14%	↑
Virtual Visits	52%	↑
Reference Questions	-1%	↓
Total Use	18%	↑

Service Performance: Effectiveness



Service Performance: Efficiency

Library Operating Cost per Use - 2010 to 2012 Average



Toronto cost per use has declined 3% between 2010 and 2012

2013 Budget Variance - as of September 30, 2013

(In \$000s)	2011 Actuals	2012 Actuals	2013 Approved Budget	2013 Sept. 30 YTD Actuals	2013 Projected YE Actuals	2013 Approved Budget vs Projected Actuals	
	\$	\$	\$	\$	\$	\$	%
Gross Expenditure	193,167	175,356	182,031	130,413	183,059	1,028	0.6%
Revenues	22,529	16,281	16,671	12,159	18,250	1,579	9.5%
Net	170,638	159,075	165,360	118,254	164,809	(551)	-0.3%
Approved Positions	1,824.9	1,717.9	1,713.4	1,656.8	1,653.4	(60.0)	-3.5%

Key Points:

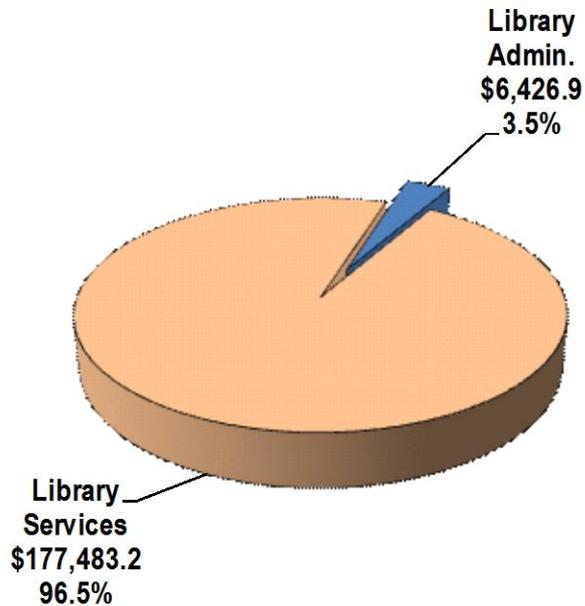
- A projected 2013 surplus of \$0.551 million
- Results mainly reflect salary savings from the 2012 restructuring, the closure of the Fairview branch for renovations and higher gapping due to high levels of staff movement
- \$650,000 in salary savings are included in 2014 as permanent savings in the operating budget

2014 Staff Recommended Operating Budget

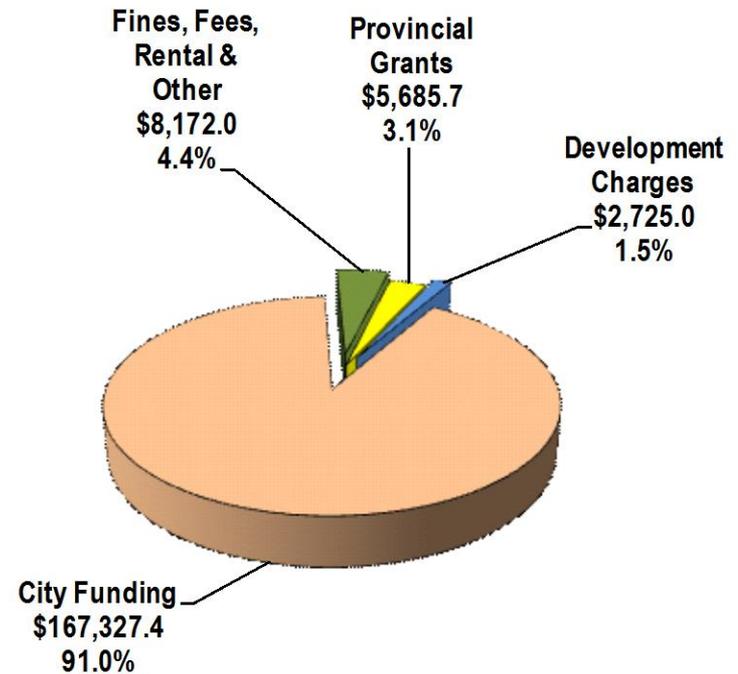


2014 Gross Operating Expenditures by Service and Funding Sources

2014 Operating Budget by Service
\$183,910 (\$000s)



2014 Operating Budget by Funding Source
\$183,910 (\$000s)



Staff Recommended 2014 Net Operating Budget - by Category & Funding Source

Category of Expense (In \$000s)	2011	2012	2013	2013	2014	2014 Change from		2015	2016
	Actual	Actual	Budget	Projected	Rec'd	2013 Approved		Plan	Plan
	\$	\$	\$	\$	\$	\$	%	\$	\$
Salaries and Benefits	148,292	129,022	136,554	135,804	137,488	933	0.7%	141,080	142,218
Materials and Supplies	3,054	3,548	2,968	3,107	2,996	28	1.0%	3,211	3,368
Library Materials	17,115	17,503	17,366	17,382	17,987	621	3.6%	18,432	18,888
Services & Rents	22,128	22,628	22,505	24,129	22,797	291	1.3%	23,564	23,950
Contributions to Capital	1,768	1,828	1,842	1,842	1,848	6	0.3%	1,848	1,848
Contributions to Reserve/Res Funds	736	821	791	791	791	-	0.0%	791	791
Other Expenditures	75	6	4	4	4	-	0.0%	4	4
Total Gross Expenditures	193,167	175,355	182,030	183,059	183,910	1,880	1.0%	188,930	191,066
Provincial Subsidies	5,977	5,766	5,686	5,724	5,686	-	0.0%	5,686	5,686
Federal Subsidies	539	284	20	61	20	-	0.0%	20	20
User Fees & Donations	5,469	6,049	5,066	4,718	5,205	139	2.7%	5,257	5,257
Transfers from Capital Fund	88	141	389	389	340	(49)	-12.6%	312	295
Contribution from Reserve	8,228	1,750	3,236	3,236	2,825	(411)	-12.7%	2,725	2,725
Sundry Revenues	2,228	2,290	2,274	4,122	2,507	234	10.3%	2,585	2,507
Total Revenues	22,529	16,281	16,671	18,250	16,583	(88)	-0.5%	16,585	16,490
Total Net Expenditures	170,638	159,075	165,360	164,809	167,327	1,968	1.2%	172,345	174,577
Approved Positions	1,824.9	1,717.9	1,713.4	1,653.4	1,733.4	20.0	1.2%	1,733	1,736

2014 Operating Budget – Key Cost Drivers

(In \$000s)	2014 Rec'd Base Budget
Gross Expenditure Changes	
Operating Impacts of Capital	
Operating Impact of new Fort York branch (10 months)	950.0
Operating Impact of new Scarborough branch (2 months)	158.1
Economic Factors	1,099.0
COLA and Progression Pay	2,607.1
Expenditure Changes	4,814.2
Revenue Changes	
Operating Impact of new Fort York and Scarborough branches	62.0
Revenue Changes	62.0
Net Expenditures	4,752.2

2014 Recommended Service Changes

- Efficiencies, reductions and revenue increases

Description (\$000's) Increase / (decrease)	2014 Recommended Service Changes				
	Position Changes	Gross Expense	Revenue	Net Expense	% Change over 2013 Budget
	#	\$	\$	\$	%
2014 Base Budget Request before Reductions	1733.4	185,608.1	15,496.3	170,111.8	2.9%
Base Expenditure Changes					
- Salary savings		(1,127.0)		(1,127.0)	(0.7%)
- Reduce contribution to capital technology repl. program		(100.0)		(100.0)	(0.1%)
- Savings associated with capital project implementation		(91.0)	(49.0)	(42.0)	(0.0%)
Base Budget Change	0.0	(1,318.0)	(49.0)	(1,269.0)	(0.8%)
Service Efficiencies					
- Efficiency and cost control programs		(390.0)		(390.0)	(0.2%)
- Reduce general economic adjustment		(219.4)		(219.4)	(0.1%)
- Library collections Economic Increase		0.0		0.0	(0.1%)
Sub-total Service Efficiencies	0.0	(609.4)	0.0	(609.4)	(0.4%)
Revenue Changes					
- Additional development charges funding for collections		0.0	725.0	(725.0)	(0.4%)
- Fees and rental increases		129.4	310.4	(181.0)	(0.1%)
Sub-total Revenue Adjustments	0.0	129.4	1,035.4	(906.0)	(0.5%)
Total Changes	0.0	(1,798.0)	986.4	(2,784.4)	(1.7%)
2014 Requested Base Operating Budget	1,733.4	183,810.1	16,482.7	167,327.4	1.2%
Increase over 2013	20.0	3,016.2	986.4	1,967.8	1.2%

New and Enhanced Service Requests

Description (\$000's)	2014 Requested		
	Gross Expenditures	Net Expenditures	New Positions
Recommended			
Pan Am Games programs	100.0	0.0	
Total Recommended	100.0	0.0	0.0

Not Recommended			
Increase 34.5 hrs/week - 8 branches will add Monday morning or Friday night library hours	260.0	260.0	4.0
After hours study hall pilot - 4 locations will open until midnight Sun-Thu from Sept. to June	140.0	140.0	
Total Requested, Not Recommended	400.0	400.0	4.0

2015 and 2016 Plans

Description (\$000s)	2015 - Incremental Increase					2016 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Previous Year's Approved Base Budget	183,910.1	16,582.7	167,327.4		1,737.4	188,935.2	16,590.1	172,345.1		1,737.4
Known Impacts:										
Salary Increase	3,029.6	-	3,029.6	1.81%	-	546.0	-	546.0	0.32%	-
Operating Impact of Capital	892.3	24.0	868.3	0.52%	-	79.0	(17.0)	96.0	0.06%	2.7
General Economic Increase	674.8	-	674.8	0.40%	-	652.9	-	652.9	0.38%	-
Library Collections Economic Increase	445.0	-	445.0	0.27%	-	456.1	-	456.1	0.26%	-
Adjust number of working days	-	-	-	0.00%	-	480.3	-	480.3	0.28%	-
Pan Am Games	(16.6)	(16.6)	-	0.00%	-	(83.4)	(83.4)	-	0.00%	-
Total Incremental Impact	5,025.1	7.4	5,017.7	3.00%	-	2,130.9	(100.4)	2,231.3	1.29%	2.7
2015-2016 Operating Budget Forecast	188,935.2	16,590.1	172,345.1		1,737.4	191,066.1	16,489.7	174,576.4		1,740.1



Capital Overview



Key Objectives

- 100 branches and 2 service locations
- Maximize TPL's non-debt funding sources and minimize City debt impact
 - Development charges, Section 37, City reserves and the Toronto Public Library Foundation
- Continue addressing State of Good Repair (SOGR) backlog
- Meet the growth in population and service demand:
 - Two new branches, Fort York and Scarborough Civic Centre (2014)
 - Relocation and expansion of Bayview (2015) and St. Lawrence (2017) branches
 - Renovation of Mimico branch (2022)

2013 Capital Performance



Summary of Major Projects To Be Completed in 2013

Completion of branch renovations:

- Mount Dennis branch (Urban Design Award recipient)
- Fairview branch (Jan 2014 re-opening)

Completion of 18 State of Good Repair projects at 15 branches

- Reroofing, floor replacement, mechanical/electrical, structural/building envelope, repaving and other site work.

Completed 39 self service technology implementations

Capital Spending - Budget to Actual Comparison

2013 Approved	Actuals as of Oct. 31, 2013 (3rd Quarter Variance)		Projected Actuals at Year End		Unspent Balance	
	\$	% Spent	\$	% Spent	\$ Unspent	% Unspent
39,198.0	21,225.0	54.1%	35,040.0	89.4%	4,158.0	10.6%

Key Points:

- Projected under-spending is mainly due to:
 - Delays in start of construction of the Library Processing Centre
 - Installation of automated sorter at the site of the Library Processing Centre
- Achieved an average spending rate of 85% over the past 5 years

2014 – 2023 Staff Recommended Capital Budget and Plan



Summary of Major Projects in the 10-Year Capital Budget and Plan

- Key Projects to be completed in 2014
 - New Fort York branch
 - Library processing centre
 - New Scarborough Civic Centre branch
 - Toronto Reference Library

- Key Projects for 2014 to 2023

Renovations

Albion
Sanderson
Dawes Road
Albert Campbell
Weston
Brookbanks
North York Central
Parliament Street
Centennial

Relocations

Bayview
St. Lawrence
Guildwood

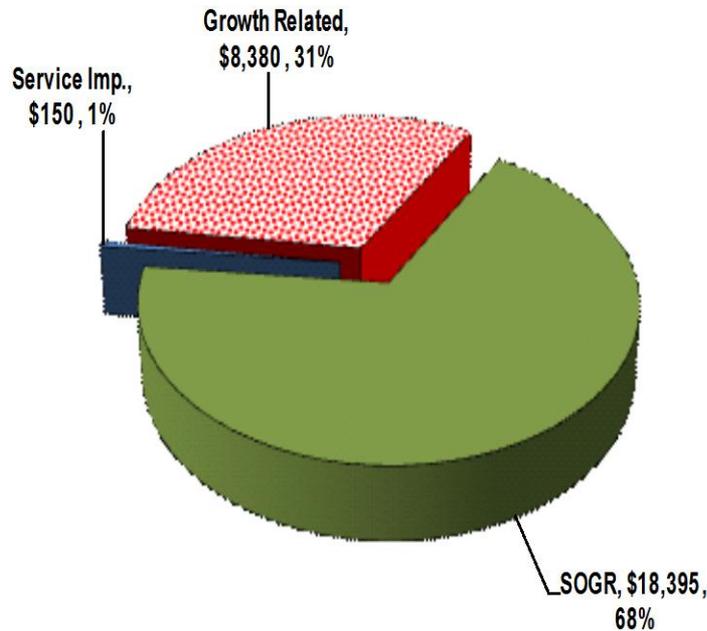
Ongoing

State of good repair
Lifecycle replacement of technology assets
Virtual Branch Services

Capital Spending by Project Category and Funding Sources – 2014 Capital Budget

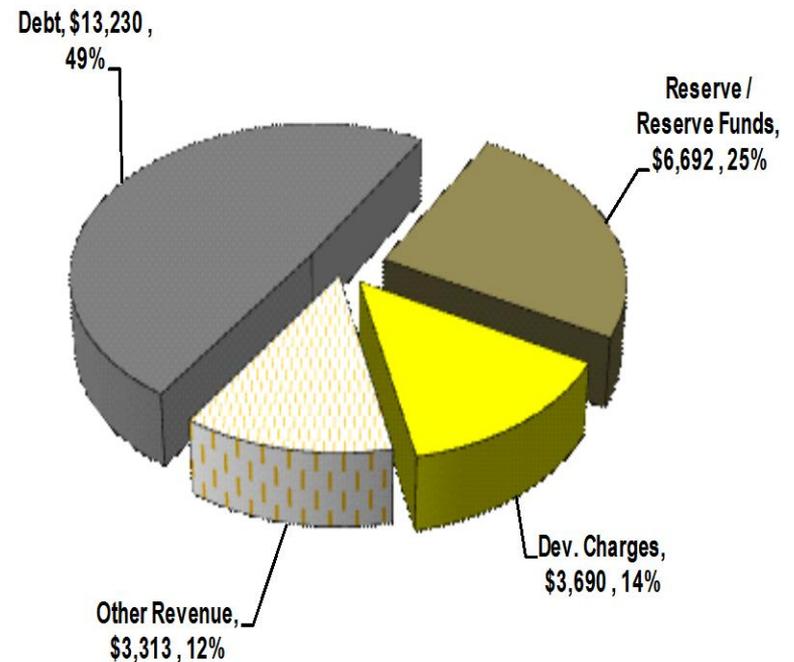
2014 Capital Budget and Plan Expenditures

\$26,925 (000's)



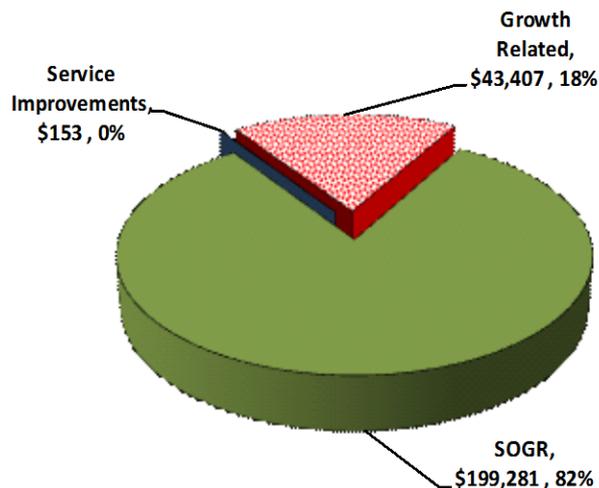
2014 Capital Budget and Plan by Funding Source

\$26,925 (000's)

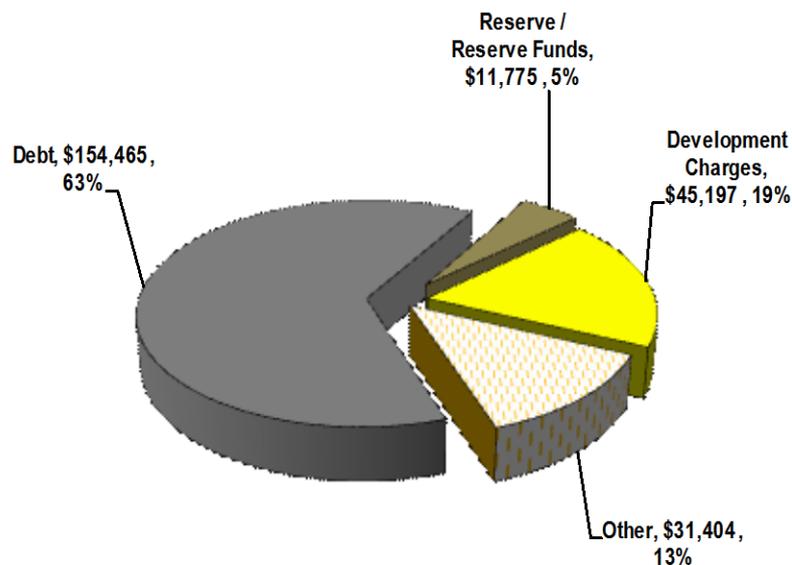


Capital Spending by Program and Funding Sources - 2014 – 2023 Capital Budget and Plan

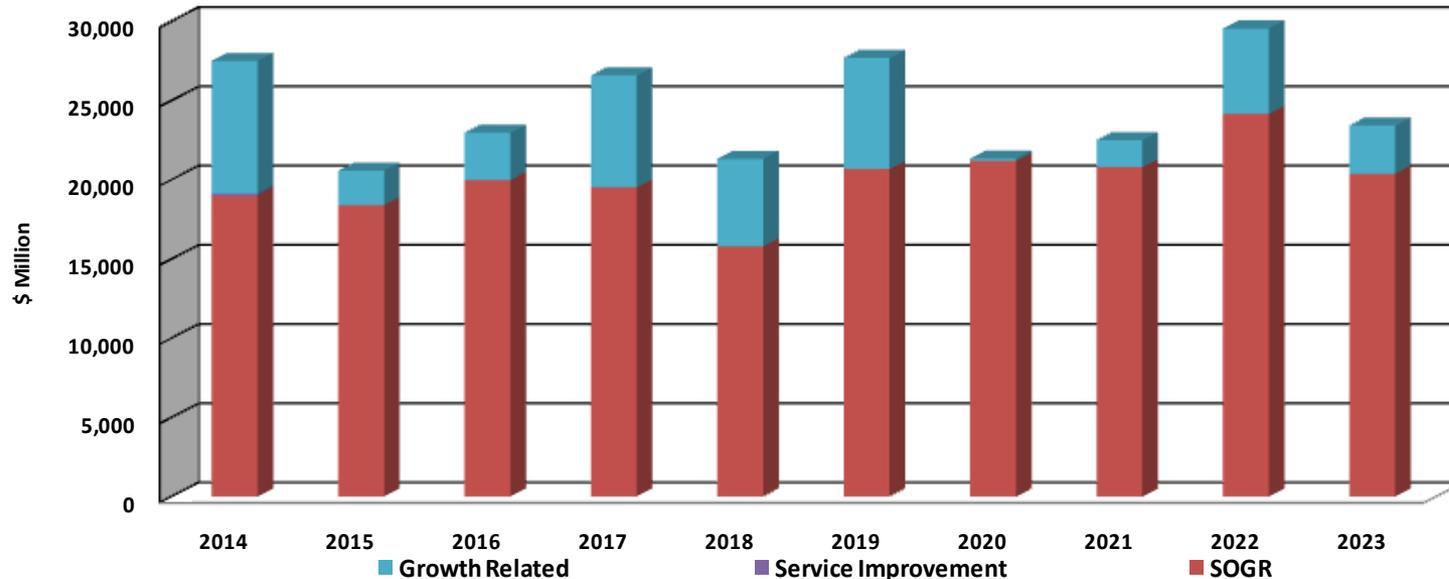
Where the Money Goes
\$242,841 (000's)



Where the Money Comes From
\$242,841 (000's)



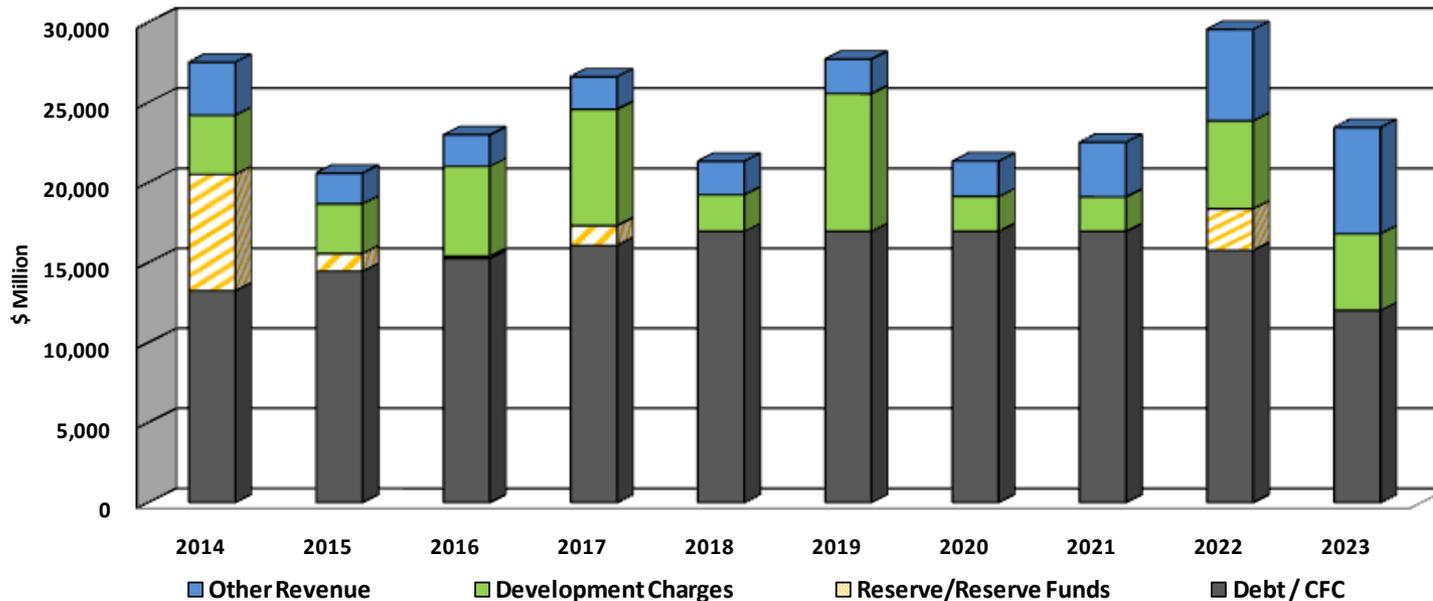
2014 – 2023 Capital Plan by Category



Key Points:

- State of Good Repair projects continue to drive TPL's 10-Year Recommended Capital Plan, with total funding of \$199.3 million or 82% addressing SOGR needs, \$0.1 million for service improvement and \$43.4 million or 18% allocated to Growth Related projects.

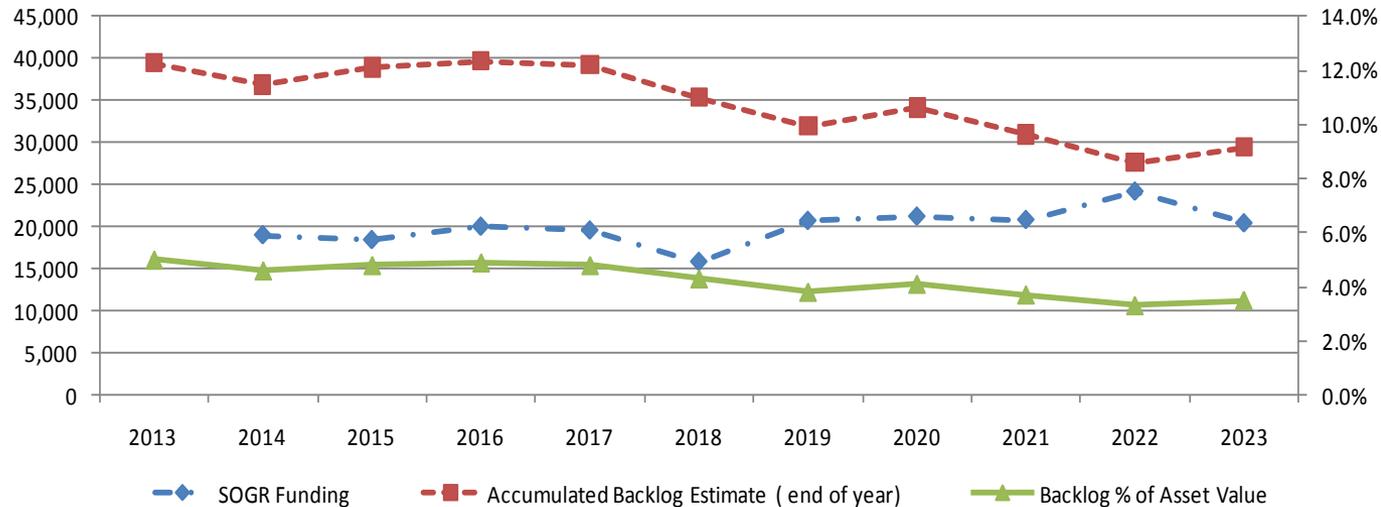
2014 – 2023 Capital Plan by Funding Source



Key Points:

- The 10-Year Recommended Capital Plan requires total funding of \$242.8 million. Overall, debt constitutes 64% of the required funding and amounts to \$154.5 million. The debt funding requested meets the debt affordability target each of the years from 2014-2023.

State of Good Repair Backlog



% Asset Value Trend Analysis:

- Based on the current 10-year capital program which meets debt targets, at the end of 10 years the building SOGR backlog will decrease from 39.4 million at the end of 2013 to 29.4 million by 2023, a 25% decline.

Incremental Operating Impact of Capital

(\$000s)	2014 Rec. Budget	2015 Plan	2016 Plan	2017 Plan	2018 Plan	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2023 Plan	2014-2023 Total
2014 Recommended Capital Budget											
Library Processing Centre Relocation to Ellesmere (2012-2014)	(4)	(4)									(8)
Fairview Renovation (2011-2014)	(99)										(99)
Fort York New Construction (2011-2014)	897	19									916
Scarborough Civic Centre New Construction (2009-2015)	149	744									893
Toronto Reference Library Renovation (2007-2014)	12										12
Sub-Total	955	759	0	1,714							
Recommended 10-Year Capital Plan											
Albert Campbell Renovation (2017-2020)						18	18				36
Albion Renovation (2012-2016)			17	17							34
Bayview Relocation (2013-2017)			17	17							34
Brookbanks Renovation (2020-2024)									29	29	58
Bridlewood Renovation (2013-2017)		42	12								54
Centennial Renovation (2020-2024)									9	9	18
Dawes Road (2016-2022)					95	95					190
Guildwood Relocation (2019-2023)									75	75	150
Northern District Renovation (2019-2024)										11	11
North York Central Renovation (2015-2021)							25	25			50
Parliament Renovation (2018-2021)							14	14			28
Perth/Dupont Renovation (2020-2021)								15	15		30
Sanderson Renovation (2015-2018)			13	13							26
St. Clair/Silverthorn Renovation (2015-2018)			9	9							18
St. Lawrence Relocation (2016-2019)					766	766					1,532
Weston Renovation (2018-2022)								15	15		30
Wychwood Renovation (2014-2016)		11	11								22
Sub-Total	0	53	79	56	861	879	57	69	143	124	2,321
Total	955	812	79	56	861	879	57	69	143	124	4,035
FTE	20	0	2.7	0	14	0	0	0	0	0	36.7

Key Issues for 2014 and Beyond

- Managing construction costs
 - Inflation
 - City's approved green standards for buildings
 - Accessibility requirements
- Continuing to address State of Good Repair (SOGR) backlog
 - Building Condition Assessment
- Managing growth in population and service demand
- Meeting demand for virtual branch e-services and in-branch technology
- Minimizing operating impact
- Beneficial impact of Development Charges By-Law



Thanks