

Toronto Public Library

Staff Recommended 2015 Operating Budget & 2015 – 2024 Capital Budget and Plan

Budget Committee Presentation
January 26, 2015



Agenda

- Key Accomplishments
- TPL at a Glance
- Economic Impact of Toronto Public Library
- 2015 – 2024 Staff Recommended Capital Budget and Plan
- 2015 Staff Recommended Operating Budget
- Recommended Service Levels
 - Service Performance and Service Levels
 - Issues, Opportunities and Priority Actions

2014 Key Accomplishments

Key Strategic Plan Initiatives Delivered

READ: Grow a City of Readers

- Increased access to e-collections including books, audio-books and magazines; 3.5 million digital items were borrowed representing 11% of total circulation
- Early Literacy Initiatives: Opening of a new KidsStop interactive early literacy center at the Fairview Branch, one of eight in branches across the system. *Ready for Reading* programs and services offered in branches and outreach locations across the city which helped children birth to 5 build early literacy skills as well as a lifelong love of reading;
- Introduced a revamped Grade 4 Outreach program – a registration and engagement initiative that encourages children who are transitioning from learning to read, to reading to learn, to visit the library and sign up for a library card.

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, and afterschool newcomer hubs.

2014 Key Accomplishments

Key Strategic Plan Initiatives Delivered (cont'd)

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

- Opening of two new Digital Innovation Hubs at the Toronto Reference Library and Fort York Branch, offering access to the latest design, a/v, editing and coding technology and software, 3D printing and workshops
- Support for employment and entrepreneurs – expert staff help, meeting and work spaces, programs and seminars, in-branch and online information resources
- A wide variety of creative and cultural programs, including after-school maker programs ; and partnership with Maker Faire, with 4,000+ attendees of all ages and interests at the Reference Library last November.

DELIVER: Deliver Excellent Library Service to Torontonians Efficiently & Effectively

- Opening of Fort York Branch and expanded hours
- Introduced or expanded revenue streams including Asquith Press Self-Publishing Service, gift shop, increased room booking and tenant revenue
- Continued focus on service excellence and efficiency through the delivery of online and self-serve technologies and innovations, including the introduction of online fines payment

TPL at a Glance

Connecting people to information and ideas

Torontonians visit the library and use our services in large numbers



19 million visits to branches



27 million visits to the library website



32 million items borrowed



810,000 people attended 31,000 programs



96% increase in the use of e-books

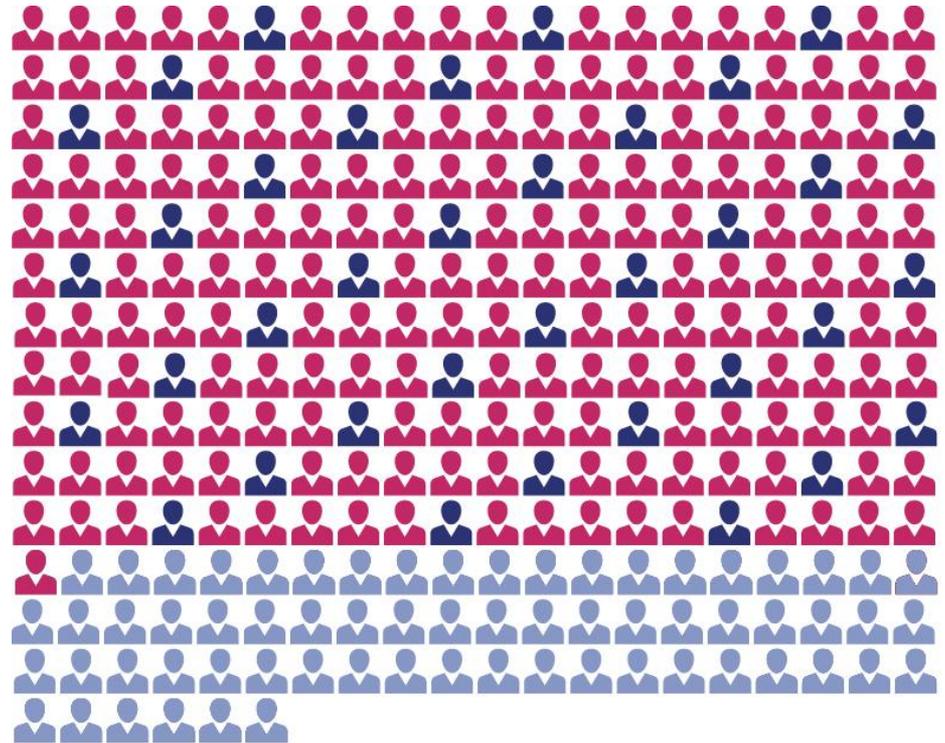


58% of Torontonians used a library computer or accessed the library's wireless network

TPL at a Glance

Connecting people to information and ideas

Torontonians visit the library and use our services in large numbers



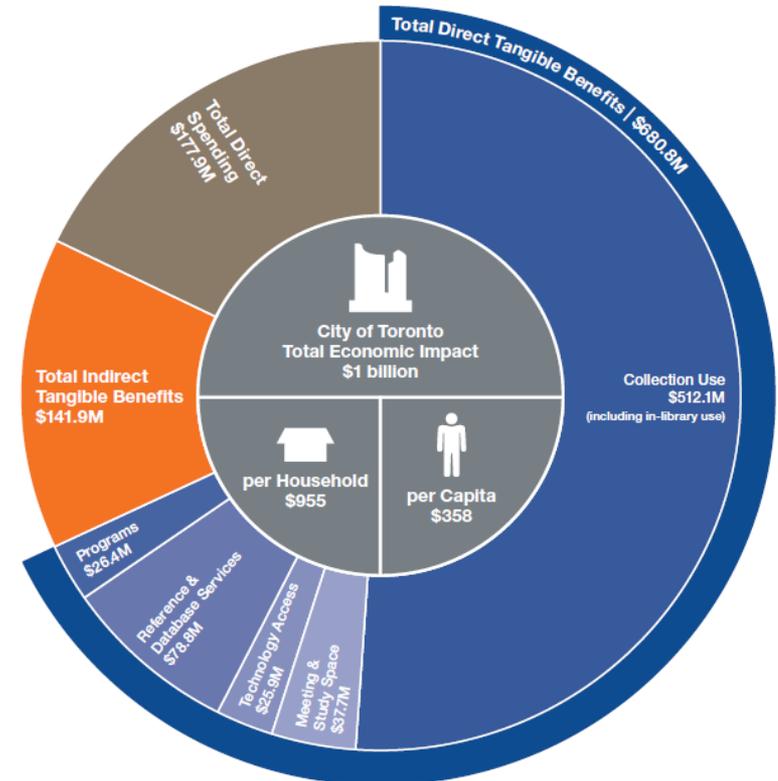
-  72% used the library in 2012
-  One in six visited once a week

Economic Impact of Toronto Public Library

In 2013, the library commissioned the Martin Prosperity Institute to conduct the first-ever Canadian study to measure the library's economic impact on Toronto

The results clearly demonstrate that TPL delivers a strong return on investment through the delivery of services that enhance Toronto's competitiveness and prosperity, and contribute to a better quality of life for all

Toronto Public Library creates over **\$1 billion** in total economic impact



\$1 invested = **\$5.63** in economic impact

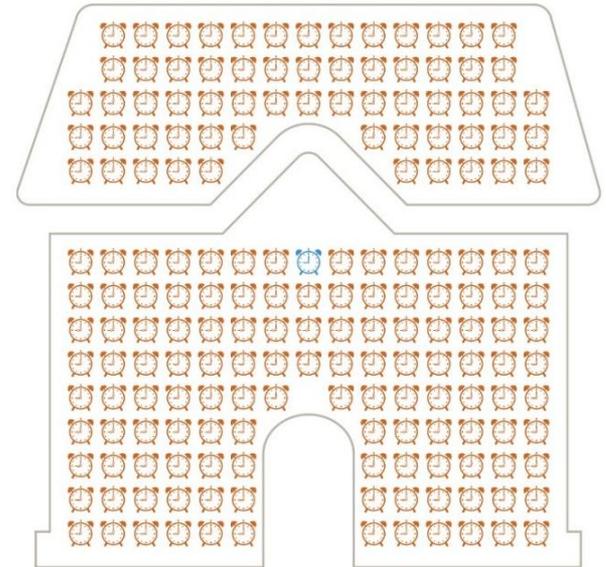
Economic Impact of Toronto Public Library

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.



 **\$627 million**

total value of all library hours in 2012.

 **\$2,515**

average value of one open hour.

\$653

average cost of one open hour.



**Staff Recommended
2015 – 2024 Capital Budget and Plan**



Capital Assets to Deliver Services

- Buildings – 100 branches and 2 service buildings
- Library Materials – 11.2 million items
- IT Equipment including self-service equipment
- Vehicle Fleet – 43 vehicles

:

Major Projects in the 10-Year Capital Budget & Plan

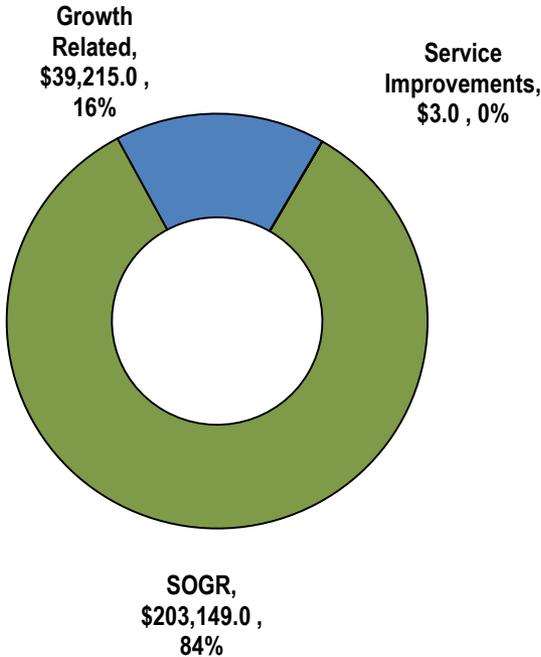
- Key projects to be completed in 2015
 - ✓ New Scarborough Civic Centre branch
- Key projects in 2015 – 2024 Plan
 - ✓ Albert Campbell
 - ✓ Agincourt
 - ✓ Albion
 - ✓ Bayview
 - ✓ Bridlewood
 - ✓ Brookbanks
 - ✓ Centennial
 - ✓ Dawes Road
 - ✓ Guildwood
 - ✓ High Park
 - ✓ Lifecycle replacement of technology assets
 - ✓ Mimico Centennial
 - ✓ Multibranch
 - ✓ North York Central
 - ✓ Northern District
 - ✓ Parliament Street
 - ✓ Perth/Dupont *
 - ✓ Sanderson
 - ✓ St. Clair/Silverthorn
 - ✓ St. Lawrence
 - ✓ Virtual Branch Services
 - ✓ Weston
 - ✓ Wychwood

* Additional \$0.841 million debt funding in excess of the 2018 debt target is not being recommended by City staff due to pending issues on the proposed site. It has been referred to the 2016 budget process.

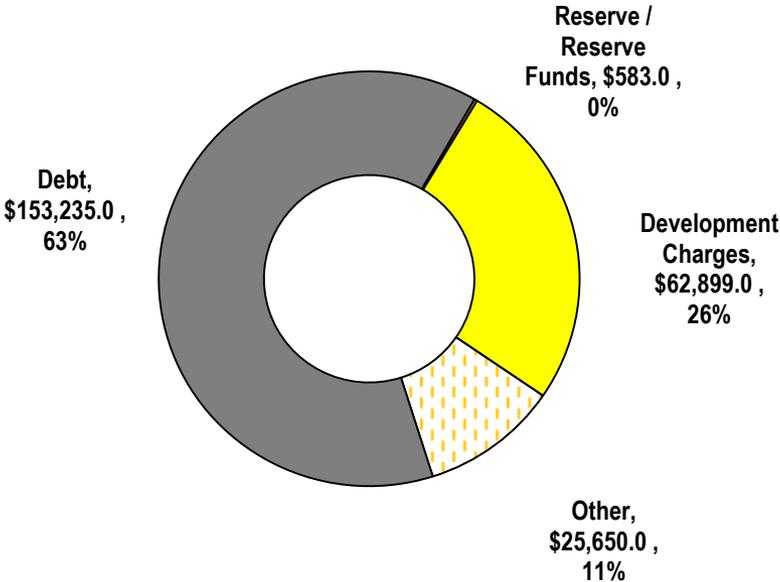
2015 – 2024 Capital Budget and Plan

Capital Spending by Program and Funding Sources

Where the Money Goes
\$242.367 Million



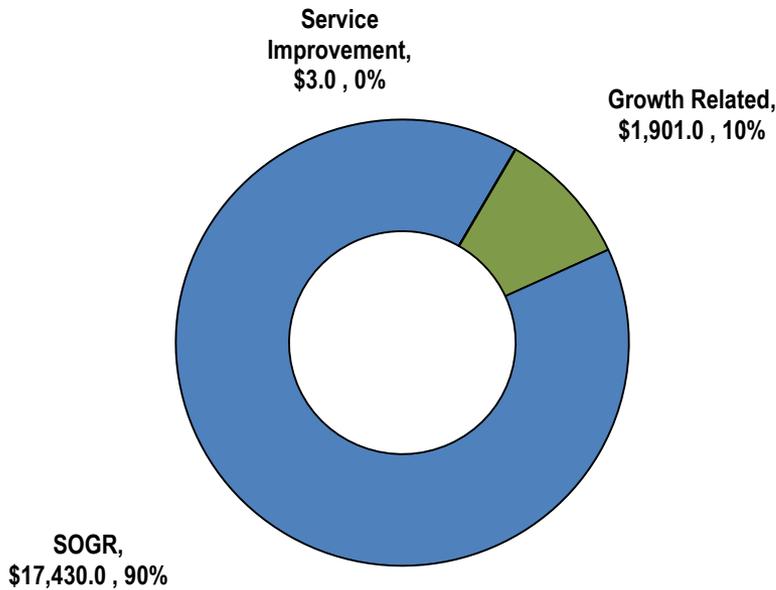
Where the Money Comes From
\$242.367 Million



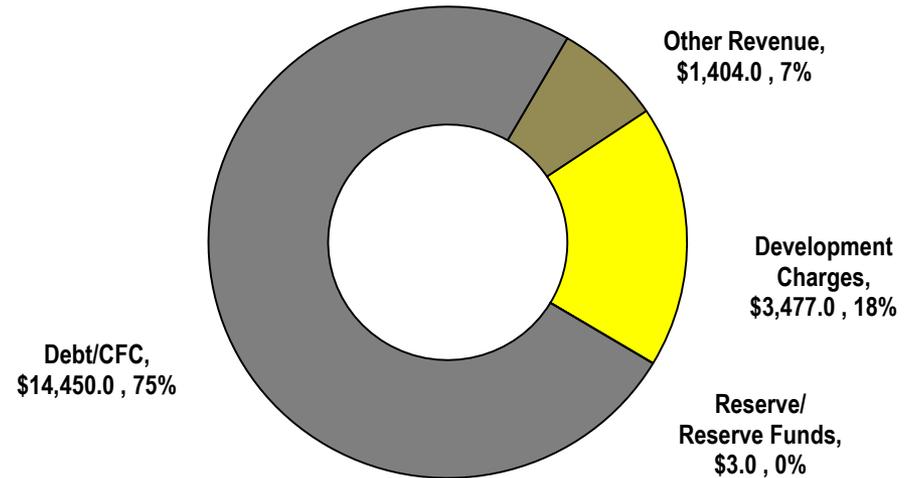
2015 Capital Budget

Capital Spending by Program and Funding Sources

Where the Money Goes
\$19,334 Million



Where the Money Comes From
\$19,334 Million

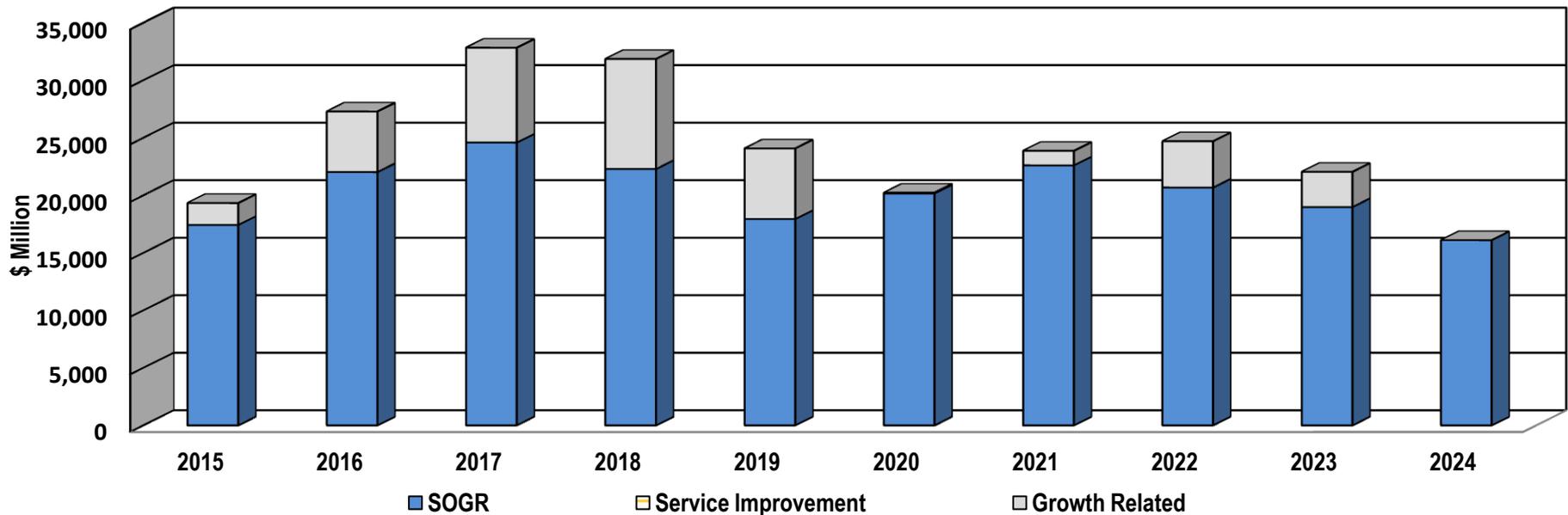


2015 – 2024 Capital Plan by Category

	2015–2024 Capital Budget and Plan by Project Category											2015-24	2015-24
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	\$	%	
SOGR	17,430	22,027	24,595	22,298	17,945	20,165	22,607	20,681	18,982	16,106	202,836	83.7%	
Service Improvement	3	0	0	0	0	0	0	0	0	0	3	0.0%	
Growth Related	1,901	5,264	8,241	9,565	6,134	71	1,261	4,028	3,063	0	39,528	16.3%	

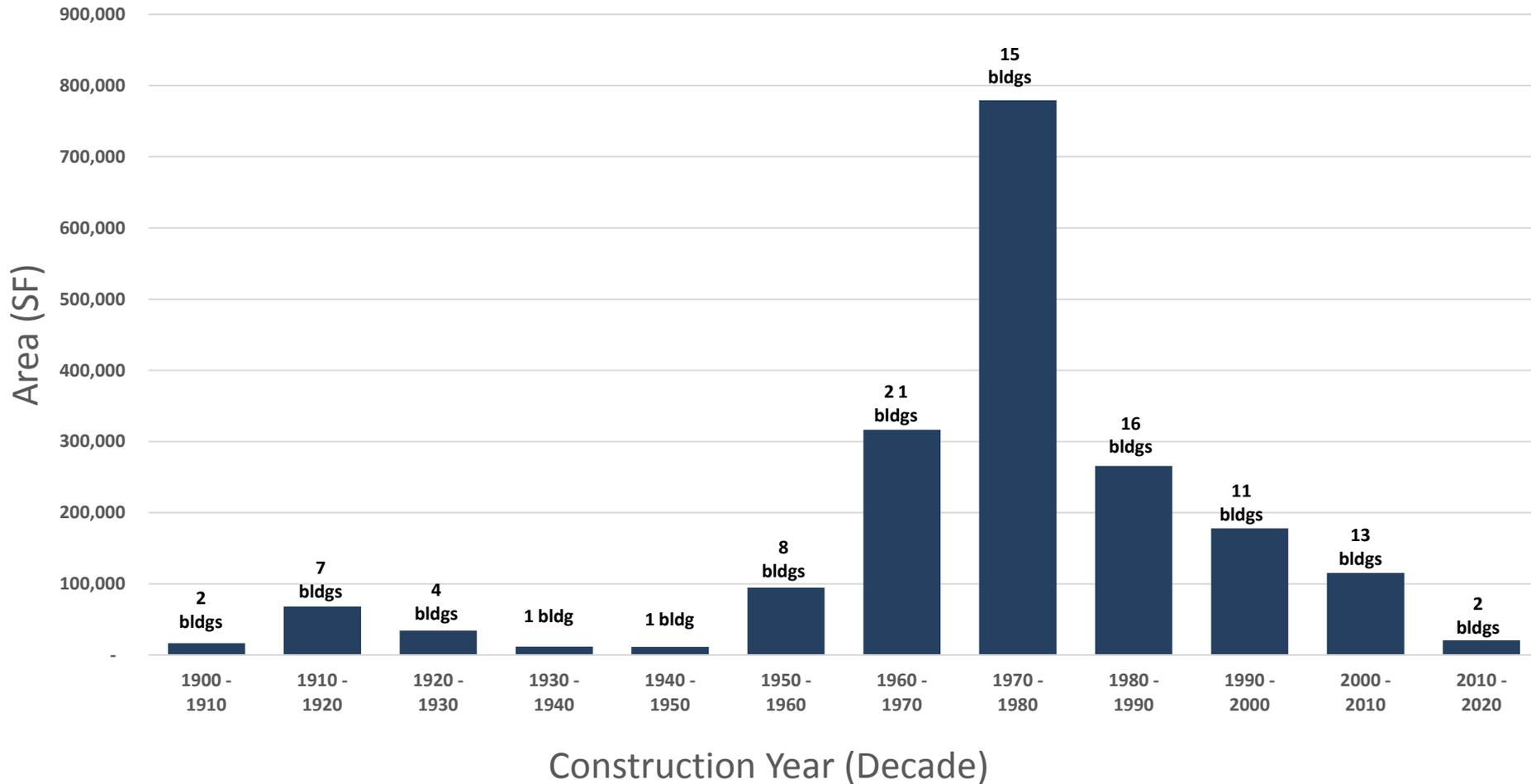
2015–2024 Capital Plan by Category

(In \$000s)



Context of 2015 Capital Budget

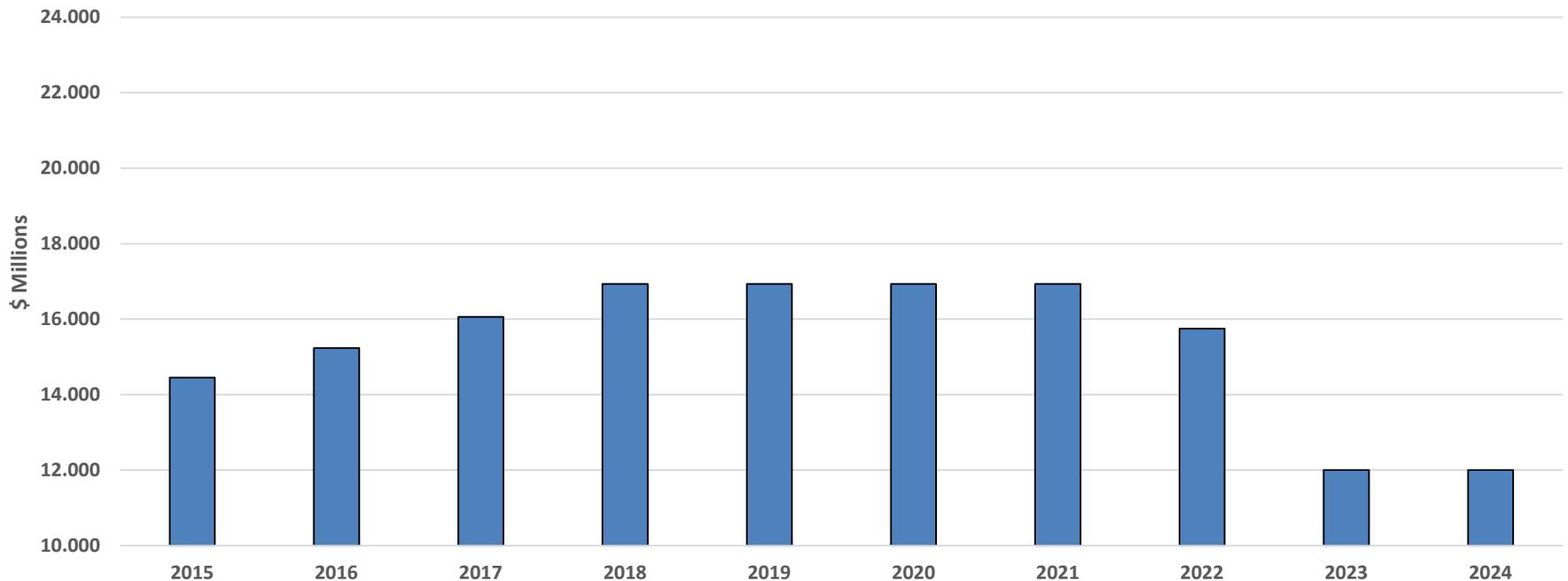
Buildings Age Profile by Decade



Context of 2015 Capital Budget

	2015-2024 City Debt Targets									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Debt Target	14.450	15.238	16.065	16.933	16.933	16.933	16.933	15.750	12.000	12.000

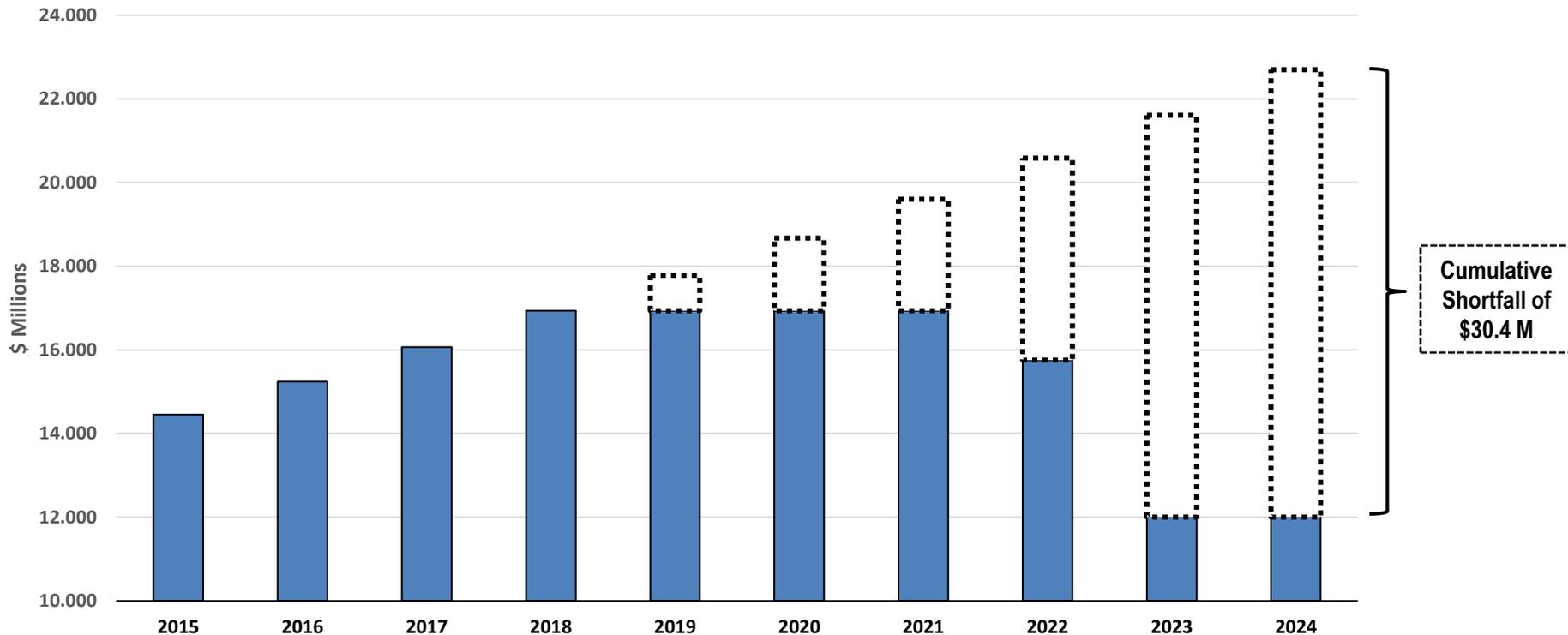
City Debt Targets
(in \$000's)



Context of 2015 Capital Budget

	2015-2024 Inflation-adjusted Debt Targets									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Debt Target	14.450	15.238	16.065	16.933	16.933	16.933	16.933	15.750	12.000	12.000
Inflation-adjusted Debt Target	14.450	15.238	16.065	16.933	17.780	18.669	19.602	20.582	21.611	22.692

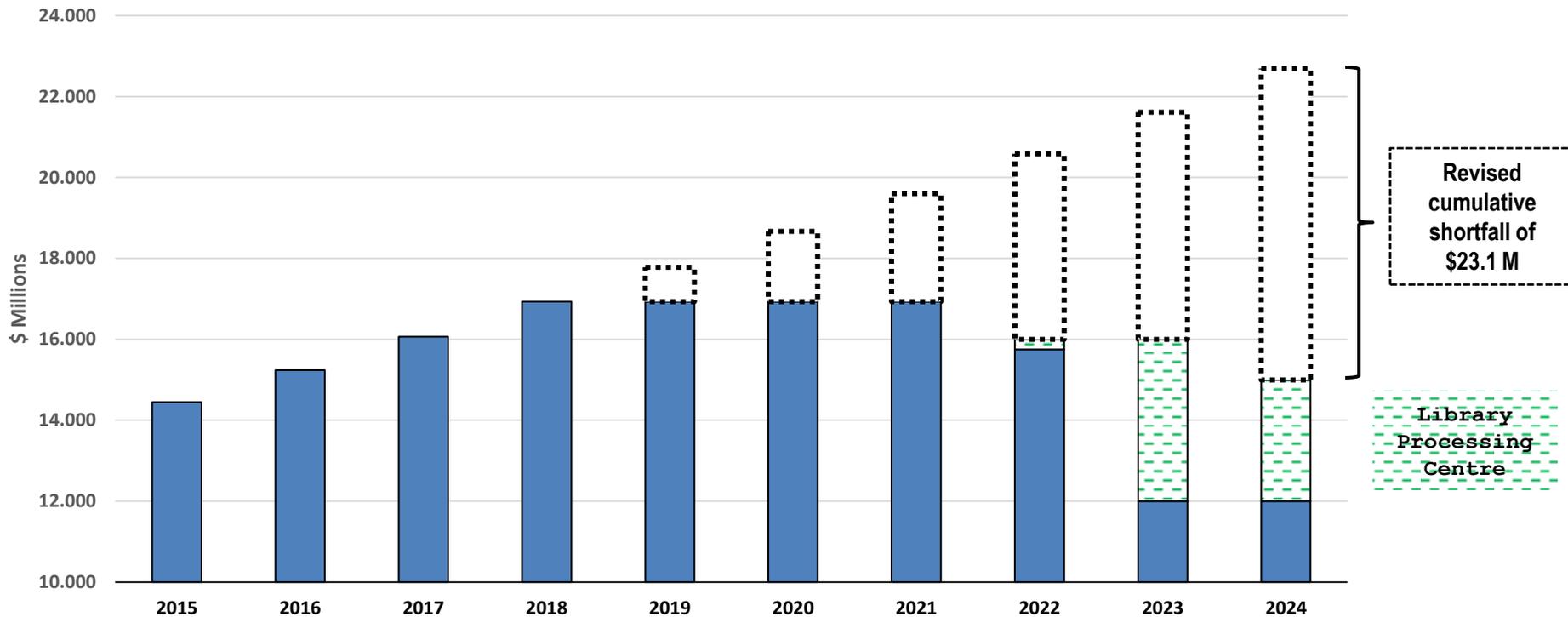
Inflation-adjusted Debt Targets



Context of 2015 Capital Budget

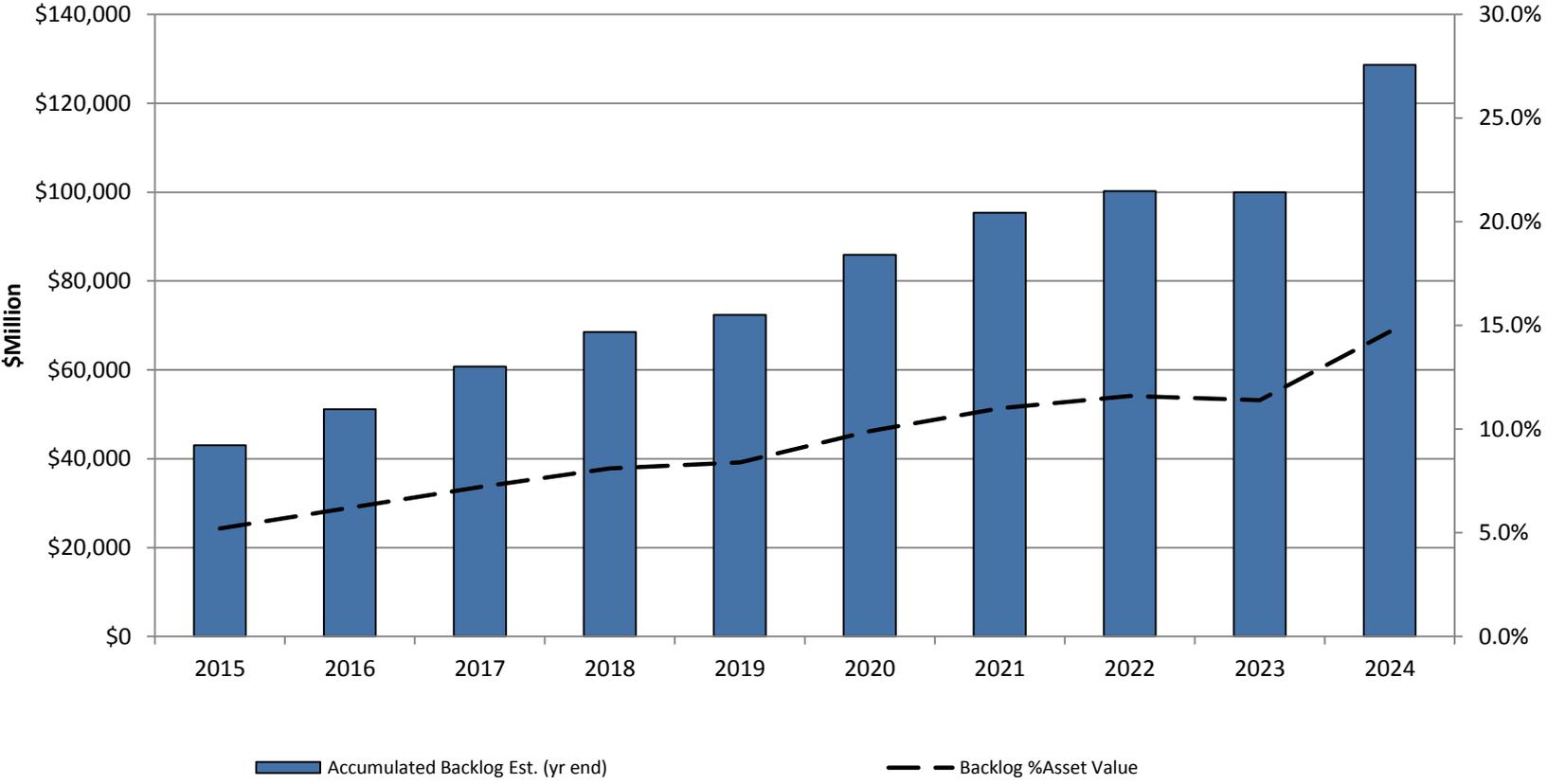
	2015-2024 Inflation-adjusted Debt Targets									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City Debt Target	14.450	15.238	16.065	16.933	16.933	16.933	16.933	15.750	12.000	12.000
Reduction for Library Processing Centre	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.250	4.000	3.000
Inflation-adjusted Debt Target	14.450	15.238	16.065	16.933	17.780	18.669	19.602	20.582	21.611	22.692

Inflation-adjusted Debt Targets



State of Good Repair Backlog - \$128.7 Million

Accumulated Backlog by Buildings and Backlog as a % of Asset Value



Incremental Operating Impact of Capital

Projects	2015 Rec'd Budget		2016 Plan		2017 Plan		2018 Plan		2019 Plan		2015 - 2019 Total		2015 - 2024 Total	
	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions	\$000s	Positions
Previously Approved projects														
Albion Reconstruction			17.0		17.0						34.0	-	34.0	
Fort York New Construction	19.0										19.0	-	19.0	
Scarborough Civic Centre New Construction	744.3										744.3	-	744.3	
Library Processing Centre Relocation to Ellesmere	(4.0)										(4.0)	-	(4.0)	
Bayview Relocation			16.0	2.7	16.0						32.0	2.7	32.0	2.7
Wychwood Renovation & Expansion					28.0		28.0				56.0	-	56.0	
Bridlewood Renovation			42.0		12.0						54.0	-	54.0	
New Projects - 2015														
St. Clair/ Silverthorn Renovation	8.0		8.0								16.0	-	16.0	
North York Central Renovation							23.0		23.0		46.0	-	46.0	
Dawes Road Construction & Expansion							93.0	1.0	93.0		186.0	1.0	186.0	1.0
New Projects - Future Year														
Albert Campbell Renovation											-	-	36.0	
Brookbanks Renovation											-	-	54.0	
Centennial Renovation											-	-	30.0	
Guildwood Relocation											-	-	80.0	0.5
Mimico Renovation											-	-	8.0	
Northern District Renovation											-	-	13.0	
Parliament Street Renovation											-	-	30.0	
Perth/Dupont Relocation					13.0		13.0				26.0	-	26.0	
Sanderson Renovation					13.0		13.0				26.0	-	26.0	
St. Lawrence Relocation & Expansion							799.0	14.0	799.0		1,598.0	14.0	1,598.0	14.0
Weston Renovation											-	-	30.0	
Total Recommended (Net)	767.3	-	83.0	2.7	99.0	-	969.0	15.0	915.0	-	2,833.3	17.7	3,114.3	18.2

Issues for 2015 and Beyond

- Growing State of Good Repair (SOGR)
 - 70% of TPL's 102 buildings were built in the 1960/70/80s
 - Declining debt targets
- High demand for public spaces in neighbourhoods across the city
 - for study, collaboration and programming
- Meeting demand for e-services and branch technology



**Staff Recommended
2015 Operating Budget and Plan**



2015 Program Map



Toronto Public Library provides free and equitable access to services which meet the changing needs of Torontonians. The Library preserves and promotes universal access to a broad range of human knowledge, experience, information and ideas in a welcoming and supportive environment.

Library Collections and Borrowing

- Develop and maintain a **collection of 11.2 million items** with an **annual circulation of 35.1 million**
- Provide library collections in multiple languages and formats, including e-content
- Make content available in a range of reading levels to support informational, educational, cultural and recreational pursuits

Branch and E-Services

- Maintain **266,288 open hours/yr** at 100 branches to support **19.9M in-person visits**, **6.6M workstation users**, **2.8M wireless sessions**, expanded **access to new technology** and a **suite of programs** to support reading, literacy and lifelong learning
- Provide in-branch access to collections, information services, programs and space for individual or group uses
- Support over **26.7M virtual visits** to the library's website, extending customer access to the library collections, including e-books, digitized materials and online databases **available 24/7** from tpl.ca

Partnerships, Outreach and Customer Engagement

- Increase awareness and use of library services among diverse communities using partnership and outreach strategies through a range of accessible channels.
- Continue to deliver services to vulnerable populations and to those who cannot visit branches
- Engage public through consultation on capital projects and development of a new strategic plan

2105 Operating Budget

City Staff Recommended Budget **2.3%**

Library Board Revised Budget **2.3%**

Board Revised & City Staff Recommended – 2.3% Budget

	Board Revised		City Staff Recom.	
	Net \$000s	%	Net \$000s	%
2014 Approved budget	167,637.4		167,637.4	
Budget pressures				
Cost increases	5,050.3	3.0%	5,050.3	3.0%
Fines revenue shortfall	775.0	0.5%	775.0	0.5%
	<u>5,825.3</u>	<u>3.5%</u>	<u>5,825.3</u>	<u>3.5%</u>
Budget reliefs				
Efficiency and expense savings	(881.8)	-0.5%	(881.8)	-0.5%
Revenue increases	(520.0)	-0.4%	(520.0)	-0.4%
	<u>(1,401.8)</u>	<u>-0.9%</u>	<u>(1,401.8)</u>	<u>-0.9%</u>
Subtotal Budget Increase before other reliefs	4,423.5	2.6%	4,423.5	2.6%
Other budget reliefs approved by Board				
Lower by \$303K the reduction to security guard budget	(200.0)	-0.1%	-	-
Lower by \$201K the draw from D.C.charges for collection:	(306.0)	-0.2%	-	-
	<u>(506.0)</u>	<u>-0.3%</u>	<u>-</u>	<u>-</u>
Other budget reliefs recommended by City Staff				
Collections reduction	-	-	(216.0)	-0.1%
Savings - standardization of hours at neigh. branches	-	-	(290.0)	-0.2%
	<u>-</u>	<u>-</u>	<u>(506.0)</u>	<u>-0.3%</u>
2015 Operating budget	171,554.9	2.3%	171,554.9	2.3%

Board Revised – 2.3% Budget

Reductions to Security Guard Service

\$200k

- 9 branches lose on-site guard service; some funding for guards as needed
- Branches with greatest need retain guard service
- Maintains safe, welcoming environment in branches

Increased draw on DC for budget relief

\$306k

- In addition to \$445k draw for collections econ. increase
- Projections support the higher DC draw

\$506k

City Staff-Recommended – 2.3% Budget

Reduction to Library Collections

\$216k

- Reduction of approximately 12,000 items
- Roughly half of the economic adjustment
- Impact greater with falling Canadian dollar

Standardization of branch open hours

\$290k

- Net increase of 28 weekly hours (24 branches lose hours, 31 gain)
- Issues with implementation and service impacts

\$506k

City Staff-Recommended – 2.3% Budget

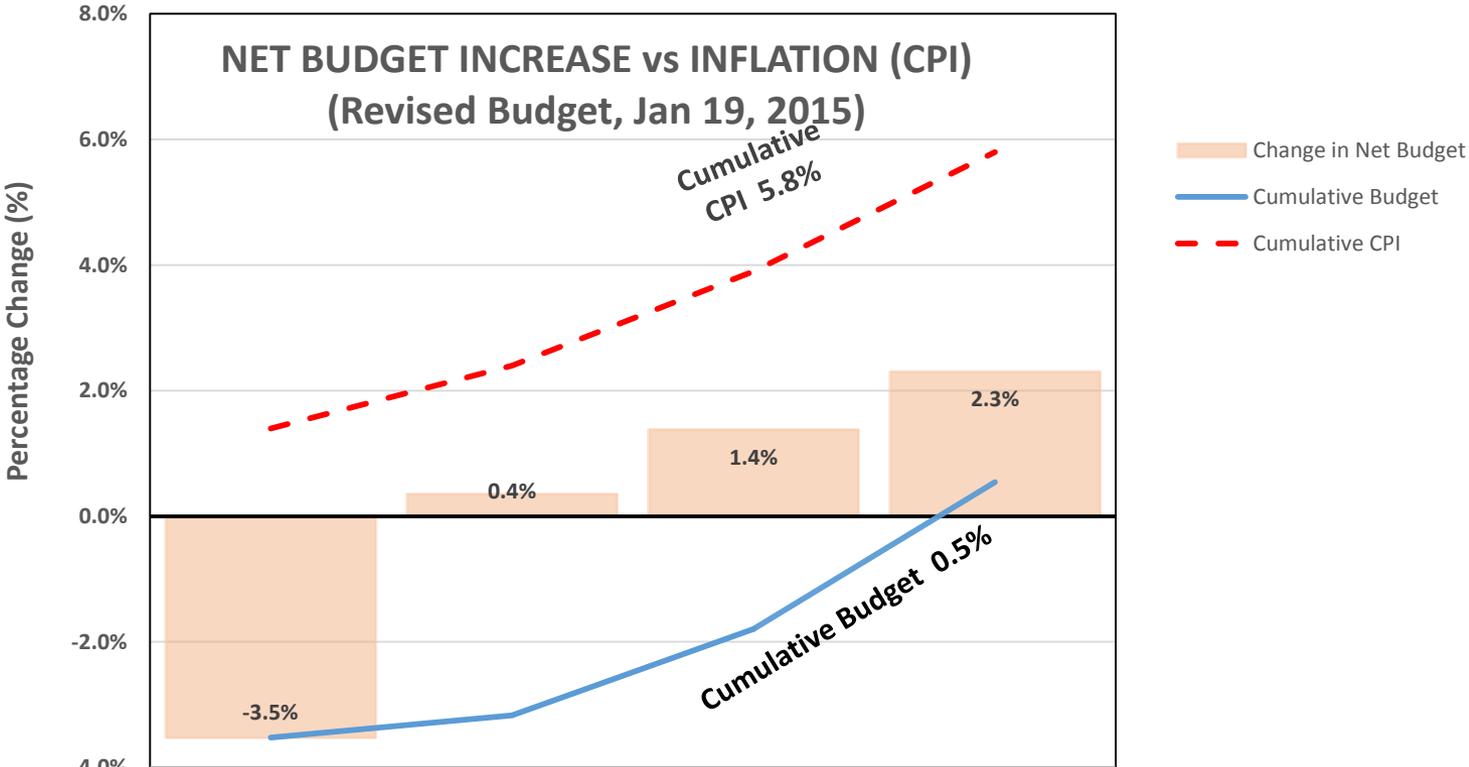
Hours Standardization: Implementation Issues and Considerations

- 1. Does not achieve Open Hours Plan for neighbourhood branch weekday hours**
 - Some bands of hours reduced
 - Many gains made since 2007 reversed
- 2. Does not meet Board's harmonization strategy**
 - Does not protect legacy hours
 - Instead harmonization achieved by reducing hours (~ 24 branches lose between 2.5 to 14 weekly hours)
- 3. Methodology for distributing hours based solely on use**
 - Does not take other factors into consideration – e.g. 8 NIAs will lose a total of 148 hours per week
- 4. A change in branch schedules in up to 55 branches will impact customers, services and staff**

Board Revised & City Staff Recommended – 2.3% Budget

	Board Revised		City Staff Recom.	
	Net \$000s	%	Net \$000s	%
2014 Approved budget	167,637.4		167,637.4	
Budget pressures				
Cost increases	5,050.3	3.0%	5,050.3	3.0%
Fines revenue shortfall	775.0	0.5%	775.0	0.5%
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Board Revised – 2.3% Budget



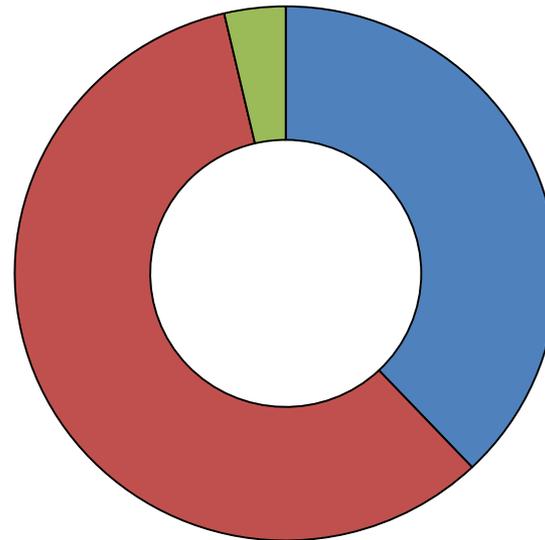
	YR 2012	YR 2013	YR 2014	YR 2015
Change in Net Budget	-3.5%	0.4%	1.4%	2.3%
Cumulative Budget	-3.5%	-3.2%	-1.8%	0.5%
Cumulative CPI	1.4%	2.4%	3.9%	5.8%

Recommended Gross Operating Budget - Where the Money Goes

\$187.890 Million

Partnerships, Outreach &
Customer Engagement,
\$6,860.4 , 4%

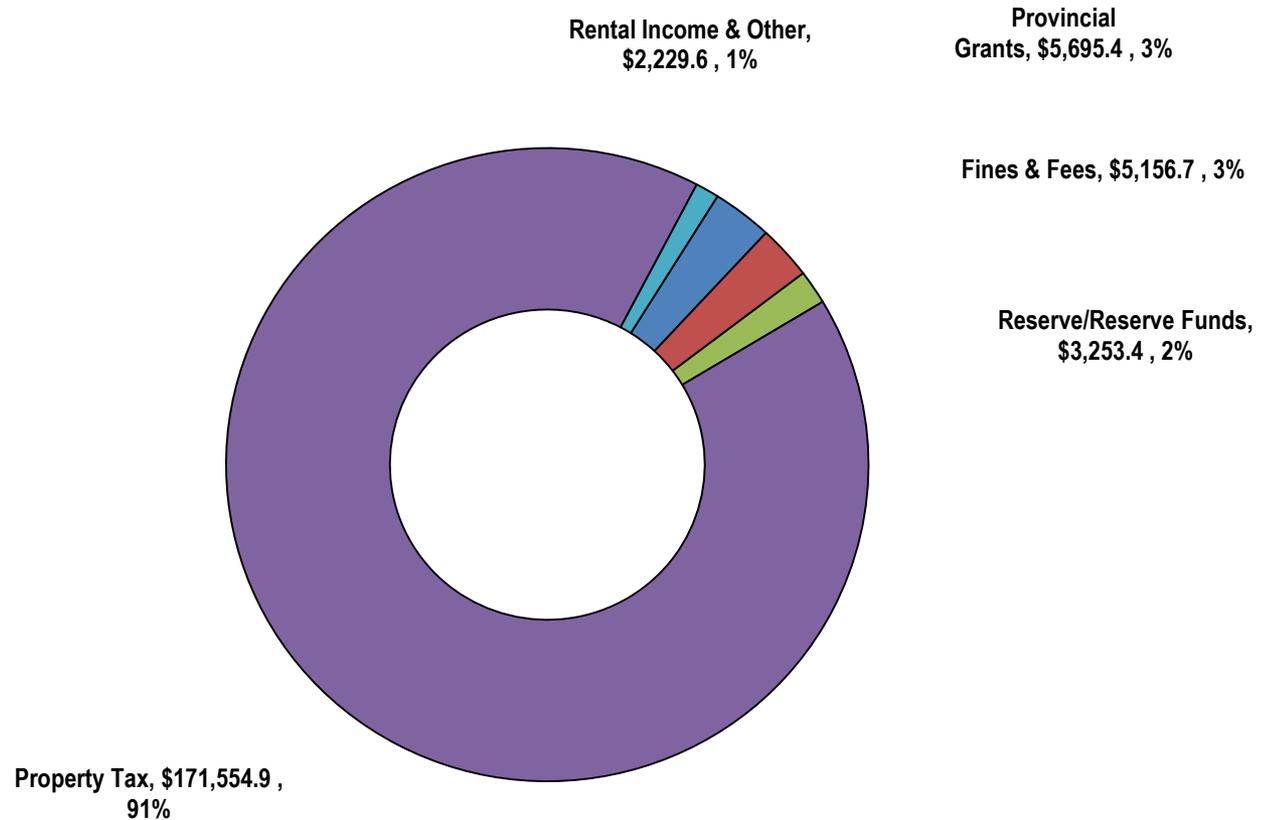
Library Collections &
Borrowing, \$71,262.1 , 38%



Branch and E-Services,
\$109,767.5 , 58%

Recommended Operating Budget - Where the Money Comes From

\$187.890 Million



Net Operating Budget and Staff Changes

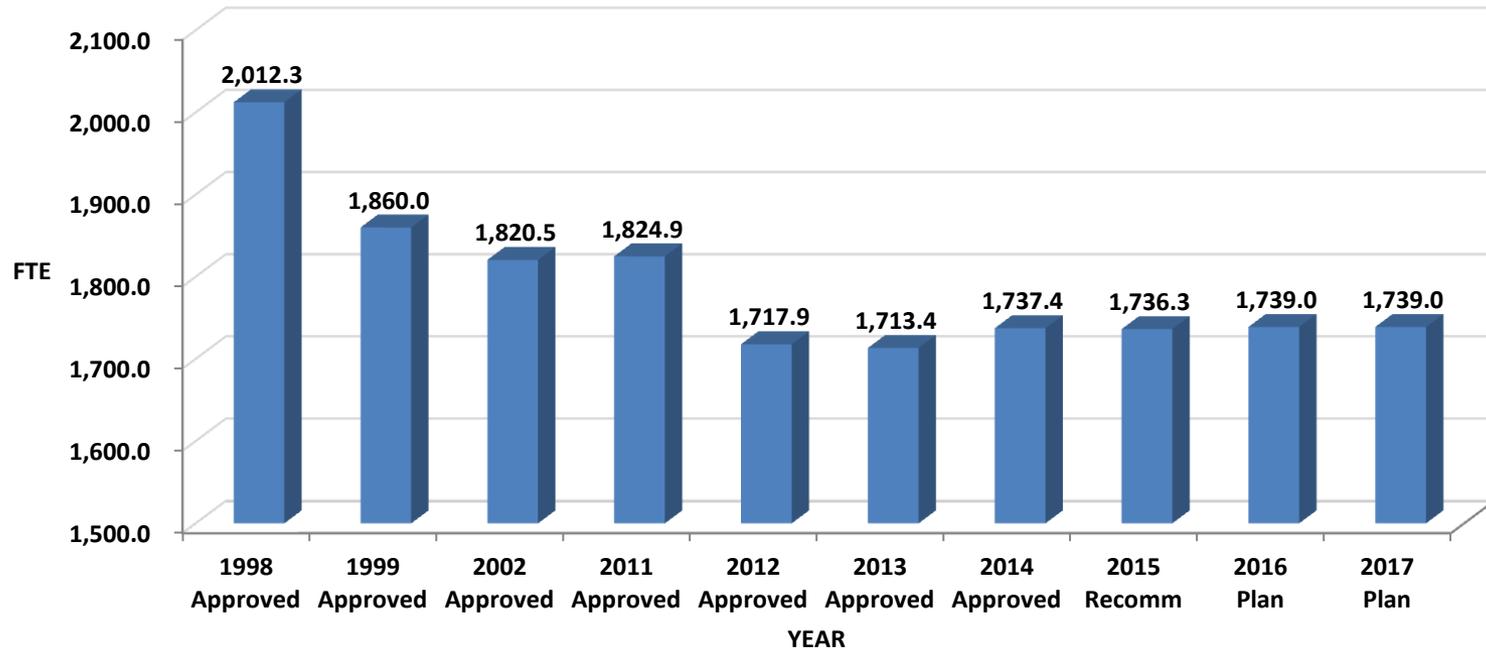
- 5 Year Overview

	Approved Budget					Rec'd Base
	2010	2011	2012	2013	2014	2015
Approved Net Budget (\$000's)	167,099.6	170,797.9	164,778.2	165,359.6	167,637.0	171,555.0
Net Change		3,698.3	(6,019.7)	581.4	2,277.4	3,918.0
% Change from Prior Year		2.21%	-3.52%	0.35%	1.38%	2.34%
Approved Complement	1,830.6	1,824.9	1,717.9	1,713.4	1,737.9	1,736.3
Net Change		(5.7)	(107.0)	(4.5)	24.5	-1.6
% Change in Staff Complement		-0.31%	-5.86%	-0.26%	1.43%	-0.09%

Key Changes:

- 117 positions were eliminated over 2011 and 2013 through service consolidations, business process re-engineering and technology driven efficiencies.
- 2014 has an increase of 20 FTEs for the operation of the new Fort York and Scarborough Civic Centre branches and an additional 4.5 FTEs to add Friday night hours at 7 District Branches and TRL.
- In 2015, there would be a reduction of 1.6 FTEs if the City staff recommended budget to achieve a standardization of neighbourhood hours is approved

Staffing Trend



Key Points:

- In 2015, a reduction of 1.6 FTEs if the standardization of neighbourhood branch hours is approved
- In 2016, an increase of 2.7 FTEs for the Bayview branch relocation and expansion

2015 Recommended Operating Budget: Key Drivers

(In \$000s)	2015 Rec'd Base Budget
Gross Expenditure Changes	
Operating Impacts of Capital	
Operating Impact of Fort York	19.0
Operating Impact of Scarborough Civic Centre	744.3
Operating impact from other capital projects	4.0
Economic Factors	
Corporate Economic Factors - Utilities	408.0
Library Materials Inflation - 2.5%	445.0
Salary and benefits COLA	2,762.0
Other Base Changes	
Increased Cost of Contracts and services	640.0
Pan Am Games programs	(16.6)
Total Expenditure Changes	5,005.7
Revenue Changes	
Reduction in Fine Revenue	(775.0)
Operating impact from other capital projects	(28.0)
Pan Am Games programs	(16.6)
Total Revenue Changes	(819.6)
Net Expenditures	5,825.3

Recommended Service Changes – Efficiencies, reductions and revenue increases

Description	2015 Recommended			Net Incremental Impact			
	Gross Expenditures	Net Expenditures	New Positions	2016 Plan		2017 Plan	
				Net Expenditure	# Positions	Net Expenditure	# Positions
Base Expenditure Changes							
- Reduction in contribution to TAMP Capital	(570.0)	(570.0)					
- Savings from services, materials processing, supplies and licenses	(71.8)	(71.8)					
Sub-Total	(641.8)	(641.8)	-	-	-	-	-
Base Revenue Changes							
- Additional Development Charges draw for Collections		(445.0)					
Sub-Total	-	(445.0)	-	-	-	-	-
Service Efficiencies							
- Changes in scheduling and type of Security Guard Services	(150.0)	(150.0)					
- Efficiencies in barcode labels and RFID tags	(90.0)	(90.0)					
Sub-Total	(240.0)	(240.0)	-	-	-	-	-
Revenue Adjustments							
- Revenue from self-publishing printing		(25.0)					
- New revenue from sale of donated books		(50.0)					
Sub-Total	-	(75.0)	-	-	-	-	-
Service Changes							
- Standardization of Neighbourhood Branch hours	(290.0)	(290.0)	(1.6)				
- Reduction in library materials budget	(216.0)	(216.0)					
Sub-Total	(506.0)	(506.0)	(1.6)	-	-	-	-
Total	(1,387.8)	(1,907.8)	(1.6)	-	-	-	-

2016 and 2017 Plans

Description (\$000s)	2016 - Incremental Increase					2017 - Incremental Increase				
	Gross Expense	Revenue	Net Expense	% Change	# Positions	Gross Expense	Revenue	Net Expense	% Change	# Positions
Known Impacts:										
Salary and Fringe Benefits *	159.6	-	159.6	0.09%		162.0	-	162.0	0.09%	
Progression Pay & Step Increases	304.5	-	304.5	0.18%		307.6	-	307.6	0.18%	
Operating Impact of Capital	83.0	-	83.0	0.05%	2.7	99.0	-	99.0	0.06%	
Number of working days	517.8	-	517.8	0.30%		(517.8)	-	(517.8)	-0.30%	
Reversal of Pan Am Games	(83.4)	(83.4)	-	0.00%		-	-	-	0.00%	
Fine Revenue Reduction	-	(100.0)	100.0	0.06%		-	(100.0)	100.0	0.06%	
Change in Management Fee Recovery	-	(17.0)	17.0	0.01%		-	(20.0)	20.0	0.01%	
Sub-Total	981.5	(200.4)	1,181.9	0.69%	2.7	50.8	(120.0)	170.8	0.10%	-
Anticipated Impacts:										
Incr. cost of utilities, contracts and services	1,035.8	-	1,035.8	0.60%		1,046.2	-	1,046.2	0.60%	
Library Material Inflationary increase	454.0	-	454.0	0.26%		464.0	-	464.0	0.27%	
Sub-Total	1,489.8	-	1,489.8	0.87%	-	1,510.2	-	1,510.2	0.87%	-
Total Incremental Impact	2,471.3	(200.4)	2,671.7	1.56%	2.7	1,561.0	(120.0)	1,681.0	0.96%	-

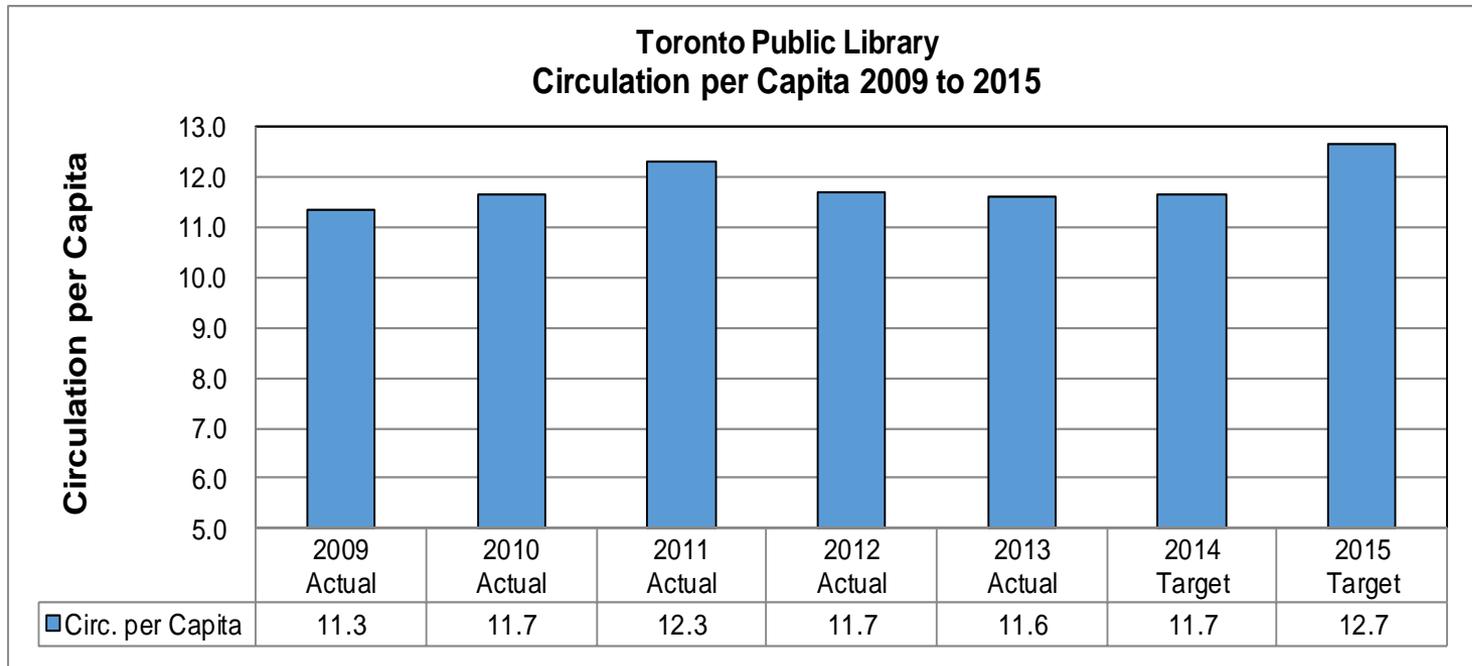
* It does not include COLA



2015 Recommended Service Levels



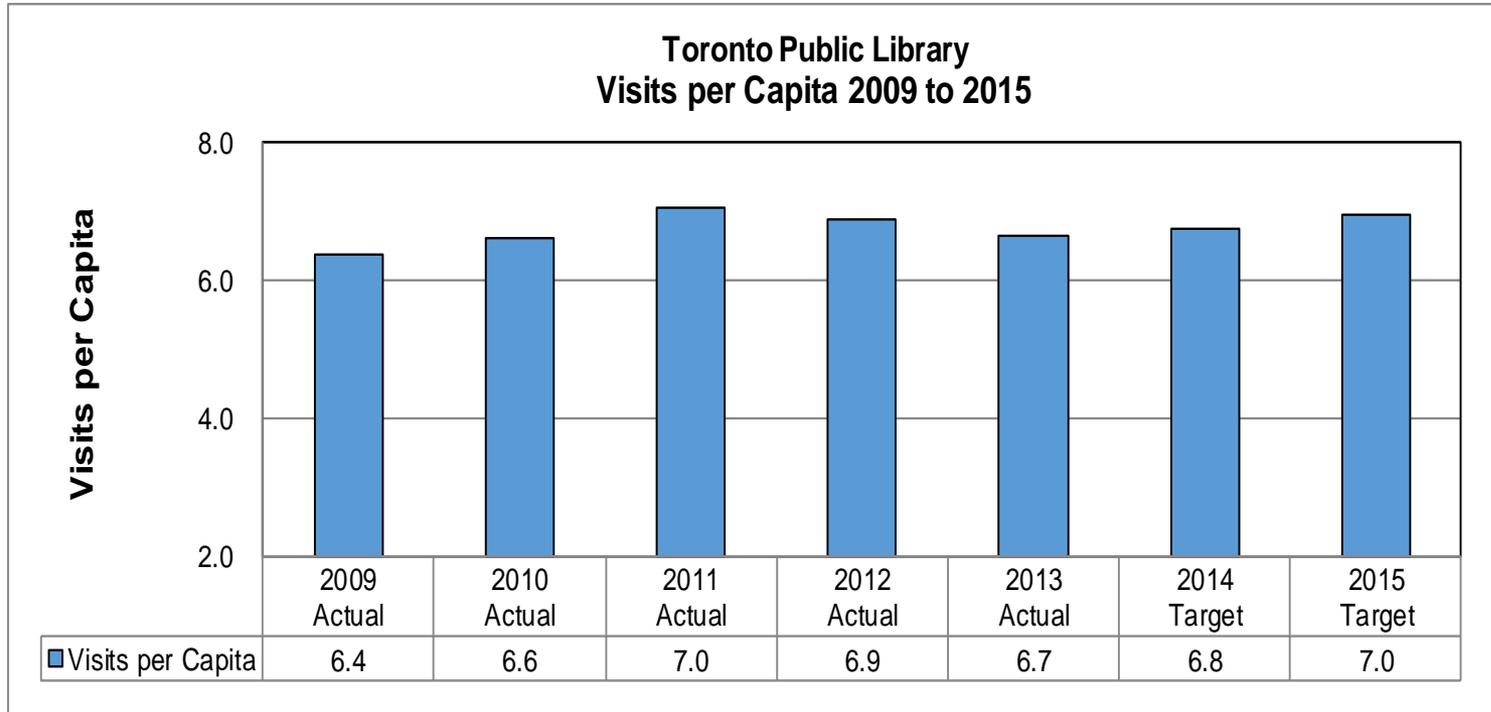
Service Performance



Trend: Library Collections and Borrowing

- 2015 circulation is projected to increase to 35.1 million or 12.7 per capita.
- Electronic circulation increasingly accounts for a larger proportion of overall circulation.
- The e-collection has expanded with the addition of eMagazines in 2013 and improved access to digital music and video streaming in 2014.

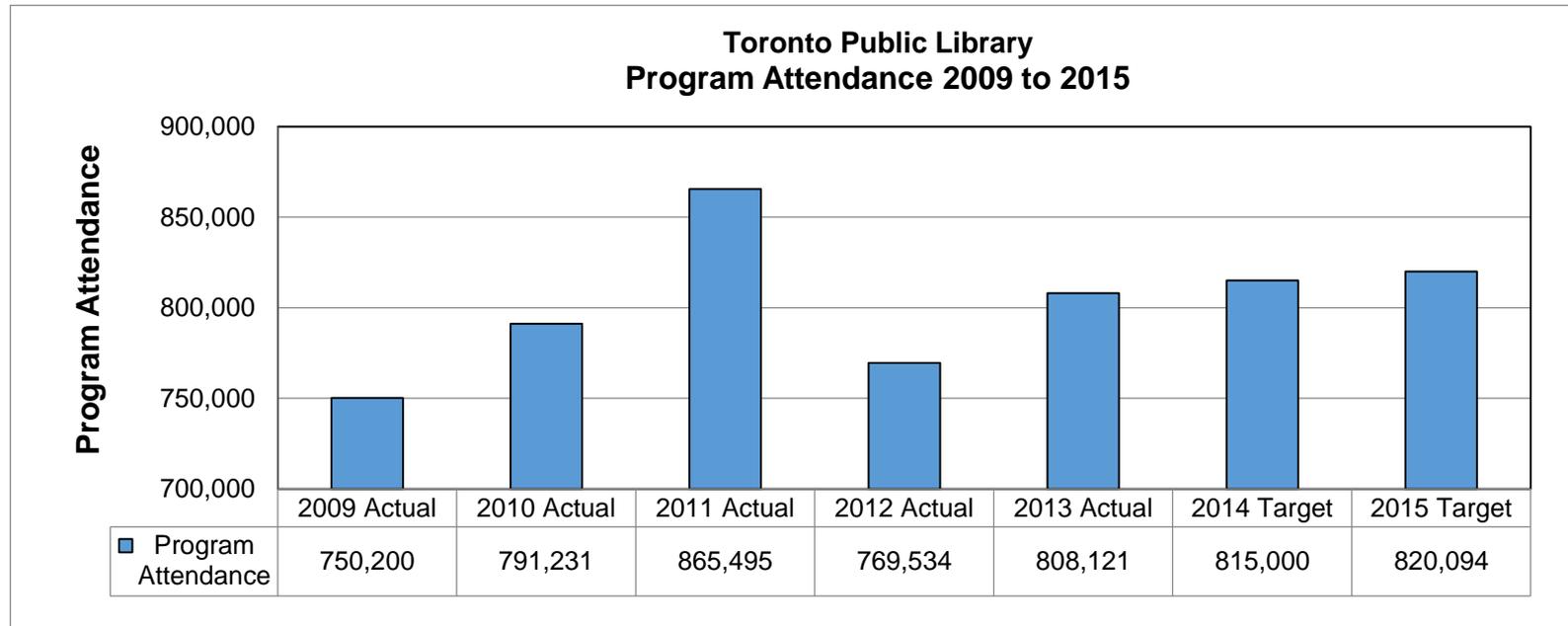
Service Performance



Trend: Branch and E-Services

- 2015 visits are expected to increase to 19.3 million or 7.0 visits per capita.
- Total visits declined slightly in 2013 as a result of the ice storm and severe weather conditions and scheduled branch closures for renovation/retrofits.

Service Performance



Trend: Partnership, Outreach and Community Engagement

- 815,000 library users attended programs in 2014
- 820,094 program attendees are expected in 2015
- The number of programs available and attendees declined in 2012 due to a labour strike and the permanent loss of 107 staff positions.

Issues, Opportunities, and Priority Actions

- **Board Budget and City Staff recommended budget – 2.3%**
- High Demand for collections in all formats
 - ✓ Variety of languages, reading levels, and formats (print and electronic)
 - ✓ Low value of Canadian dollar
 - ✓ E-collections - Availability, cost, and circulation restrictions
- Revenue Issues
 - ✓ Declining Fines Revenue
 - ✓ Continued search for alternative and increased revenue
- Partnerships and Library Foundation
- Continued demand for access to public space in branches
 - ✓ Open hours, meeting rooms
 - ✓ New and traditional technology
 - ✓ Programming

Thank You

