Toronto Public Library

2018 Preliminary Operating Budget and 2018 - 2027 Preliminary Capital Budget & Plan

Budget Committee

December 18, 2017

Budget Committee – 2018 Tax Supported Budget Launch

- Agency Overview:
  - Agency Services and Resources

- Operating Budget Overview
  - 2017 Service Performance
  - 2018 Issues and Priority Actions
  - 2018 - 2020 Preliminary Operating Budget & Plan

- Capital Budget Overview
  - 2017 Capital Performance
  - 2018 Issues and Priority Actions
  - 2018 - 2027 Preliminary Capital Budget & Plan

Agency Overview

Services Delivered By Toronto Public Library

Toronto Public Library (TPL)

Library Collections and Borrowing

Toronto Public Library collects, preserves and makes available a wide range of knowledge, information and ideas through collections in a variety of formats, languages and reading levels that support the informational, educational, and cultural and recreation needs and interests of residents of all ages, backgrounds and abilities.

Branch and E Services

Toronto Public Library is the innovation hub for the City of Toronto offering space for collaboration, study and networking and access to information and technology, which is supported in a number of ways including the introduction of digital innovation hubs in branches.

Branches are neighborhood hubs where residents can access collections, computers, wireless and emerging digital technology, programs and information services provided by expert staff. Branches provide public space for residents to read, study and work, attend programs and engage and network with members of the community.

The virtual branch ensures residents can effectively access services and programs online through 24/7 access to library collections, services and information, and a range of self-service options that help residents manage their accounts, including placing and managing holds and paying fines online.

Partnerships, Outreach & Customer Engagement

Partnerships and outreach activities extend access to library services to residents and communities throughout the city, and help to increase awareness and use of library services. Partnerships support the library in outreach to new audiences and in delivering service efficiently.

Home library service, bookmobile service and deposit collections serve residents who cannot visit a library branch because of disability or distance.

Volunteers enrich and extend library service and programs, and are provided opportunities to develop employment skills and contribute to the community.

The library engages and consults with residents, stakeholders and communities in the development, delivery and evaluation of library services to deliver excellent and responsive customer service. Outreach and engagement activities in-branch, online, and in the community help inform, raise awareness and encourage use of the library's many services.

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Capital Assets To Deliver City Services

Type of Capital Assets

Buildings

- 100 branches and 2 service buildings

- Replacement value $957 million

Library Materials

- 10 million physical items

- Access to hundreds of thousands of recreational, e-learning and other digital content titles by download, streaming or online viewing
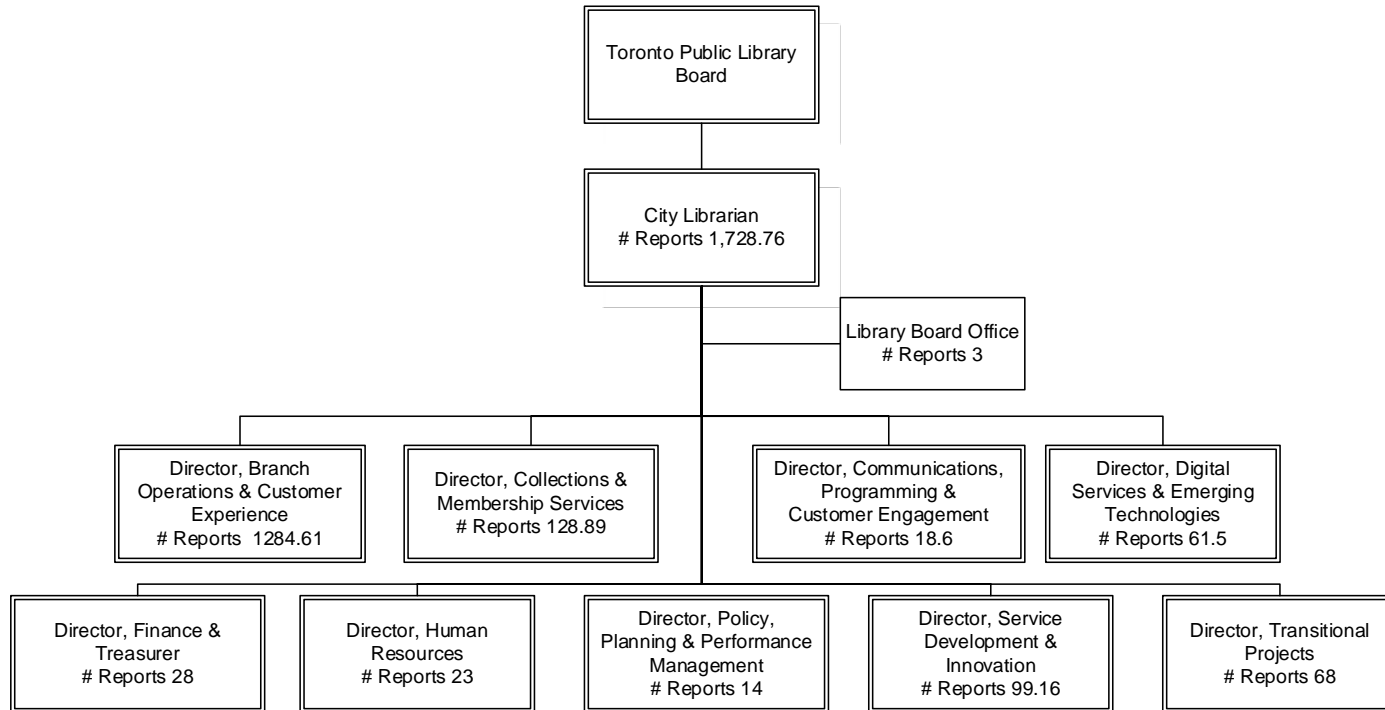
IT Equipment including self-service equipment
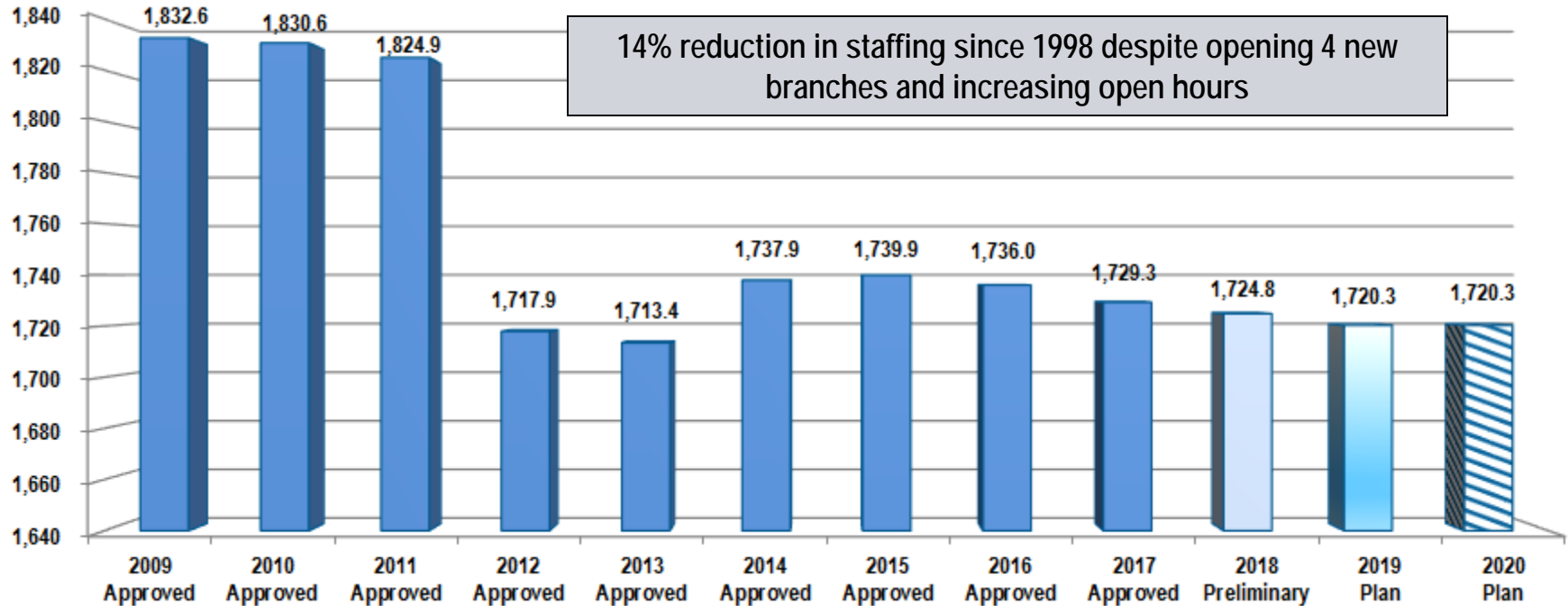
- Replacement value $36 million

Vehicle Fleet

- 44 vehicles (including 2 bookmobiles)
- Replacement value $3 million

2018 Organizational Chart

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                        Toronto Public Library
                               Board
                                 |
                           City Librarian
                         # Reports 1,728.76
                                 |
                                 |-------------- Library Board Office
                                 |                   # Reports 3
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| Director, Branch Operations & Customer Experience # Reports 1284.61 | Director, Collections & Membership Services # Reports 128.89 | Director, Communications, Programming & Customer Engagement # Reports 18.6 | Director, Digital Services & Emerging Technologies # Reports 61.5 |

| Director, Finance & Treasurer # Reports 28 | Director, Human Resources # Reports 23 | Director, Policy, Planning & Performance Management # Reports 14 | Director, Service Development & Innovation # Reports 99.16 | Director, Transitional Projects # Reports 68 |

Budget	Category	Senior Management	Management with Direct Reports	Management without Direct Reports / Exempt Professional & Clerical	Union	Total
Operating	Permanent Pos	1.00	79.00	30.00	1614.76	1724.76
	Temporary Pos					0.00
Capital	Permanent Pos				5.00	5.00
	Temporary Pos					0.00
Total	Total	1.00	79.00	30.00	1619.76	1729.76

Staffing Trend (Excludes Capital Positions)

14% reduction in staffing since 1998 despite opening 4 new branches and increasing open hours

2009 Approved	2010 Approved	2011 Approved	2012 Approved	2013 Approved	2014 Approved	2015 Approved	2016 Approved	2017 Approved	2018 Preliminary	2019 Plan	2020 Plan
1,832.6	1,830.6	1,824.9	1,717.9	1,713.4	1,737.9	1,739.9	1,736.0	1,729.3	1,724.8	1,720.3	1,720.3

Key Points:

- Between 2011 and 2013 there was a reduction of 123 positions due to efficiencies:
  - 38 positions through self-service technology at all branches, 13 automated sorters and a central sorter
  - 54 positions through business process reengineering using Lean Six Sigma methodologies
  - 22 positions through service consolidations for the Urban Affairs branch, distribution hubs, mobile library service and various departments
  - 9 positions through restructured management and support staffing
- In 2016, there was a reduction of 6.9 FTEs as a result of efficiencies in automation
- In 2017, capital investment of $4.056 million over two years in technological innovation resulting in the reduction of 8.7 FTEs of clerical work
- Included in the 2018 preliminary budget is a further capital investment in technological innovation and modernization results in an additional reduction of 4.5 FTEs through attrition in each of 2018 and 2019

Vacancy Analysis 👥

	2015			2016			2017 Year-End Projections			
	# of Vacancies	Vacancies % of Total Approved Pos.	Approved Pos. Equivalent	# of Vacancies	Vacancies % of Total Approved Pos.	Approved Pos. Equivalent	# of Vacancies as at Sep 30 *	# of Vacancies Projections to Dec 31	Vacancies % of Total Approved Pos.	Approved Pos. Equivalent
Operating	51.0	2.9%	1,739.9	59.0	3.4%	1,736.0	89.0	89.0	5.1%	1,729.3
Capital	0.0	0.0%	0.0	0.0	0.0%	5.0	0.0	0.0	0.0%	5.0
Total	51.0	2.9%	1,739.9	59.0	3.4%	1,741.0	89.0	89.0	5.1%	1,734.3

* Based on the 2017 9-month Quarterly Variance Report

Vacancy Drivers:

•Organizational restructuring to modernize library service

•Aging workforce with a significant number of exits through retirement

•Challenges in recruiting qualified applicants for specialized, supervisory and management positions

•Wage compression issues between the senior union jobs and the entry-level management jobs

•Temporary closure of NYCL in 2017

Hiring Strategies:

•TPL's collective agreement with its union provides management with a high level of control and flexibility in the deployment of staff resources

•Management is able to change the classification and location of vacancies

•Internal internships, temporary assignments, mentoring and training programs

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Operating Budget Overview

2017 Key Service Accomplishments

Strategic Plan 2016-2019 *Expanding Access, Increasing Opportunity, Building Connections*

• **92%** of 2017 strategic plan priorities on track for completion

• **100%** completion for initiatives which advance the City's Poverty Reduction Strategy

Advancing Library Digital Platforms

• Innovation Council created, with technology leaders to advise on Digital Strategy

• Launched user friendly account and mobile friendly features on high traffic web pages

• Introduced high demand features including user saved lists and opt-in borrower history

• New teen site launched

Breaking Down Barriers to Access, Driving Inclusion

• Year-round Sunday service introduced at Albert Campbell, Barbara Frum, Brentwood, Fairview, S. Walter Stewart and York Woods

• Programs introduced on Sundays at targeted branches

• Improved public infrastructure in neighbourhoods across the city

Establishing TPL as Toronto's Centre for Continuous and Self-Directed Learning

• Added two new Youth Hubs at Albion and Barbara Frum branches

2017 Key Service Accomplishments

Expanding Access to Technology & Training

- Wi-Fi Hotspot Lending at 6 NIA branches with a total of 500 devices
- Digital Innovation Hubs introduced at Albion, Agincourt and Downsview
- Expanded digital training capacity through Learning Centers, including the introduction of 3D printers, scanners, Adobe Creative Suite at 7 branches, and development and implementation of new public training programs
- 3 additional Pop Up Learning Labs rolled out
- New maker and robotics programming and equipment introduced at all district branches
- Launched a new eLearning tool for homework support

Creating Community Connections Through Cultural Experiences

- Recognized Canada's Indigenous cultures, including @Resistance150 movement, through eLearning and cultural programming (national MOOC; Indigenous Writers Gathering)
- Began consultation with Indigenous communities on TPL Indigenous Strategy
- Launched the Canadian Chinese Archive

Transforming for 21st Century Service Excellence

- Key partnerships developed to advance strategic priorities: Google, Cisco, TD, Sun Life Financial
- Business Intelligence Strategy and Analytics advanced through creation of a centralized data hub
- Mandatory Indigenous Cultural Competency Training was introduced with almost 400 staff completed by end of 2017
- Accountability framework established to measure outcomes and impacts of library service
- Digital toolkit developed for province-wide library use to measure the benefits of access to technology

Ranking & Satisfaction

#1 Worldwide*

- Circulation per capita

(#2 Visits per capita; total circulation and total visits)

Serving a population over 1.5 million (2015)

#1 North America*

- Total circulation
- Circulation per capita
- Total visits
- Visits per capita

Serving a population over 2 million (2016)

#1 Canada*

- Total circulation
- Total visits

(#2 Visits per capita #3 Circulation per capita)

Serving a population over 500,000 (2015)

Well-Used

Torontonians use their libraries in large numbers.

70% of Torontonians used the library in 2015

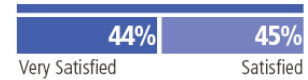**1 in 5** Torontonians visit a library branch at least once a week

39%	56%
Very Satisfied	Satisfied

Responsive : 95%
Library customers are overwhelmingly satisfied with the Toronto Public Library.

53%	41%
Very Satisfied	Satisfied
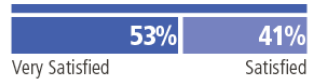
Helpful : 94%
Customers are pleased with the level of assistance from library staff.

44%	45%
Very Satisfied	Satisfied

Welcoming : 89%
Library customers overwhelmingly agree that libraries offer an attractive environment.

77%	15%
Strongly Agree	Agree

Valued : 92%
Public libraries are an important resource for Toronto's communities.

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Increasing Demand ✅

In 2016, Torontonians visited the library and borrowed materials in large numbers:

18 million
visits to branches

34 million
visits to tpl.ca

31.9 million
items borrowed

962,024 people attended
40,774 programs

14.3% increase
in the use of e-Collections

3.9 million wireless sessions
6.5 million computer uses

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Usage Trends

In 2016, there were over 103 million uses of library programs and services, a 22.4% increase over the past 10 years. The increase in total use was driven by virtual visits, electronic circulation, wireless use and programming.

2007-2016

22.4% increase

⬆ 48.8% Program attendance

⬇ -13.5% Standard reference requests

⬆ 2,253.1% Wireless use

⬇ -23.1% In-library use

⬆ 25.3% Workstation user sessions

⬆ 11.2% Visits

⬆ 10.3% Total circulation

⬆ 61.2% Virtual visits

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TORONTO PUBLIC LIBRARY

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History of Increased Open Hours

2 Research & Reference and 17 District Branches

Standardized, 65.5 hours Mon-Sat

81 Neighbourhood Branches

50% have increased hours Mon-Sat

2 new branches opened in 2014 (Fort York) and 2015 (Scarborough City Centre)

Sunday Hours Expansion

Year-round Sunday service at 2 Research & Reference and 12 District branches

Introduced seasonal service (Sept-Jun) at 6 additional Neighbourhood branches

**Achieved increase of 486 hours per week,
or 32% of Open Hours Plan increase**

History of Efficiencies Achieved

Efficiencies

Self-serve checkout
In all 100 branches (90% usage by public)

Sorters
14 in-branch (74% usage by public); one central

Lean Six Sigma efficiencies
Holds processing; Materials acquisition & processing; Shelving; Scheduling

▶ While meeting steadily increasing demand

▶ With high customer satisfaction

▶ Net budget increases of less than 1%

Results

Increased open hours
486 hrs/week of open hours added since 2007

Shorter delivery times
From **7 days** to **3 days**

Reduced cycle times of materials processing
From **4-6 weeks** to **2-3 days**

Improved customer service
Shorter wait times for materials, staff freed up to deliver **higher value services** to customers

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Business Modernization & Transformation Initiatives

Ongoing technological innovation and operational efficiencies

▪ Back office transformation including printing efficiencies, telephony upgrades to reduce operating costs

▪ New Human Capital Management system supports three business processes: Human Resources Information System, time & attendance and payroll

▪Leverage City investment with technology partnerships to improve services

- ▪ Partnering with Google and Rogers to introduce additional Wi-Fi hotspots for lending
- ▪ Collaborating with Cisco to improve access to TPL programs through telepresence technology and new eLearning programs

▪Early morning delivery pilot project underway

▪Self-serve and after hours access to launch in Q1 2018

Integrated Payment Processing

▪Improve technology to enable self-serve fines payment at self-checkout devices. Integration between point-of-sale system, Integrated Library System and financial systems

Business Modernization & Transformation Initiatives

Answerline & Community Space Rental modernization

▪ Improve process and technology to allow self-service while streamlining and consolidating customer support processes through he use of the City's CRM
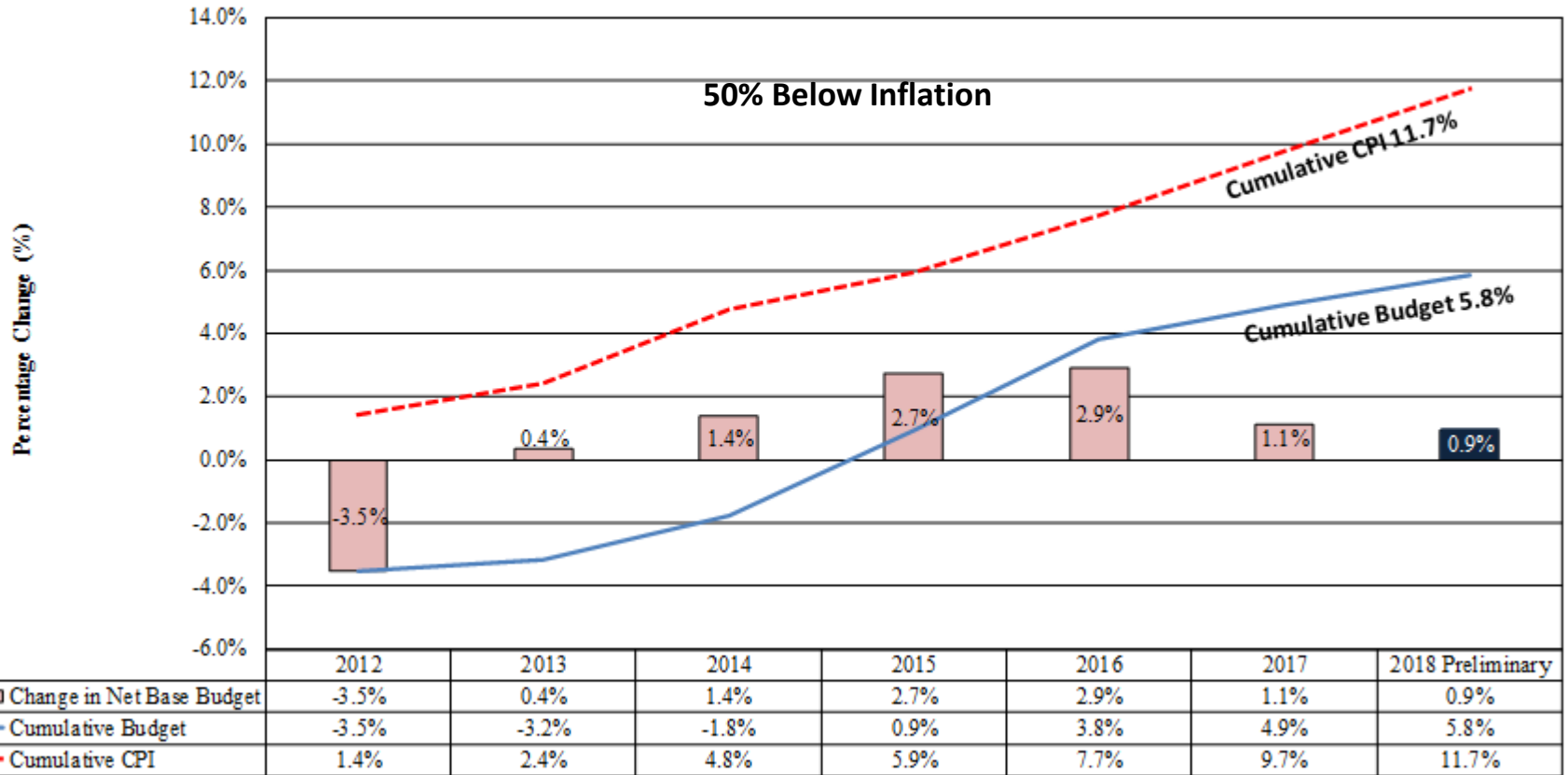
Data Governance & Business Intelligence Road Map

▪ Increase TPL's ability to make evidence-based decision making, plan resources, improve customer experience, track and report on outcomes and impacts of service, and contribute to key City strategies

History of TPL Budget Increases

Net Budget Change vs. CPI (inflation)

50% Below Inflation

Cumulative CPI 11.7%

Cumulative Budget 5.8%

	2012	2013	2014	2015	2016	2017	2018 Preliminary
Change in Net Base Budget	-3.5%	0.4%	1.4%	2.7%	2.9%	1.1%	0.9%
Cumulative Budget	-3.5%	-3.2%	-1.8%	0.9%	3.8%	4.9%	5.8%
Cumulative CPI	1.4%	2.4%	4.8%	5.9%	7.7%	9.7%	11.7%

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TORONTO PUBLIC LIBRARY **TORONTO**

Operating Budget Variance as of Sep. 30, 2017

City Agency In $ Millions	Year-to-Date						Alert	Year-End Projection						Alert
	Gross Expenditures		Revenue		Net Variance			Gross Expenditures		Revenue		Net Variance		
	$	trend	$	trend	$	trend		$	trend	$	trend	$	trend	
Toronto Public Library	1.3	▲	1.3	▲	(0.0)	—	Ⓖ	1.3	▲	1.3	▲	0.0	—	Ⓖ
Year-to-Date Net Variance	85% to 105%	Ⓨ	0% to 85%	Ⓡ	>105%		Year-End	Ⓖ	<=100%	Ⓡ	>100%			

Key Points (explanation of trend and variances and impact on 2018):

- Higher than anticipated revenue due to grants from the Toronto Public Library Foundation and other organizations expended to enhance specific library initiative

- Budget adjustment of $4M of savings due to temporary closure of NYCL used to fund acceleration of capital program at NYCL

- Expenditures and revenues are monitored on an ongoing basis to ensure that spending is within the available funding

Key Issues & Challenges for 2018 and Beyond

Increasing and changing demand, reduced workforce and technological transformation

Achieving outcomes for all Torontonians including equity seeking groups

Service demands and customer expectations include:

- customers expectations for online, mobile and personalized service

- access to new and emerging technology and support for digital and other literacies

- expanded open hours; and

- new material in multiple formats and languages

Digital transformation and modernization of back office and customer experience platforms

Pressures include cost inflation, the value of the US dollar and reduced purchasing power for collections, and Provincial grant funding that has not increased in over 20 years

Funding for the impact of Bill 148 (Fair Workplace, Better Jobs Act, 2017)

Efficiency and cost cutting measures have been and will continue to be a focus to enable modernization and transformation of exceptional customer service

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Service Objectives & Key Priority Actions

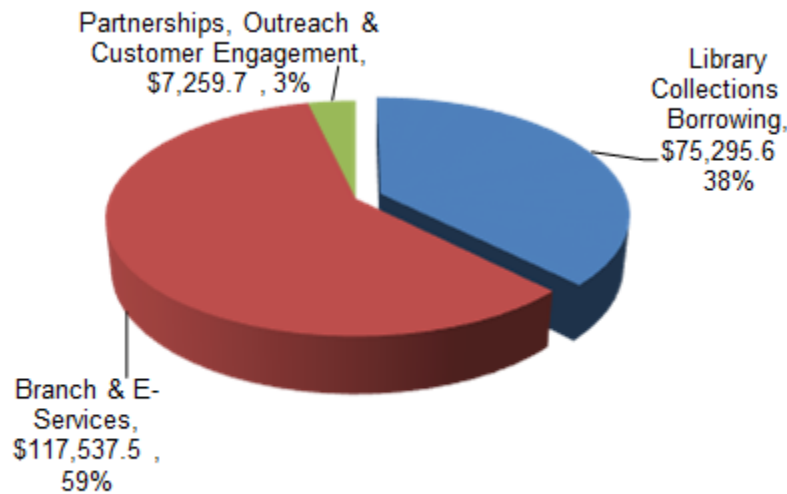| Collections and Borrowing	**Service Objectives:** ▪ Extend equitable access and eliminate barriers to information and content in a range of formats ▪ Engage new users with increased expectations for access to material in multiple formats ▪ Meet increased demand for eLearning resources
	Key Priority Actions: ✓ Continue eBook advocacy campaign around fair pricing ✓ Investigate opportunities for increased access to materials (e.g. kiosks and after hours branch access) ✓ Expand eLearning resource offerings
Branches and E-Services	**Service Objectives:** ▪ Address SOGR backlog to increase operational efficiency/improve design ▪ Increase access/leverage infrastructure investment through increased open hours ▪ Develop and deliver innovative, convenient online services while maintaining popular traditional services
	Key Priority Actions: ✓ Renovations to NYCL and advance SOGR projects ✓ Expand access to emerging technologies through new Digital Innovation Hubs and Pop Up Learning Labs ✓ Launch three new Youth Hubs and expand related programming (enhancement) ✓ Expand mobile friendly and self-serve capabilities e.g. on-line registration ✓ Expand Sunday service (enhancement)
Partnerships, Outreach & Customer Engagement	**Service Objectives:** ▪ Support equity and inclusion with services in branches, online and in the community ▪ Increase awareness of library services among diverse audiences ▪ Leverage strategic partnerships to support and enhance service delivery
	Key Priority Actions: ✓ Continue to support key City strategies including Poverty Reduction, TSNS 2020, Seniors Strategy, Youth Equity and Children in the Middle Years ✓ Expand telepresence technology in partnership with Cisco ✓ Develop targeted digital communication and engagement strategies ✓ Develop eLearning programming in partnership with Cisco (enhancement) ✓ Expand Internet Wi-Fi hotspot lending program (enhancement) ✓ Engage public and private sector partners in partnership with the Toronto Public Library Foundation to support service delivery

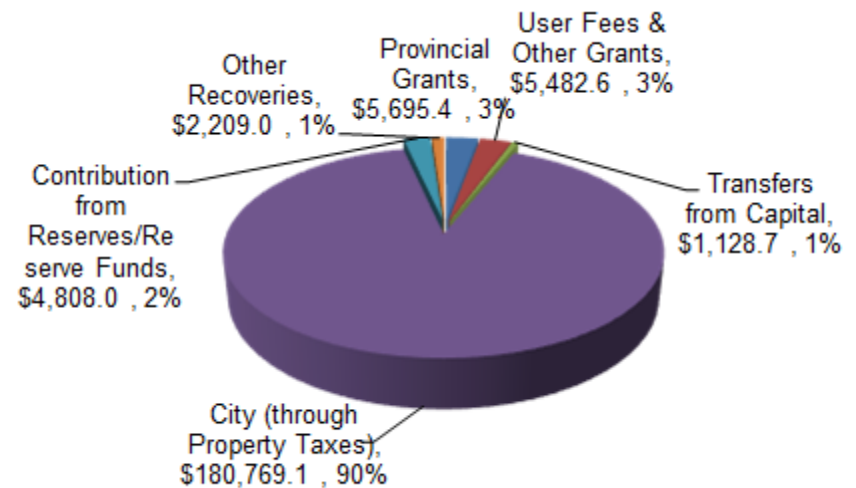# 2018 - 2020 Preliminary Operating Budget & Plan

2018 Preliminary Operating Budget
Gross Expenditures by Service & Funding Source

Where the Money Goes $200.093 Million

Partnerships, Outreach & Customer Engagement, $7,259.7 , 3%

Library Collections Borrowing, $75,295.6 38%

Branch & E-Services, $117,537.5 , 59%

Where the Money Comes From $200.093 Million

Other Recoveries, $2,209.0 , 1%

Provincial Grants, $5,695.4 , 3%

User Fees & Other Grants, $5,482.6 , 3%

Contribution from Reserves/Reserve Funds, $4,808.0 , 2%

Transfers from Capital, $1,128.7 , 1%

City (through Property Taxes), $180,769.1 , 90%

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2018 Preliminary Operating Budget Summary

(In $000s)	2017 Budget $	2018 Preliminary Operating Budget — Base $	2018 Preliminary Operating Budget — New/ Enhanced $	2018 Preliminary Operating Budget — Total Budget $	2018 Preliminary vs. 2017 Budget Change $	2018 Preliminary vs. 2017 Budget Change %	Incremental Change — 2019 Plan $	Incremental Change — 2019 Plan %	Incremental Change — 2020 Plan $	Incremental Change — 2020 Plan %
By Service										
Library Collections & Borrowing										
Gross Expenditures	75,130.6	75,295.6		75,295.6	165.0	0.2%	1,947.0	2.6%	881.7	1.1%
Revenue	6,462.5	6,572.7		6,572.7	110.2	1.7%	(76.6)	(1.2%)	126.3	1.9%
Net Expenditures	68,668.1	68,723.0		68,723.0	54.8	0.1%	2,023.7	2.9%	755.4	1.1%
Branch & E-Services										
Gross Expenditures	116,742.4	117,537.5		117,537.5	795.1	0.7%	3,323.8	2.8%	1,912.8	1.6%
Revenue	13,224.1	12,451.5		12,451.5	(772.5)	(5.8%)	(445.9)	(3.6%)	111.0	0.9%
Net Expenditures	103,518.3	105,085.9		105,085.9	1,567.6	1.5%	3,769.8	3.6%	1,801.8	1.7%
Partnerships, Outreach & Customer Engagement										
Gross Expenditures	7,230.2	7,259.7		7,259.7	29.5	0.4%	192.5	2.7%	90.4	1.2%
Revenue	308.9	299.4		299.4	(9.4)	(3.1%)	(9.6)	(3.2%)	5.6	1.9%
Net Expenditures	6,921.3	6,960.2		6,960.2	38.9	0.6%	202.1	2.9%	84.9	1.2%
Total										
Gross Expenditures	199,103.2	200,092.8		200,092.8	989.6	0.5%	5,463.4	2.7%	2,884.9	1.4%
Revenue	19,995.4	19,323.7		19,323.7	(671.8)	(3.4%)			242.8	1.3%
Total Net Expenditures	179,107.8	180,769.1		180,769.1	1,661.4	0.9%	5,463.4	3.0%	2,642.1	1.4%
Approved Positions	1,734.3	1,729.8		1,729.8	(4.5)	(0.3%)				

Key Points:

- TPL's preliminary operating budget is 0.9%
- Impact of Bill 148 not included

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Key Cost Drivers

(In $000s)	Total Base Changes $	Position
Gross Expenditure Changes		
Prior Year Impacts		
Annualization of equipment for Operational Efficiencies	(100.0)	
Operating Impacts of Capital		
Albion and North York Central	80.0	
Salaries and Benefits		
Salaries and step	347.4	
Progression pay	118.0	
COLA	1,506.0	
Other wage adjustments	327.5	
Benefits	(46.8)	
Economic Factors		
Corporate economic factors (Utilities)	100.2	
Library Collections economic increase	493.8	
Other Base Changes		
Contracted services	503.9	
Supplies and services	402.2	
Insurance deductible	49.4	
Total Gross Expenditure Changes	3,781.7	
Revenue Changes		
Prior Year Impacts		
Reversal of one-time Development Charges draw	(650.0)	
Reversal of one-time Library Collections economic increase funding	(481.8)	
Reversal of one-time funding for Youth Hubs and related programming	(387.0)	
Base Revenue Changes		
Revenue from tenant leases	23.4	
Revenue from Venue and Community Room rentals	432.9	
Revenue from recovery of capital projects project management fees	188.7	
Permanent increase in Development Charge funding for Library Collections	482.0	
Total Revenue Changes	(391.8)	
Net Expenditure Changes	4,173.5	

Actions to Achieve Budget Target Included in 2018 Preliminary Service Change Summary

Description ($000s)	Total Service Changes			Incremental Change			
	$	$	#	2019 Plan		2020 Plan	
	Gross	Net	Position	Gross	Position	Net	Position
Base Changes:							
Base Expenditure Changes							
Line by line efficiencies	(457.1)	(457.1)					
One-time savings from closure of North York Central Library (bridging strategy)	(1,250.0)	(1,250.0)		1,250.0			
Base Expenditure Change	(1,707.1)	(1,707.1)		1,250.0			
Sub-Total	(1,707.1)	(1,707.1)		1,250.0			
Service Efficiencies							
Expansion of Technological Efficiencies	(215.0)	(235.0)	(1.5)	(185.0)	(1.5)		
Answerline & Community Space rental modernization	(240.0)	(240.0)	(3.0)	(290.0)	(3.0)		
Consolidation of print and electronic serials	(330.0)	(330.0)					
Sub-Total	(785.0)	(805.0)	(4.5)	(475.0)	(4.5)		
Total Changes	(2,492.1)	(2,512.1)	(4.5)	775.0	(4.5)		

Key cost drivers of $4.173 M less base expenditure reductions and service efficiencies of $2.512 M results in net increase of $1.661 M or 0.9% preliminary budget

2018 Complement Changes

	2017 Approved Staff Complement	2018 Complement Changes									
		Prior Year Impact	Operating Impacts of Capital	Capital Project Delivery Changes	Base Changes	Efficiencies	Service Changes Included	Total Base Change	New/Enh Service Priorities Included	Total 2018 Preliminary Budget	Change from 2017 Approved
Operating	1,729.3					(4.5)		(4.5)		1,724.8	(4.5)
Capital	5.0									5.0	
Total Complement	1,734.3					(4.5)		(4.5)		1,729.8	(4.5)

Efficiencies:

Two capital projects requiring an investment of $3 million over two years to achieve budget savings totaling $0.950 million, including a reduction of 9.0 FTEs through attrition

- Expansion of Technological Efficiencies enhances TPL's service delivery by expanding voice over Internet protocol (VOIP), improved payment solutions and continued conversion of printers, scanners, fax machines and copiers to more efficient multi-function devices (MFDs)

- Answerline & Community Space Rental Modernization consolidates and modernizes TPL's Answerline and Community Space and Venue Rental departments, and provides self-service functionality for room bookings and rental of community spaces

New/Enhanced Services <u>Not Included in</u> 2018 Preliminary Operating Budget

Description ($000s)	2018			Incremental Impact			
				2019 Plan		2020 Plan	
	Gross	Net	Positions	Net	Positions	Net	Positions
Referred to the Budget Process:							
Sunday service enhancement	574.0	574.0		416.0		416.0	
Additional Youth Hub locations, staff and programming costs	390.0	390.0	3.0	260.0	2.0	260.0	2.0
Wi-Fi hotspot lending	300.0	300.0					
Sub-Total Referred to Budget Process	**1,264.0**	**1,264.0**	**3.0**	**676.0**	**2.0**	**676.0**	**2.0**
Staff Initiated:							
e-Learning initiative	250.0	250.0	2.0	50.0			
Advancing transformational change	120.8	120.8	1.0	40.3			
Sub-Total Staff Initiated	**370.8**	**370.8**	**3.0**	**90.3**	**0.0**	**0.0**	**0.0**
Total	**1,634.8**	**1,634.8**	**6.0**	**766.3**	**2.0**	**676.0**	**2.0**

TPL's enhancements align with its Strategic Plan and primarily support the City's Poverty Reduction Strategy

- Sunday service enhancement: year-round Sunday service at 5 additional District branches + seasonal Sunday service at 9 Neighbourhood branches located in NIAs
- Youth Hubs (3 FTEs): addition of three Youth Hubs and related programming costs at Downsview, Flemingdon Park and Malvern branches
- Internet Wi-Fi hotspot lending program: Adds additional 500 Wi-Fi Hotspot Lending units for a total of 1,000
- eLearning initiative (2 FTEs): partnership with Cisco, supported by George Brown College, to help train 50,000 Torontonians in Cisco Networking Academy courses
- Advancing transformational change (1 FTE): collaboration with City's Shared Services to advance transformational change to reduce duplication, optimize services and identify efficiencies

Description ($000s)	2019 - Incremental Increase					2020 - Incremental Increase				
	Gross	Revenue	Net	% Change	Position	Gross	Revenue	Net	% Change	Position
Known Impacts:										
Prior Year Impact										
Reversal of one-time Development Charge draw		(650.0)	650.0	0.4%						
Expansion of Technological Efficiencies	(175.0)	10.0	(185.0)	(0.1%)	(1.5)					
Answerline & Community Space rental modernization	(290.0)		(290.0)	(0.2%)	(3.0)					
Reverse Bridging Strategies										
One-time savings from extended closure of NYCL	1,250.0		1,250.0	0.7%						
Operating Impact of Capital										
Guildwood, NYCL, St.Clair/Silverthorn, Wychwood	60.0		60.0	0.0%		10.0		10.0	0.0%	
Salaries and Benefits										
Salaries and Step	2,076.5		2,076.5	1.1%		1,922.0		1,922.0	1.0%	
COLA	135.0		135.0	0.1%		(1,641.0)		(1,641.0)	(0.9%)	
Other wage adjustments	(327.5)		(327.5)	(0.2%)						
Progression pay	37.0		37.0	0.0%		2.0		2.0	0.0%	
Benefits	781.0		781.0	0.4%		634.0		634.0	0.3%	
Economic Factors										
Corporate economic factors (utilities)	461.7		461.7	0.3%		468.6		468.6	0.3%	
Library Collections economic increase	506.2		506.2	0.3%		518.8		518.8	0.3%	
Other Base Changes (specify)										
Contracted services	515.6		515.6	0.3%		541.4		541.4	0.3%	
Supplies and services	432.9		432.9	0.2%		429.1		429.1	0.2%	
Revenue (specify)										
Revenue from tenant leases		23.9	(23.9)	(0.0%)			32.0	(32.0)	(0.0%)	
Revenue from premium room and auditorium rentals		42.6	(42.6)	(0.0%)			40.0		(0.0%)	
Permanent increase in Development Charge funding		41.3	(41.3)	(0.0%)			170.8	(170.8)	(0.1%)	
Total Outlook	**5,463.4**	**(532.2)**	**5,995.6**	**3.3%**	**(4.5)**	**2,884.9**	**242.8**	**2,682.1**	**1.4%**	

Additional Pressures Not Included in Outlook										
Fair Workplaces, Better Jobs Act, 2017 (Bill 148)	855.0		855.0	0.5%		99.6		99.6	0.1%	
Non-union COLA	165.0		165.0	0.1%						
Total (not included in Outlook)	**1,020.0**		**1,020.0**	**0.6%**		**99.6**		**99.6**	**0.1%**	

TORONTO PUBLIC LIBRARY

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Capital Budget Overview

Summary of Key Projects Completed in 2017 ✔️

Completion of Capital Projects

- Albion Branch
- Agincourt Branch
- Eglinton Square Branch

19 Multi-branch State of Good Repair projects in 15 branches

- Address SOGR backlog by remediating deficiencies in facilities according to the property condition assessment and includes the partial or complete replacement of building systems, flooring, shelving, roofing, structural repairs and a furniture replacement program.

Technology Innovation and Efficiency Projects

- Launched Pay for Print Pilot projects at 6 branches in preparation for roll out in 2018
- VOIP conversion roll out at 5 locations in 2017 in preparation for complete roll out in 2017

Technology Asset Management Program (TAMP)

- Roll out of web conferencing software and hardware to support program delivery and employee collaboration
- Continue roll out of Digital Innovation Hub equipment for programming and service development
- Ongoing replacements of public computers, printers, servers, network hardware and audio visual equipment
- Introduced new Business Intelligence & analytics technology capabilities
- Upgrade Human Capital Management system supporting various HR and Payroll functions
- Launched new internal employee web portal to improve communications and collaboration
- Improve back office infrastructure of network security applications, unified hardware and software

Virtual Branch Services (VBS)

- Roll out of "Your Account" to support mobile & self service transactions
- Introduced "Lists" for website users to create preferred content lists for their own browsing
- Refresh of Virtual Reference Library
- Continue to deliver tailored web experiences to various communities (e.g. children, etc.)
- Developed long term strategy for TPL.ca delivery of services

Capital Budget Variance as of Sep. 30, 2017

City Agency $ Millions	2017 Approved Cash Flow	2017 Expenditure			Trending	Alert (Benchmark 70% spending rate)
		YTD Spending	Year-End Projection	% at Year End		
Toronto Public Library	37.490	16.718	28.817	76.9%	↓	Ⓖ

Ⓖ >70%	Ⓨ between 50% and 70%	Ⓡ < 50% or > 100%

Key Points (explanation of variances):

- Projected under-spending is mainly due to delays in receiving necessary approvals, site negotiation delays and pre-spending of 2017 budgeted cash-flows in 2016 due to projects being ahead of schedule requiring underspending in 2017 of the same amount.

- Five-year average spend rate of **89%**

- TPL continues to demonstrate the proven ability to spend assigned Capital Budget and deliver its Capital program

Key Issues & Challenges for 2018 and Beyond

Issues:
- Decreasing City debt targets
- Increasing state of good repair (SOGR) backlog
- Growing demand for on-line and digital technology with continuing strong demand for traditional services
- Growth in population and meeting service demands

Challenges:
- 2018-2027 debt targets are inadequate to meet TPL's capital funding needs
- Preliminary Plan: SOGR backlog = $146 million by the end of 2027 growing from $61 million in 2018
- Ability to replace and upgrade technology to meet changing and growing demand
- Capital funding will be required as TPL further deploys its digital strategy
- Ongoing need to provide modern library services
- Evaluate and prioritize future renovation and expansion projects

Key Objectives & Priority Actions

Objectives:

- Increase City debt funding to address the State of Good Repair (SOGR) backlog with focus on the maintenance and betterment of the existing branch infrastructure and to implement innovative technologies to increase operational efficiencies and savings

- Maximize non-debt funding sources including Section 37, Development Charges and grants

- Provide access to current and emerging technologies

- Transform branches for modern library service

- Continue to achieve a high annual spending rate of the capital budget and deliver on the capital program

Key Priority Actions:

- Develop a Facilities Master Plan to prioritize capital investment in library facilities in order to provide equitable access to library facilities that support population growth and help manage the library's State of Good Repair backlog

- Modernize library buildings to create vibrant, welcoming public spaces that are community hubs, connecting people with the community and the city as a whole.

- Continue to deploy the digital strategy to address increasing demand for digital and online services as well as more self-service options including mobile and personalized services

- Capital investments in new technologies to support service improvements and efficiencies

  - Integrated Payment Solutions
  - Answerline & Community Room rental modernization
  - Ongoing technological innovation and operational efficiencies

2018 – 2027 Preliminary Capital Budget & Plan
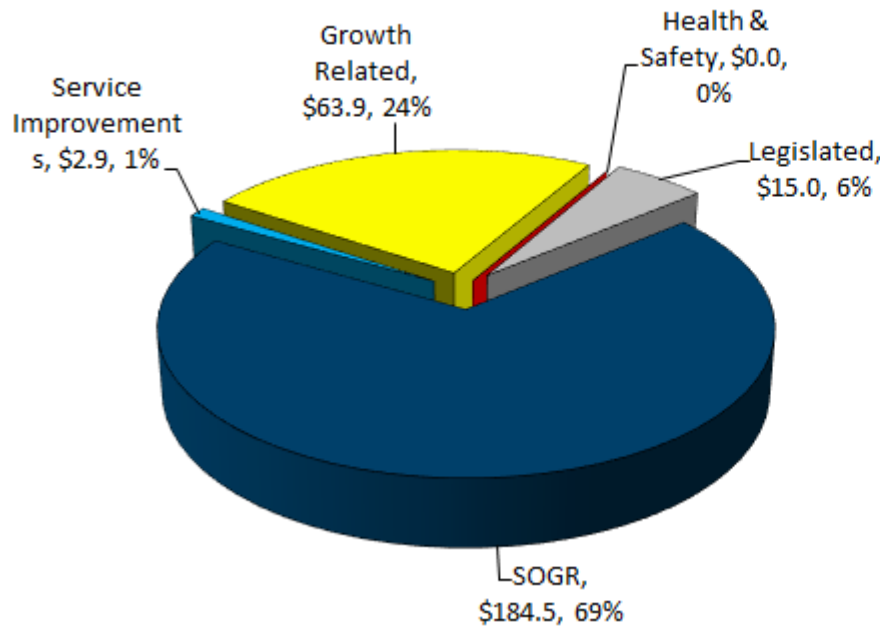
Capital Project Description	$ Million
North York Central Library Renovation Phase 1 & Phase 2 ▪ The NYCL Phase 1 project will complete a retrofit and upgrade to the building systems and infrastructure, interior renovations on floors 1 – 5 to reconfigure public service and stacks space to meet new service demands and uses. The Phase 2 project will include renovations to the lower concourse level and the 6th floor public spaces and outdoor reading garden at NYCL. The concourse space will be renovated as a premium rental space / study hall facility.	$13.203
Albert Campbell Renovation ▪ This project will address building envelope deficiencies including electrical components, lighting, accessibility, flooring and mechanical systems, as well as improving security and IT infrastructure. It will also revitalize library spaces to include zoned areas for adults, efficient work stations for staff, and improved customer self-service.	$11.900
Multi Branch Renovations Program ▪ This multi-year project is an on-going renovation program for minor branch renovations which includes the partial or complete replacement of building systems, flooring, shelving, roofing, and structural repairs at various library locations. This Program provides relief to those library locations until major renovations can be delivered. ▪ An additional $1.5 million was added to the TPL 10-Year Preliminary Capital Plan in 2018 to address the SOGR backlog and outstanding AODA deficiencies.	$51.615

Key Projects Included in
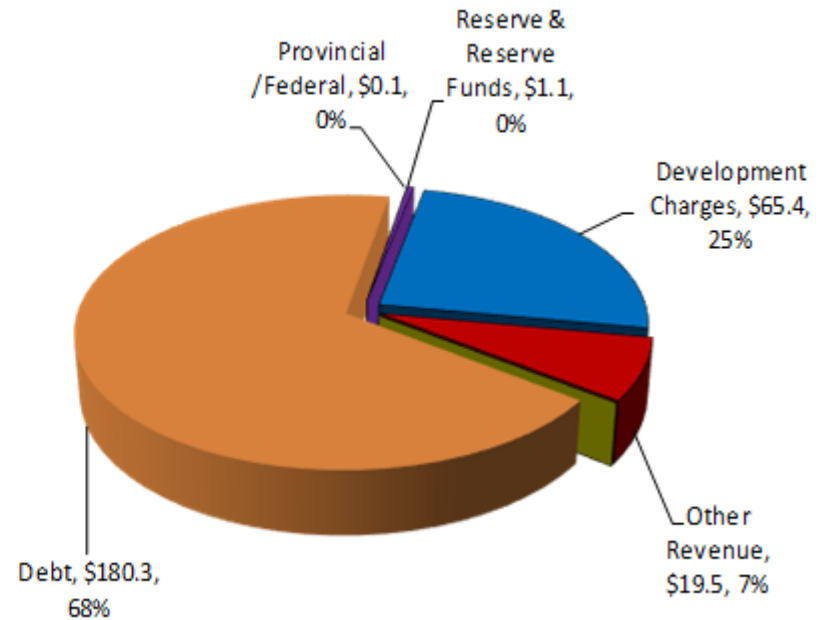# 2018 - 2027 Preliminary Capital Budget & Plan

Capital Project Description	$ Million
Wychwood Branch Renovation and Expansion ▪ This project will expand the branch by 9,000 sq. ft. to include an early literacy centre for children, childhood area, digital innovation hub and senior space.	$8.511
Bayview – Bessarion Branch Relocation ▪ Bayview Branch Library will be relocated to a new site, in a joint facility with a daycare, and a recreation centre with aquatics, to address the growing community while providing barrier free access for the public, study seating, programming spaces for branch and community use, quiet study spaces, a 50,000 item collection and exhibit space in an over 13,000 sq. ft. branch.	$11.851
Dawes Road Branch Construction and Expansion ▪ This project involves an expansion of the existing 6,500 sq. ft. library to 14,000 sq. ft. on the current site as a standalone Branch with improved accessibility, enhanced customer self-service, upgraded IT infrastructure, an expanded children's area with an interactive early literacy centre, additional quiet study space and proposed Community Hub space.	$10.748

2018 - 2027 Preliminary Capital Budget & Plan Spending & Funding Sources

Where the Money Goes $266.330 Million

Service Improvements, $2.9, 1%
Growth Related, $63.9, 24%
Health & Safety, $0.0, 0%
Legislated, $15.0, 6%
SOGR, $184.5, 69%

Where the Money Comes From $266.330 Million

Provincial/Federal, $0.1, 0%
Reserve & Reserve Funds, $1.1, 0%
Development Charges, $65.4, 25%
Other Revenue, $19.5, 7%
Debt, $180.3, 68%

2018 - 2027 Preliminary Capital Budget & Plan by Project Category
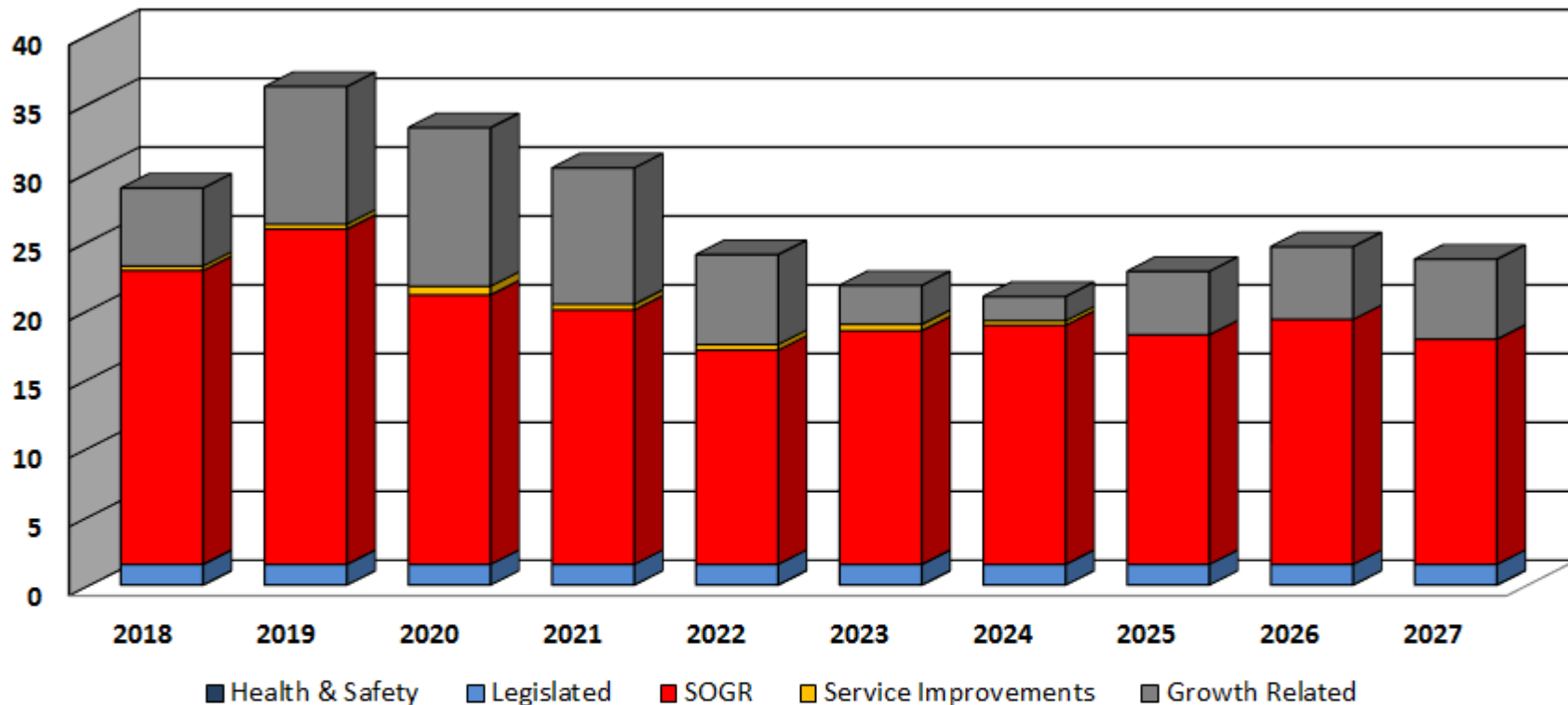
$ Million	2018 - 2027 Preliminary Capital Budget and Plan by Category									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Health & Safety	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Legislated	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
SOGR	21.351	24.356	19.579	18.486	15.562	16.976	17.373	16.676	17.798	16.353
Service Improvements	0.325	0.364	0.626	0.414	0.414	0.466	0.320	0.000	0.000	0.000
Growth Related	5.662	9.997	11.518	9.906	6.528	2.815	1.762	4.609	5.274	5.820

State of Good Repair Backlog

Accumulated Backlog as a % of Asset Value

Backlog increases by over 150%

Legend: Building Foundations, Building Systems, Equipment & Furnishings, Exterior, Interior, Site Works, AODA Improvement, Backlog %Asset Value
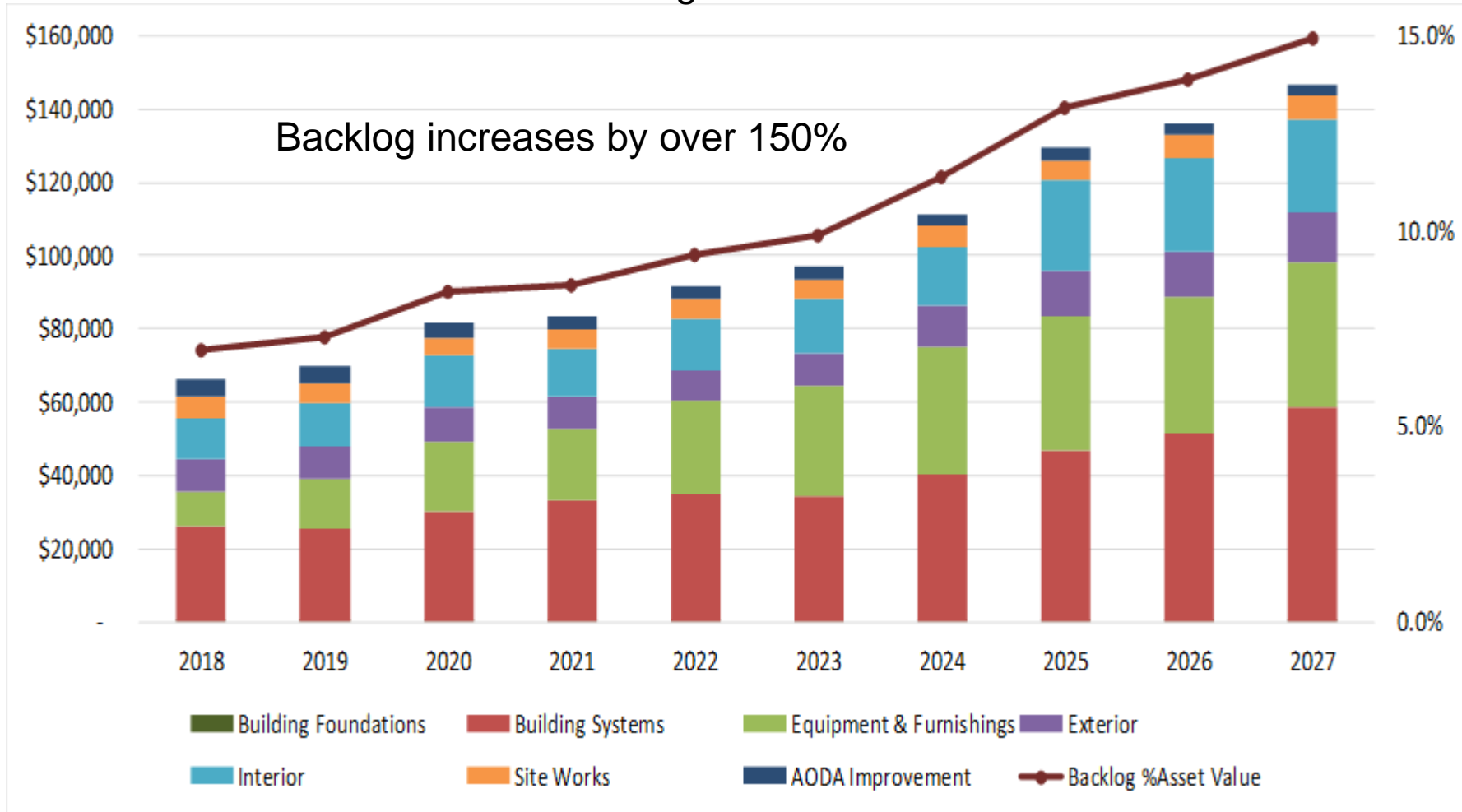
2018 - 2027 Preliminary Capital Budget and Plan by Funding Source
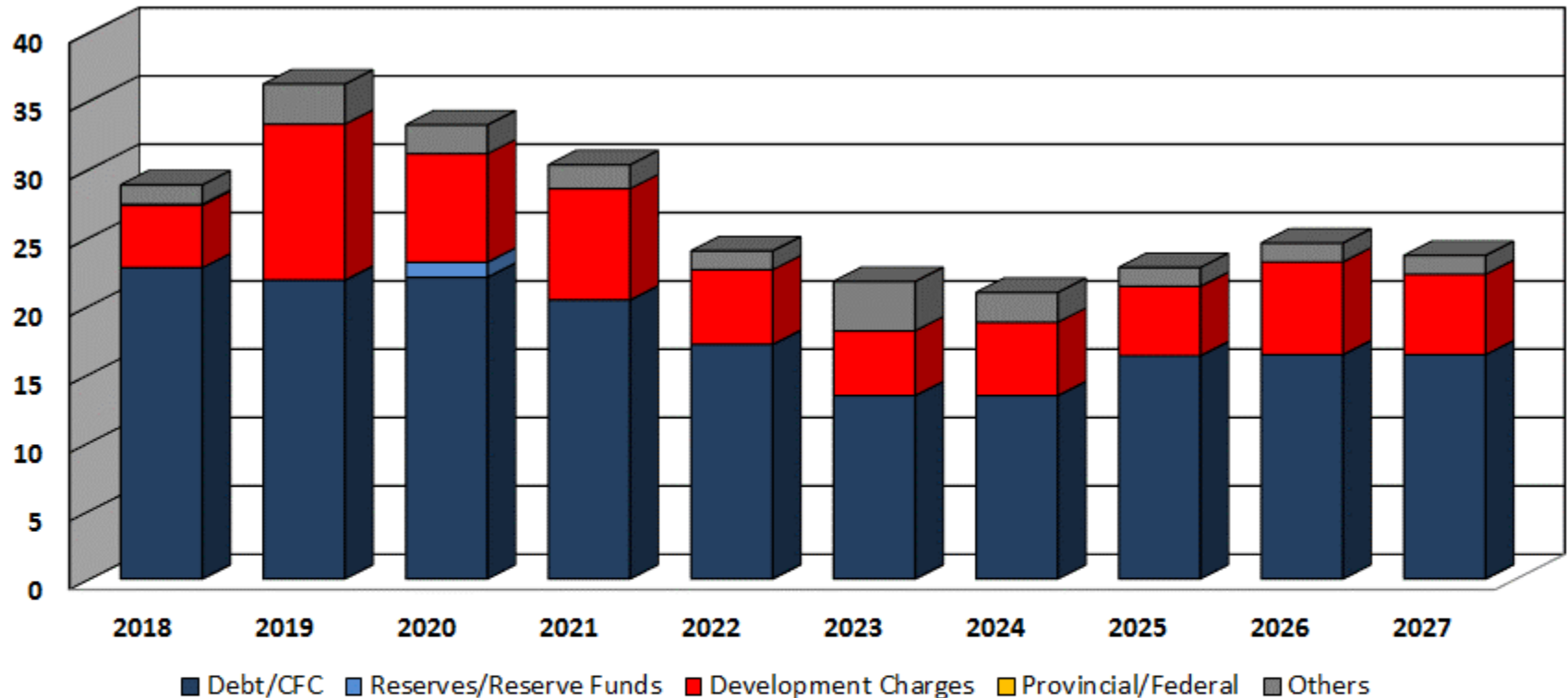
$ Million	2017 - 2026 Preliminary Capital Budget and Plan by Funding Source									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Debt/CFC	22.777	21.860	22.077	20.411	17.160	13.410	13.410	16.330	16.410	16.410
Reserves/Reserve Funds	0.000	0.000	1.100	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Development Charges	4.566	11.420	7.939	8.146	5.466	4.744	5.367	5.077	6.784	5.885
Provincial/Federal	0.065	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Others	1.430	2.937	2.107	1.749	1.378	3.603	2.178	1.378	1.378	1.378

Net Expenditures ($000s)	2018 Prelim. Budget		2019 Plan		2020 Plan		2021 Plan		2022 Plan		2023 - 2027 Plan		2018 - 2027 Total	
	$	Position	$	Position	$	Position	$	Position	$	Position	$	Position	$	Position
Previously Approved Projects														
Equipment for Operational Efficiencies	(100.0)												(100.0)	
Albion District Library Renovation	36.0												36.0	
Bayview- Bessarion Relocation							47.0	2.7	47.0				94.0	2.7
St. Clair/Silverthorn Reconstruction			8.0		8.0								16.0	
Wychwood Renovation and Expansion					40.0				40.0				80.0	
North York Central Library Renovation Phase 1	44.0												44.0	
Dawes Road Neighbourhood Library									151.0	2.0	151.0		302.0	2.0
Albert Campbell Renovation							18.0		18.0				36.0	
Sub-Total	(20.0)	0.0	8.0	0.0	48.0	0.0	105.0	2.7	216.0	2.0	151.0	0.0	508.0	4.7
New Projects														
Expansion of Technological Efficiencies	(235.0)	(1.5)	(185.0)	(1.5)									(420.0)	(3.0)
Answerline & Community Space Rental Modernization	(240.0)	(3.0)	(290.0)	(3.0)									(530.0)	(6.0)
Sub-Total	(475.0)	(4.5)	(475.0)	(4.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(950.0)	(9.0)
New Projects - Future Year														
Perth Dupont Library Relocation							134.0	2.5	134.0				268.0	2.5
Parliament Street Library Relocation											156.0	1.0	156.0	1.0
High Park Library Renovation											14.0		14.0	
Guildwood Leasehold Improvement			12.0		12.0								24.0	
Centennial Renovation & Expansion									17.0		17.0		34.0	
Northern District Renovation											24.0		24.0	
Weston Library Renovation											15.0		15.0	
Sanderson Neighbourhood Library Renovation											16.0		16.0	
North York Central Library Renovation Phase 2					(50.0)		(50.0)						(100.0)	
York Woods Renovation									7.0		7.0		14.0	
Sub-Total	0.0	0.0	12.0	0.0	(38.0)	0.0	91.0	2.5	158.0	0.0	242.0	1.0	465.0	3.5
Total	(495.0)	(4.5)	(455.0)	(4.5)	10.0	0.0	196.0	5.2	374.0	2.0	393.0	1.0	23.0	(0.8)

Key Points:

- Operating Budget savings of $1.050 million and reduction of 9.0 staff positions arising from technological innovation projects: Equipment for Operational Efficiencies, *Expansion of Technological Efficiencies* and *Answerline & Community Space Rental Modernization*.

- Additional Operating Budget impacts of $0.680 million and 7.2 FTEs will come on stream as renovation projects are completed in 2018 – 2022 such as Dawes Road, Perth / Dupont, Bayview – Bessarion and Wychwood libraries.

- Second 5 years (2023-2027) of the Capital Program will increase future year Operating Budgets by $0.393 million and 1.0 staff position to support the renovation work at various library sites such as Parliament Street, Northern District and annualization impact of Dawes Road Library.

TORONTO PUBLIC LIBRARY TORONTO

Unfunded Capital Projects

Project Description ($ Million)	Total Project Cost	Non-Debt Funding	Debt Required	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Downsview Renovation Phase 2	8.036	0.723	7.313	0.219	0.220		3.169	2.367	2.061				
Richview Renovation	3.410	0.307	3.103	0.194	1.185	1.007	1.024						
Lillian H Smith Renovation	16.650	6.142	10.508				0.380	0.381	4.118	4.242	4.017	3.512	
Toronto Reference Library Renovation	21.587	1.942	19.645		0.312	0.885	4.670	4.725	5.416	5.579			
Barbara Frum Renovation	13.710	1.233	12.477						0.377	0.378	4.682	4.103	4.170
Parkdale Reconstruction	14.309	1.736	12.573					0.509	0.511		4.127	4.252	4.910
City Hall Relocation	11.826	7.705	4.121		0.107	0.480		3.798	3.682	3.759			
Unfunded SOGR Backlog at Various Sites	111.042	9.963	101.079	63.785	2.693	10.681	1.747	1.023	0.461	7.313	13.696	2.357	7.286
Total	200.570	29.751	170.819	64.198	4.517	13.053	10.990	12.803	16.626	21.271	26.522	14.224	16.366