

**2012 Operating Budget Submission**

<b>Date:</b>	October 17, 2011
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

**SUMMARY**

---

The purpose of this report is to request the Toronto Public Library Board to review and approve the 2012 operating budget submission of \$157.508 million net (\$174.239 million gross) which includes:

- a) efficiencies and additional revenues of \$9.717 million net, which represent a 5.7% decrease from the 2011 budget;
- b) service reduction strategies to save \$7.327 million, which represents a further 4.3% budget reduction, will achieve a total reduction target of 10% or \$17.044 million;
- c) consideration of transitional strategies to achieve the 10% reduction target in 2012; and
- d) a recommended approach for public consultation on proposed service reductions.

The 2012 operating budget guidelines include an operating budget reduction target of \$17.044 million or 10% of the Library's 2011 net operating budget. The implementation of efficiencies and additional revenues identified are projected to generate annual savings of \$9.717 million, once fully implemented. However, reductions to open hours and collections will be necessary to achieve the additional savings of \$7.327 million in order to meet the 10% reduction target.

The Toronto Public Library Program Overview and Performance Measures are also provided in this report.

## **RECOMMENDATIONS**

---

### **The City Librarian recommends that the Toronto Public Library Board:**

1. approves a 2012 operating budget funding request of \$164.835 million net (\$179.565 million gross), which achieves \$9.717 million or 5.7% of the Library's 10% budget reduction target of \$17.044 million;
2. considers a further budget decrease of \$7.327 million from service reductions to open hours and collections (Attachment 2), which represents 4.3% of the 10% reduction target, resulting in a 2012 operating budget of \$157.508 million net (\$172.239 million gross);
3. approves an additional one-time draw of Development Charges for collections of up to \$2 million in 2012 to assist with transitioning to full budget reductions in 2012, resulting in an operating budget submission of \$157.508 million net (\$174.239 million gross); and
4. authorizes staff to conduct public consultation about the impact of potential reductions in service hours and collections and directs staff to report on the results of consultation at the November or December Board meeting.

## **FINANCIAL IMPACT**

---

The Library's 2012 operating budget funding request, before service reductions, is \$164.835 million net (\$179.565 million gross) which includes cost pressures of \$3.754 million (Attachment 1), and savings from efficiencies and additional revenues totalling \$9.717 million representing 5.7% of the 10% budget reduction target of \$17.044 million.

An additional \$7.327 million of savings from reductions to open hours and collections represents a further 4.3% budget decrease and will reduce the 2012 budget to \$157.508 million net (\$172.239 million gross), achieving the \$17.044 million or 10% reduction target.

A one-time additional draw of up to \$2 million of Development Charges for collections will assist with transitioning to full budget reductions in 2012, resulting in an operating budget submission of \$157.508 million net (\$174.239 million gross). Development Charges will be drawn from a reserve and will not impact City funding.

The public consultation, as proposed, will be carried out using existing on-line tools and the analysis will be carried out by staff with no additional costs to the operating budget.

As per City guidelines, the operating budget request does not include any provision for the outcome of collective bargaining in 2012.

The Director, Finance and Treasurer has reviewed this financial impact statement and is in agreement with it.

## DECISION HISTORY

To address Toronto's 2012 budget challenges, City Council launched a review of services and approved the *Service Review Program, 2012 Budget Process and Multi-Year Financial Planning Process* on April 12, 2011. City agencies were included in the Core Services Review and User Fee Study, and the Library is participating in the Service Efficiency Studies. The outcome of the Service Review Program will provide guidance to the development of the City's and Library's 2012 budget and multi-year budget planning process.

A 10% budget reduction target was set for City departments, boards and agencies, which corresponds to \$17.044 million for the Toronto Public Library. At its meeting on June 7, 2011, the Board received a *2012 Service Review Program and Budget Update* which provided additional details on the proposed Core Services Review, User Fee Study and the Service Efficiency Studies.

At its meeting on July 26, 2011, the Board considered the *Core Service Review – City Manager's Report* and requested the City Librarian to report on the status of the service efficiency studies.

At its meeting on September 13, 2011, the Board deferred consideration of opportunities identified in the *Core Service Review - City Manager's Report* until service efficiency studies are complete and the results are considered by the Board.

Also, at the September 13, 2011 meeting, the Board received a *Service Efficiency Update* which provided details on efficiency savings identified by Library staff and approved the following motions arising from this report:

1. requests the City Librarian to report back to the Board's next meeting on the service efficiency studies;
2. requests the City Manager to forward to Toronto Public Library the contract, including the terms of reference and scope for the DPRA Canada and other service efficiency studies involving the Library;
3. requests the City Manager to submit to the Board the results of the service efficiency studies for its consideration prior to the approval of the 2012 budget submission;
4. requests staff to undertake public consultations with affected communities, if any consolidations/closures, or reduction in hours of service are being considered by the Board;
5. requests the City Librarian to provide information to the Board on the "staffing model" for the Library and information on the impacts of the reduction of positions and service delivery related to the introduction of RFID technology in branches;
6. declares its full support for all TPL branches to remain open; to maintain open hours and outreach programs as well as its budget for purchasing new collections that maintain a high quality of services; and that a copy of this motion be

- provided to Toronto Council and its Executive Committee in time for their respective deliberations on the Core Service Review;*
7. *requests the City Librarian to report to the Board on any opportunities for efficiencies related to combining administrative services with the City of Toronto where economies of scale warrant.*

The City Manager's Service Efficiency Study of the Library using third-party consultants began in August 2011 and the resulting recommendations will be reported to the Board when available.

A request has been made to the City Manager for information regarding the terms of reference and scope of work for the service efficiency study being conducted by DPRA Canada.

This report also addresses the requests for additional information. A separate report provides details on the "staffing model".

## **BACKGROUND**

### **Service Review Program**

#### Core Service Review

The Core Service Review Summary and Service Profiles prepared by KPMG and the results of the public consultation were considered by Executive Committee on July 28, 2011 and September 19, 2011. Council considered the Core Service Review recommendations at its September 26 and 27, 2011 meeting, and decisions affecting the Library are summarized below:

- City Council received, but did not approve the recommendation to: consider rationalizing the footprint of libraries to reduce service levels, closing some branches;
- City Council requested the City Manager to review the remaining efficiency-related opportunities, including the potential for the reduction of Library open hours and/or days of operation, to determine whether and in what manner implementation is appropriate through the 2012, 2013 and 2014 Operating Budget, subject to Toronto Municipal Code Chapter 71, Financial Control, City and agency collective agreements, and human resource policies;
- City Council requested the City Manager to undertake a study of community infrastructure provided through the City's libraries, community centres, community hubs, related agencies, and organizations, and report to Executive Committee on a plan that maximizes the use of the City's assets, and enhances service system coordination;
- City Council requested the City Manager to report the findings of the Service Efficiency Reviews to Council as part of the budget process

### User Fee Review

City Council adopted a *User Fee Policy* on Sept 27, 2011. The new policy requires that all City programs and local boards comply with the principles, rules and procedures established therein.

The fundamental principle of the Policy is that “user fees should be utilized to finance those city services and goods that provide a direct benefit(s) to specific users and that user fees should be set to recover the full cost of those services to the extent that there is no conflict with City policy objectives and other legislative requirements. Services that benefit the entire community should be funded by property taxes.” (*City Manager's User Fee Policy report to Executive Committee, Sept 9, 2011*).

A separate report is expected from the City Manager to City Council later this fall which will detail the findings of the User fee review and will make recommendations on the disposition of existing user fees as well as identifying any opportunity for new fees.

Library staff is currently reviewing the new *User Fee Policy* and will update the Board as further information becomes available.

### Service Efficiency Study

The City Manager's Service Efficiency Study is being led by external consultants, DPRA Canada. The areas of focus for the City Manager's review include: the rationalization of services such as the number and distribution of library locations, days and hours of operation, space and facilities utilization; the use of digital technology and the viability of increased use of virtual services and e-business; and the collections handling processes involved in borrowing, returning, delivery and shelving library collections.

DPRA Canada's review started at the beginning of August with completion originally expected by the end of September. The results of the review are now expected at the end of October. Library staff attended several meetings, provided background information and tours of representative locations including the delivery hub. Results of the Service Efficiency Study are expected to be reported to the City Manager and the findings to be incorporated into the 2012 operating budget process. There is considerable overlap between the DPRA statement of work and the Library staff-led efficiency reviews, specifically with regard to circulation, delivery and use of technology.

Recommendations and any associated additional savings from the Service Efficiency Study will need to be evaluated within the context of all the savings and service reductions identified in this report to determine their feasibility and potential for savings. The results will be reported to the Board.

## Other Reviews

As recommended by Council, the Library will be participating in a facilities, real estate, fleet management and possibly other shared service reviews for implementation through the 2012, 2013 and 2014 budget processes.

## **COMMENTS**

### **Context of Budget Request**

#### ***Increasing Demand***

Over the past ten years, 2001-2010 total library usage has increased by 29% from 77 million to 99 million uses. As defined by the Ontario Municipal Benchmarking Initiative (OMBI), total usage is comprised of circulation, program attendance, in library use, standard reference requests, visits, workstation users, wireless use, electronic reference requests, licensed database searches, download circulation and virtual visits.

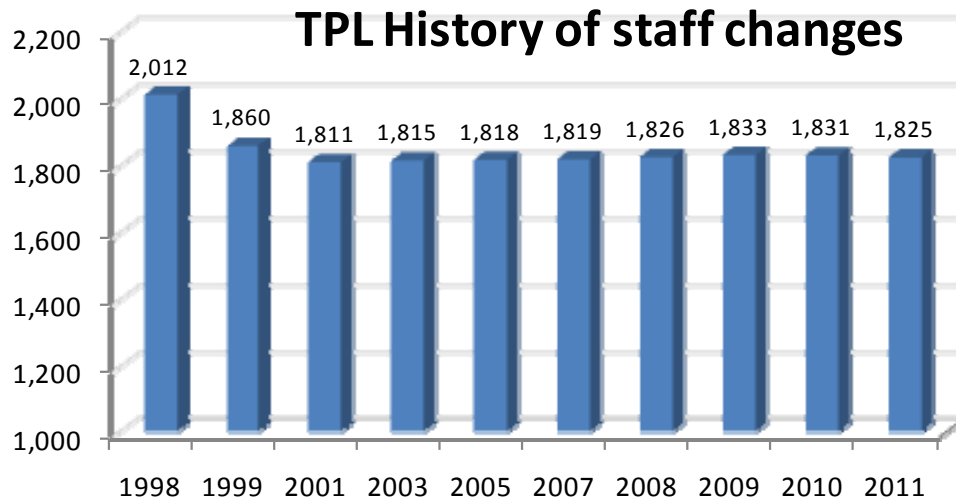
Patterns of use have shifted over time in response to residents' needs; many indicators have increased while a few have decreased. Circulation has increased 16.7% and includes increased use of ebooks, visits to library branches have also increased by 3.5%, use of library collections in branches and the number of reference questions have declined.

Traditional services have grown and evolved while use of newer services including access to the library's website, circulation of ebooks and access to computer workstations and wireless have increased dramatically.

The introduction of new technologies including RFID self-service circulation and more online services has enabled the library to manage growth in usage efficiently, while demand for traditional and new services continues to grow.

#### ***History of Staff Changes***

Through its commitment to continuous improvement and service efficiencies, the Library has managed the increased service demand while maintaining a reduction of 187 support and administration positions achieved in the two years following amalgamation.



## **2012 Operating Budget Submission**

The 2012 operating budget guidelines for the Library include an operating budget reduction target of \$17.044 million or 10% of the 2011 net operating budget.

The \$164.835 million net (\$179.565 million gross) 2012 funding request, before service level reductions accommodates cost pressures of \$3.754 million (Attachment 1), and budget reductions of \$9.717 million representing a 5.7% decrease from the prior year's budget.

A further reduction of \$7.327 million or 4.3%, needed to achieve the 2012 budget reduction target of \$17.044 million or 10%, will require service reductions to open hours and collections. This will reduce the budget to \$157.508 million net (\$172.239 million gross).

The late January 2012 budget approval and the requirement to provide notice for service changes will challenge TPL's ability to achieve in 2012 the annual budget reductions identified in this report. A one-time draw of up to \$2 million from Development Charges for collections will assist with transitioning to full budget reductions in 2012, resulting in a 2012 operating budget submission of \$157.508 million net (\$174.239 million gross).

### **2012 Operating Budget Pressures**

The 2012 budget submission includes budget pressures of \$3.754 million (Attachment 1), comprised of:

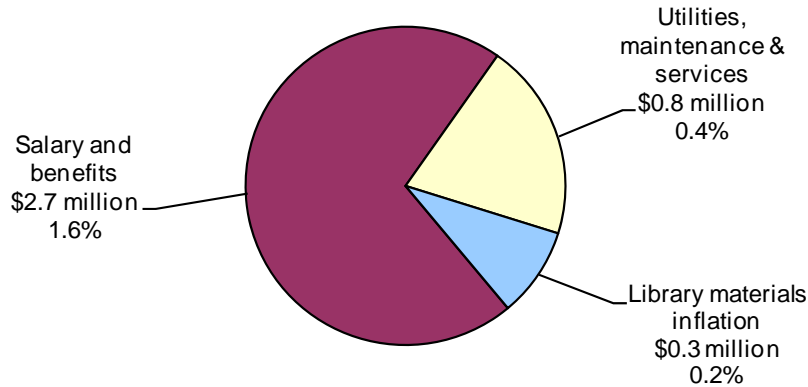
- salary and benefits increase of \$2.658 million comprised mainly of a \$1.163 million increase in the OMERS contribution rate and \$0.477 million due to an extra day of work in 2012;

- other cost increases from contracted services, building maintenance, utilities and expected inflation total \$1.096 million, which includes a \$0.295 increase for library collections.

As instructed by the City, the 2012 operating budget request does not include any provision for the outcome of collective bargaining in 2012.

The following graph highlights the cost pressures in the 2012 base budget increase.

**2012 Base Budget Pressures (\$3.754 million)**



**2012 Operating Budget Reductions – Efficiencies and Additional Revenues (\$9.717 million, including 100 FTEs)**

The 2012 budget submission includes annual budget savings totalling \$9.717 million and a reduction of 100 full time equivalent positions (FTEs), to be achieved after the complete implementation of efficiencies and service adjustments which do not have a significant service impact. These initiatives, taken together, represent substantial changes to business processes and will require considerable effort to implement, in order to achieve the desired outcome. These budget savings are summarized below:



	2012		2013		2014	
	FTE	\$000s	FTE	\$000s	FTE	\$000s
Detailed Budget Review / Capital Budget Adjs.	2.0	820.7	1.2	(62.0)	12.0	536.0
Revenue Increases	0.0	1,355.0	0.0	20.0	0.0	8.0
Service Consolidations	17.2	1,704.9	0.0	-	0.0	-
Technology Driven Efficiencies	26.8	1,924.8	4.5	196	0.0	97
Business Process Re-engineering Using Lean Six Sigma	45.0	3,147.8	0.0	-	0.0	-
Management and Support Staff Reductions	9.0	764.1	0.0	-	0.0	-
	<b>100.0</b>	<b>9,717.2</b>	<b>5.7</b>	<b>153.5</b>	<b>12.0</b>	<b>641.0</b>

All of the efficiencies identified in this report build on previous continuous improvement initiatives implemented in recent years. Some examples include:

### *Services*

- more services delivered electronically;
- expanded open hours without additional staff through efficient staff scheduling and introduction of self-service: 321 hrs/wk added between 2007 and 2010;
- WiFi in all branches to address increased demand for Internet access;
- flexible and innovative branch design for safe, affordable public space;
- 3,500 volunteers (75% youth);
- enhanced service made possible through the Toronto Public Library Foundation support.

### *Operations*

- restructured shipping and delivery services to get items to customers faster;
- coordinated purchasing with City for volume discounts;
- automated processes for large collection orders to maximize efficiencies;
- review of IT systems helps contain operating costs to meet demand.

In response to the 2012 budget reduction target, Library staff has undertaken further internal efficiency reviews with training in Lean Six Sigma methodologies. This approach to finding efficiencies focuses on customer service and maps processes to eliminate unnecessary steps and reduce errors.

Front-line staff and supervisors throughout the Library have been involved in work groups, questionnaires and brainstorming sessions in an effort to utilize staff expertise and gather suggestions. Also, an email account, [efficiencyideas@torontopubliclibrary.ca](mailto:efficiencyideas@torontopubliclibrary.ca) was established to gather efficiency suggestions.

The implementation of some of the 2012 reduction initiatives requires an immediate capital investment. Adjustments to the 2011 and 2012 capital budgets were approved by the Board at its September 13, 2011 meeting, revising the project schedule of approved projects to fund the required investments to allow for the achievement of savings in 2012.

***Detailed Budget Review and Other Reductions (\$0.820 million, including 2 FTEs)***

	2012		2013		2014	
	FTE	\$000s	FTE	\$000s	FTE	\$000s
Microfilm service contract	0.0	38.2	0.0	0.0	0.0	0.0
Sunday Pay		150.0				
Benefits - dental and extended health		300.0				
Brentwood - revised schedule & staff reduction	2.0	292.0		(140.0)		
Ft. York / Bathurst reduce staff and revise sched.					11.0	502.0
Fairview			1.2	78.0		
Scarborough Centre					1.0	34.0
Miscellaneous		40.5				
	2.0	820.7	1.2	(62.0)	12.0	536.0

A detailed line-by-line review of actual expenditures compared to budget for the past few years was performed. The following areas were identified for budget reductions totalling \$0.820 million:

- a recent microfilm service contract and other line items reduced costs by \$0.038 million;
- based on analysis and recent experience, the staffing budget for Sunday work can be reduced by \$0.150 million and the benefits budget, mainly in the areas of dental and extended health, can be reduced by \$0.300 million; and
- the combination of a revised staffing level and adjustments to capital project construction schedules will result in savings of \$0.292 million and 2 FTEs in 2012 at Brentwood, with \$0.140 costs shifting to 2013; \$0.078 million and 1.2 FTEs at Fairview in 2013; \$0.502 million and 11 FTEs savings in 2014 at Fort York/Bathurst, and \$0.034 million and 1 FTE in 2014 at Scarborough Centre.

***Revenue Increases (\$1.355 million)***

	2012		2013		2014	
	FTE	\$000s	FTE	\$000s	FTE	\$000s
Literacy and basic skills grant		41.0				
TRL café lease		64.0		20.0		8.0
Fund Collections budget with DC reserves		750.0				
Fines and Fees (Circulation Policy)		500.0				
	0.0	1,355.0	0.0	20.0	0.0	8.0

Increased revenue opportunities estimated at \$1.355 million have been identified in the following areas:

- an increase in a Provincial grant for literacy will provide budget relief of \$0.041 million;
- the TRL renovation includes a café on the main floor and a lease is being negotiated which will generate \$0.064 million in the first year with an increment of \$0.02 million in the second year and a further increment of \$0.008 million in the third year;
- development charges (DC) are fees imposed on new residential and non-residential development in the City, in order to partially pay for the capital costs required to provide municipal services to the new development. DC collected for Library

purposes are used to fund the Library's physical infrastructure and library collections in response to the needs of a growing population. Using the most current information available, an analysis and projection was performed of future revenues and expenditures for the DC reserves. The outcome of the analysis supported increasing the DC draw to fund library collections from the current level of \$1.000 million to \$1.750 million, and the additional \$0.750 million DC draw is considered a revenue item to reduce the budget. The \$1.750 million annual draw is sustainable for at least 5 years and a new DC by-law is expected in 2015. The adequacy of DC reserves is reviewed annually during the budget process, and all draws from reserves require Council approval;

- a revised circulation and collection use policy was approved by the Board at its July 26, 2011 meeting. The annual net revenue from fines and fees is expected to increase by approximately \$0.5 million.

***Service Consolidations (\$1.705 million, including 17.2 FTEs)***

	<b>2012</b>	
	<b>FTE</b>	<b>\$000s</b>
Consolidate Urban Affairs at TRL - Year 2	2.5	629.0
Integrate periodicals at TRL - Year 2	4.0	365.0
Merge separate business desks at TRL	2.0	123.7
Material Delivery Services Consolidation	3.7	262.5
Mobile Library Services - consolidation at NYCL	4.0	294.7
Landscaping / snow clearing	1.0	30.0
	<b>17.2</b>	<b>1,705</b>

Annualized savings from the consolidation of the Urban Affairs Library at Toronto Reference Library (TRL) and the integration of periodicals at TRL, both included in the approved 2011 operating budget, contribute to the 2012 budget savings.

The on-going renovation at TRL has afforded another opportunity for savings with the consolidation of separate business desks which result in additional staff saving for 2012, without affecting service levels.

The consolidation of two delivery hubs into one of the existing hubs at 1076 Ellesmere Road results in the ability to reduce delivery routes and more efficient use of staff and vehicle resources leading to cost savings. These changes will not have a service impact, each library location will continue to receive daily delivery of library collections.

Another consolidation involves moving the Bookmobile and Home Library Service operations from three locations to one central location at North York Central Library. Moving to one central location adjusts the operational configuration by consolidating staff, collections and vehicles. The current service delivery model and customers are not impacted by this change. The consolidation allows for more efficient use of resources leading to reduced staffing and vehicle costs.

***Technology Driven Efficiencies (\$1.925 million, including 26.8 FTEs)***

	2012		2013		2014	
	FTE	\$000s	FTE	\$000s	FTE	\$000s
Maintenance contracts and Licences	1.0	249.0				
Telecommunications contract		155.0				
Self-service circulation RFID project	9.3	651.0				
Library material sorters - 5 branches	11.5	653.1	4.5	135.9	0.0	97.0
RFID Self Checkout - 10 additional branches	5.0	216.7	0.0	59.6	0.0	0.0
	26.8	1,924.8	4.5	195.5	0.0	97.0

Staff have identified specific efficiencies which will result in budget savings:

- an on-going program to identify maintenance and license contract costs which can be reduced, typically by replacing systems with lower cost solutions, has resulted in total savings of \$0.249 million and 1.0 FTEs. For example, the replacement of the desktop management and software delivery system will result in reduced costs for maintenance and licenses.
- a telecommunications contract with Bell Canada will result in savings totalling \$0.155 million.
- for the 2009 capital budget, Council approved a four-year capital project totalling \$6.6 million to install self-service RFID technology for check-out in 40 of the busiest library branches and the efficiencies gained would be reinvested to expand branch open hours with existing staff. To assist with meeting the budget target, the proposal is to continue with the approved capital project and apply further efficiencies resulting from the introduction of self-service RFID technology towards achieving budget reductions.
- an automated RFID check-in sorting system was installed at Cedarbrae branch to evaluate its effectiveness in handling the busyness of a large branch with high circulation, and its impact on collections handling. The evaluation indicates that for the library's busiest branches, staff savings of approximately 3 FTEs can be realized where an automated check-in sorter is installed. Additional sorters are now planned for North York Central Library, Agincourt and Richview branches for staff savings in 2012. Fairview has been identified for a sorter in 2013 as part of the approved Fairview capital project.
- staff has identified additional opportunities for implementing self-service RFID technology for check-out at 10 new branch locations which will result in staff savings.

The introduction of RFID technology in library branches has been carefully assessed to determine operational and service impacts. For self-service check out, approximately 75% of check outs are done without staff intervention. The remaining transactions require staff assistance with matters such as card registration updates, fine payments, blocks on records, etc. As well, some customers prefer to have staff do check out for them. In estimating the efficiency at branches closed for renovations, a circulation increase is factored into the calculations for the go live date. The efficiencies are applied to the staff resources allocated to support the circulation function in each branch. The efficiencies from self-service check out are greatest in the largest and busiest branches. Smaller neighbourhood branches with lower activity and staffing levels do not generate

sufficient savings to reduce staffing costs, mainly because staffing is already at the minimum level required to keep the branch open during scheduled open hours. All branches benefit from RFID implementation through reduced collections handling, improved health and safety for staff, elimination of backlogs in delivery and holds processing, resulting in improved customer service. As more branches convert to RFID technology, the Library is better positioned to take advantage of further efficiencies, for example, check in, sorting, inventory, etc. Additional future self-service options such as on line fine payment and registration planned for 2012 will provide more customer self-serve options and reduce the need for direct staff support.

Customer response to the introduction of self-service check out has been positive overall. There have been very few complaints. Customers often ask when this service option will be provided at their local branch. As with any change, there is a period of transition at a branch when the technology is introduced. Customers require more personalized assistance during this period. A small percentage of customers, including some seniors, continue to request that staff check their collections out for them and this option is available at all locations.

***Business Process Re-engineering (\$3.148 million, including 45 FTEs)***

	2012		2013		2014	
	FTE	\$000s	FTE	\$000s	FTE	\$000s
Procurement and Inventory Management	31.0	2,343.0	0.0	0.0	0.0	0.0
Holds Efficiency Project	12.0	674.1				
Timekeeping and Payroll Efficiencies	2.0	130.6	0.0	0.0	0.0	0.0
	45.0	3,147.8	0.0	0.0	0.0	0.0

The selection, acquisitions, cataloguing, and processing of new collections are process intensive operations that have been areas of focus for continuous improvement initiatives for many years. Since 1998, staff in Bibliographic Services has been reduced by over 45%. These savings have been achieved by analyzing and adjusting workflow and the allocation of resources, establishing output targets, capitalizing on technological change and leveraging vendors' value-added services.

Building on these efficiencies, staff used Lean Six Sigma methodologies to find additional process improvements that result in saving another 14 FTEs in Bibliographic Services in 2012. When added to previous reductions in staff, this amounts to a total staffing reduction of almost 55%. To achieve these most recent savings, a number of strategies have been used to reduce collections handling and variations in processes by:

- introducing more batch processing for ordering and receiving;
- using electronic data interchange with more vendors for orders and invoices;
- reducing the movement of collections;
- reducing wait times between processes;
- increasing standardization.

In addition, a number of changes have been identified that will better coordinate the selection of new collections by librarians. This adjustment to selection assignments

reduces by 17 FTEs the number of staff involved in selection of new collections. This change streamlines selection activities without compromising the quality of selection and is critical to ensuring a more even flow of new collections into Bibliographic Services.

Another area of focus has been the process for filling customers' holds. Staff has investigated the benefit of using a holds wrapper that reduces both the number of steps involved in filling holds and rework at the delivery hub due to holds slips that are handwritten and not always legible. These adjustments to the holds filling process achieve savings in staff time and help get holds to customers more quickly.

Timekeeping is another area that has benefited from a process review by expanding system access points to allow supervisors and managers to review and approve timesheets at the location where the work was performed, which eliminates second-hand information, reduces the potential for error and the need for time consuming corrections, resulting in staff savings.

***Management and Support Reductions (\$0.764 million, including 9 FTEs)***

A review of management and support areas has resulted in the deletion of 9 FTEs, including six management/exempt positions.

There are 86 managers and 31 other exempt staff at the Toronto Public Library. Management represents less than 4% of the total workforce of the Library and the entire exempt group is 5% of the workforce.

**2012 Operating Budget Reductions – Service Reductions (\$7.327 million, including 61 FTEs)**

Both Council and the Board have indicated that branch closures should not be considered for 2012 budget reductions. As a result, branch open hours and collections have been carefully reviewed for reductions.

After applying the \$9.717 million of savings described above, a further budget reduction of \$7.327 million is required to meet the 10% reduction target of \$17.044 million. This additional reduction requires cuts to open hours and collections, which will have an impact on library services, as described in Attachment 2.

Monday - Saturday service hours reduction  
 Sunday service hours reduction  
 Library collections reduction

2012	
FTE	\$000s
61.0	5,133.0
	304.0
	1,890.0
61.0	7,327.0

### ***Hours of Service Reduction Framework***

The following factors are considered in allocating open hour reductions to branches:

- distributed access to library resources across the city
- greatest number of open hours at largest and busiest branches across the city
- a balance of morning, evening and weekend hours
- standard schedules to maximize efficiency of operations; five, six and seven day service at branches across the city, with a minimum service level of 5 days, 40 hours per week, with the exception of Swansea Memorial and Todmorden Room
- Sunday service maintained at District and Research & Reference branches across the city, which have the greatest access to collections and services accessible in all areas of the city

### ***Impact of Service Reductions***

Library open hours both during the weekdays and on the weekends provide access to library service to a broad range of individual users and to those attending programs. Morning hours are important to seniors, preschool children and their caregivers; lunch hours to students and workers; afternoon and after school times to elementary and high school students and evening hours provide access to workers, mature students and recreational users.

Residents of all ages including students, and those engaged in lifelong learning, use the library for computer and wireless access, study space, research materials and attend programs. Access to community meeting rooms by community groups builds community capacity.

Fewer open hours reduces service levels in two ways: the branch is open fewer hours for residents to visit and it limits the time available for study, accessing collections, programs, etc.; and when the library is open, the space will be more congested and crowded, reducing access to study space, computers and to zoned spaces including those for teens, children and preschoolers.

### ***Impact on Library Collections***

After significant reductions in the 1990's, the collections budget has recovered to pre-reduction levels when adjusted for inflation and exchange rates. However, the necessity of purchasing collections in multiple languages and formats, and the growth of electronic formats such as e-books, has placed additional pressures on the budget in recent years. TPL's circulation of over 32 million is directly linked to the availability of current collections that meet the needs of the public. The 2011 Library collections budget was reduced by \$400,000, representing a 2.3% budget reduction. A further permanent reduction in 2012 of \$1.89 million will reduce the budget by another 11% or 13% over two years.

As in 2011, the reduction to the 2012 collections budget will be allocated to minimize the impact on the public as much as possible. However, the size of the 2012 reduction is

more significant and will result in purchasing fewer copies of some collections with longer wait times for holds. There will be fewer titles purchased which reduces the scope and currency of collections available, and funds will be deferred for replacements of classic and standard titles that will result in gaps in some collection areas.

## **2012 Budget Transitional Pressures**

The late January 2012 budget approval and the requirement to provide notice for service changes will challenge TPL's ability to achieve full year budget reductions in 2012. Any underachievement of the 2012 budget reductions will be funded by a corresponding under-expenditure of the collections budget.

The proposal is to draw up to \$2 million of Development Charges (DC) in 2012 to fund collections, as a tool to assist with transitioning to full budget reductions. The DC reserve for Library purposes is funded by contributions from developers, and an analysis of current and future commitments against this reserve shows that a one-time draw of up to \$2 million can be accommodated.

## **2012 Budget Public Consultation Strategy**

At its September 13, 2011 Meeting, the Library Board requested that staff undertake public consultation with affected communities, if any consolidations/closures, or reduction in hours of service are being considered by the Board. The Library's 2012 Operating Budget Submission includes potential service reductions to open hours and collections; therefore, the consultation strategy focuses on understanding the impact of these reductions on communities and residents.

The consultation will include an online survey with paper copies available in all library branches from Friday October 21st until Tuesday November 8th, 2011 with accessible versions and translation available through Answerline. To ensure that a broad section of the community have the opportunity to participate, the survey will be made available on the library's website, and promoted through the library's social media and blogs. Results of the consultation will be summarized and presented to the Board for consideration at the November 21st or December 12th Board Meeting and subsequently, the report will be made available to the public through the Library's website.

The consultation, as proposed, will be carried out using existing on line tools and the analysis will be carried out by staff with no additional costs to the operating budget.

## **2012 Program Overview**

The 2012 Program Overview, included as Attachment 3, provides the following components:

- Mission statement
- Program Map
- Key services



- 2012 - 2013 program strategic directions
- Key challenges and opportunities
- 2010 key accomplishments
- Performance Measures
- Benchmarking, and
- Service outcomes

Performance measure charts describe the results and targets for key indicators such as visits and use per capita and also contextual information comparing Toronto Public Library results with results from other Ontario municipalities.

## **CONTACT**

Larry Hughsam; Director, Finance & Treasurer; Tel: 416-397-5946; Fax: 416-393-7115;  
E-mail: [lhughsam@torontopubliclibrary.ca](mailto:lhughsam@torontopubliclibrary.ca)

## **SIGNATURE**

---

Jane Pyper  
City Librarian

## **ATTACHMENTS**

- Attachment 1: 2012 Operating Budget Pressures
- Attachment 2: Service Reductions
- Attachment 3: 2012 Program Overview
- Attachment 4: Performance Measures