

## REPORT TO THE LIBRARY BOARD

**MEETING DATE: Wednesday, January 17<sup>th</sup>, 2007**

Session:	Public Session
Subject:	2007 Budget
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Presented By:	Anne Becker
Purpose of Report:	For Receipt and Update Only <input checked="" type="checkbox"/>

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### Recommendation

It is recommended that this report be received by the Library Board.

### Issue / Opportunity

The purpose of this report is to provide the Board with an update on the status of the 2007 Operating and Capital Budgets

### Background & Review

At the March 29, 2006 meeting, the former Library Board approved a 4.6% 2007 Operating Budget increase. The June 28, 2006 Board report detailed areas of need required to maintain existing services. During the summer, senior managers considered input from supervisors, and updated projections based upon 2006 experience. As a result of this due diligence and planning process, following are the budget requirements for London Public Library. They are in direct alignment with the Strategic Plan approved in December 2005.

To maintain current budget:

**2.0% (\$297,000)**

- Wage and benefit adjustments due to existing Collective Agreement

**0.4% (\$60,000)**

- Anticipated increases in utilities

**0.7% (\$97,000)**

- Inflationary impacts on infrastructure expenses

**0.2% (\$35,000)**

- Technology to keep pace with public demand

**0.5% (\$70,000)**

- Purchased services including e-communication, website & media service upgrades

Recommended Increases: (separate business cases were submitted to Council for each initiative)

**0.75% (\$106,000)**

- Youth Co-coordinator and Literacy Co-coordinator to accommodate growth and complexity of service needs

**0.2% (\$35,000)**

- Employee training and development per Strategic Plan

**0.75% (\$100,000)**

- 2nd year of 5 year plan to restore scope, depth, relevance and quality of collections

Reductions:

**0.2% (\$36,000)**

- Reduced utilities budget to reflect energy management efforts

**(0.7%) (\$96,000)**

- Development of new revenue opportunities and increased revenue initiatives

If the 4.6% budget increase is not approved and our budget is scaled back to 3%, as discussed with the previous board, we will need to make changes to our service levels. To achieve a \$230,000 cut, we would consider the following cuts:

- Eliminating Sunday Service at Central
- Branch closures
- Reducing hours of service across the system

**Capital Budget**

The Capital budget and 10 year forecast includes an increase in the Library's annual \$50,000 Life Cycle Maintenance (Branch Facilities Upgrade) funding to \$150,000. A Business Case was prepared to demonstrate the need for funds to support a multi-year capital renewal plan. The plan was based upon the urgent needs identified in a high-level facility audit, conducted in conjunction with John DeVito from Facility Engineering at the City of London.

As this request falls outside of the City's Life Cycle Maintenance fund allocation for the Library, (a total of \$300,000 which supports the Integrated Library System Technology (\$250,000) and the Branch Facilities Upgrade of \$50,000), City staff advised that it must be presented to Council as a Service Growth request, as part of the operating budget. This request, supported by the Business Case, does not impact the initial operating budget percentage increase request.

**Budget Presentations**

We will present our capital budget to Board of Control on January 24<sup>th</sup> and our operating budget on January 25<sup>th</sup>. The operating budget will be reviewed by the Committee of the Whole on February 1<sup>st</sup> and the capital budget on February 8<sup>th</sup>. Council expects to approve the 2007 budgets on February 20<sup>th</sup>.