



## REPORT TO THE LIBRARY BOARD

MEETING DATE: JUNE 20, 2007

Session:	Public
Subject:	Financial Update Report – 2008 Operating and Capital Budgets
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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.

### **Issue:**

The purpose of this report is to provide the Board with an update on the status of the 2008 Operating and Capital Budgets.

### **Background:**

#### **Operating Budget**

On May 14, 2007, Municipal Council approved a 2008 Operating Budget increase of 3.2% for the London Public Library.

During the next few months, a detailed operating budget will be developed. However, the majority of the approved increase will be necessary for wage, salary and fringe benefits due to existing employment agreements. There will also be an increase to the Collections budget as the third year of a five year plan to restore the scope, depth and quality of the collections. (See Business Case, Appendix I.) A preliminary projection does not factor in inflationary pressures or rising costs.

As part of the budget development process, the Library will continue to seek additional/increased sources of revenue, cost savings, cost containment and redeployment of resources.

The 2008 Operating Budget reflecting the 3.2% increase, in City format, will be distributed at the September 19, 2007 Board meeting. Recommendations resulting from the Sustainability Project on how to optimize library service and maximize the customer experience will also be presented to the Board.

In response to City Council's request during the 2007 budget development process the 2008 Budget, along with alternate solutions to service delivery will be brought to City Council for discussion in the fall. The final budget will be presented to Council in January.

## **Capital Budget**

As part of the 2007 budget process, the Library prepared a Business Case (Appendix II) to support a request to increase its \$50,000 Life Cycle Maintenance funding to \$150,000 in order 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 Council only approved an additional \$50,000 in 2007, the Library will be requesting the remaining \$50,000 as part of the 2008 budget process in order to accommodate all priorities identified in the audit that will still be outstanding at the beginning of 2008.

The 2008 Operating Budget Timetable is attached. (Appendix III)