



REPORT TO THE LIBRARY BOARD

MEETING DATE: Wednesday, October 3rd, 2007

Session:	Public Session
Subject:	2008 Sustainability Business Plan & Budget Implications
Prepared By:	Anne Becker & Sustainability Project Team
Presented By:	Anne Becker
Purpose of Report:	For Decision: Approval <input checked="" type="checkbox"/>

Recommendation

It is recommended that this report be received and the recommendation be approved by the Library Board of London Public Library.

Issue / Opportunity

For the last few years, London Public Library has had significant difficulty achieving the budget target set by City Council due to increased

- Personnel costs resulting from negotiated wage settlement, higher minimum wage, and rising benefits costs;
- Collections costs and public demand for new and emerging formats;
- Technology costs required to support Millennium, the LPL "Integrated Library System"; and
- Energy costs.

The library is a very lean and efficient organization. Every effort has been made to

- Allocate resources consistent with the objectives of the LPL Vision and Mission (community-wide benefits) and the priorities of the Board's Strategic Plan;
- Flat-line or reduce costs where possible;
- Redeploy resources where possible;
- Recognize the impact of capital budgets (new/replaced infrastructure) on operating costs;
- Identify and quantify liabilities;

- Seek revenue opportunities giving consideration to affordability and competitiveness; and
- Implement user fees as allowable under Ontario Public Libraries Act to ensure that value-added programs are self sustaining.

We must provide services in a manner that meets the high expectations and demands of the public while operating in an environment of constrained financial resources. Despite the high regard for the public library and the valuable role we play in this community, we consistently face difficult choices as to how to allocate our \$15M budget. Additionally, rising costs of new collections materials and formats, increasing costs of technology, the challenges presented by the internet, and new service demands, make those decisions even more complex.

The issue that London Public Library continues to deal with in the pursuit of our vision, value promise and strategic goals is:

How do we meet the needs of the community in a sustainable manner?

Background

At the March 2006 board meeting, the Library Board passed the following resolution.

2007 Budget Target Process

*As part of the three-year operating budget target process, the City's Corporate Management Team has established a 2007 net budget target of 3.0% or less for the Library. Board members felt that the Library budget required additional resources to achieve its 2007 goals. It was **MOVED** by Councillor Winninger and seconded by Councillor Caranci that the City be advised that the Library cannot meet the 3% budget target (Option #4) and that the Library's budget will reflect the Library's true needs based on the Strategic Plan.*

The Board approved a 4.6% Operating Budget increase.

The official budget, with a 4.6% operating budget increase, was presented to Board of Control on January 25th 2007. At that time, there was discussion amongst the members of Board of Control, with the Library CEO, regarding the need for the development of a business case to support sustainability of the London Public Library, on a go-forward basis.

In direct response to the dialogue at the Board of Control meeting and the request for this information, at the February 21st 2007 board meeting, the Library Board approved the project plan for the development of a Sustainability Business Case.

Current Situation

The 2008 budget target is 3.2%. This target does not sustain our library and would not provide London Public Library with the necessary financial resources we need to achieve our vision and strategic goals. London Public Library can achieve this budget target, but not without cuts in service to the community. Accordingly, the attached **Sustainability Business Plan & 2008 Budget Implications** provides the following information to the Library Board.

- Why a Sustainability Business Case?
- What Problem / Issue is London Public Library facing?
- Why can't the budget target be met through internal efficiencies?

- What other potential savings could be considered to meet targets?
- What can LPL do to sustain our institution?
- What information did we use to develop the alternatives?
- Detailed alternative scenarios
- Decision criteria for analyzing the alternatives
- Analysis of alternatives
- Recommendation
- Implementation & Follow-Up
- Appendices

Next Steps

The Library Board will review, discuss and debate the Sustainability Business Case & 2008 Budget Implications at the board meeting of October 3rd. Ideally, approval will be given to management's recommendation. If this is the case, we will present the business case and our recommendation to Board of Control at their October 17th meeting (ideal target date in order to meet city deadlines for budget submission) for their information and consideration. Board of Control's feedback will provide us with direction and will assist us in finalizing our formal 2008 budget package that goes forward to City Council.

If the Library Board requires further information, we will update the business case and bring the revised version to the board at their October 17th meeting, with the goal to present to Board of Control on October 31st.