

LONDON PUBLIC LIBRARY

2009 OPERATING BUDGET WITH 2010 to 2012 OPERATING FORECASTS

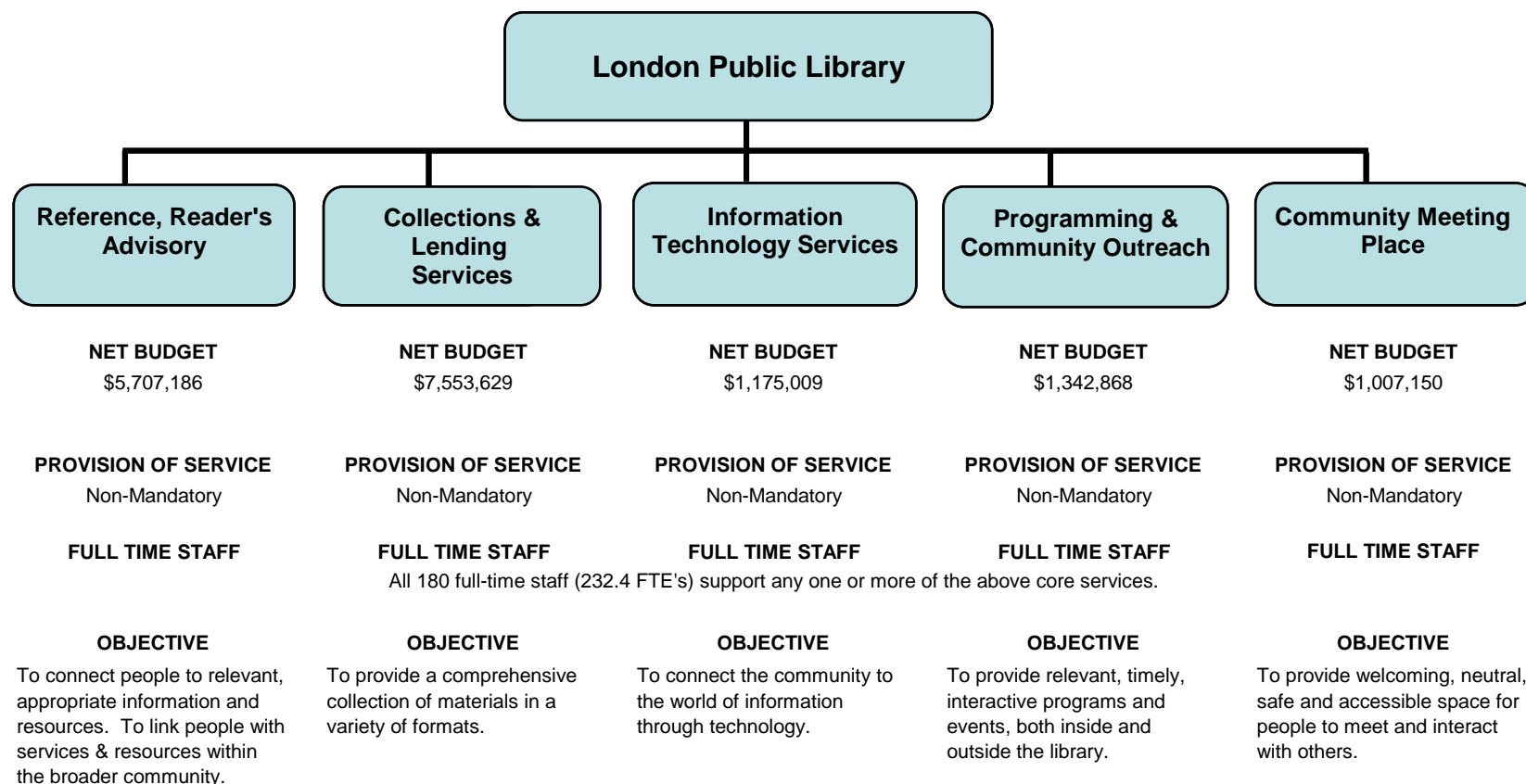


London
CANADA

A handwritten signature in black ink, reading "Susanna Hubbard Krimmer".

Susanna Hubbard Krimmer
Chief Executive Officer

LONDON PUBLIC LIBRARY BOARD OVERVIEW



This overview has been modified from previous years in order to reflect the ways in which the Library offers services, consistent with the 'London Public Library Service Model'.

Breakdown by Service Model was based on a percentage estimate of overall budget, consistent with the Comprehensive Service Level Review, LPL Strategic Plan, LPL Service Model as approved by the London Public Library Board, and the 2003 to 2008 budgets. All Library staff provide, or support, any one or more of these activities.

LONDON PUBLIC LIBRARY

SERVICES PROVIDED BY BOARD

Definition of Library Service

"Library Service" is what the library does for, or offers to, the public in an effort to meet a defined set of community needs. Service is relevant, inclusive and responsive for all. Each member of the community has an equal right to public library services. Service is accessible to people regardless of age, race, gender, religion, nationality, language, ability, social status, economic status and educational attainment. Specific services and materials are provided for those users who cannot use regular services and materials. Such users include people with disabilities and the home bound. Services support people in all life stages, meeting their needs in the areas of: literacy; formal and lifelong learning; culture, leisure and recreation; information; technological literacy and physical and virtual community meeting places.

PROGRAM	SERVICE DESCRIPTION
Reference, Reader's Advisory and Information Services	<ul style="list-style-type: none"> • Reference Services connect people to information and/or relevant and appropriate information resources. Reader's Advisory Services connect individuals to books, CDs, DVDs and other formats which best match their reading, viewing, listening preferences and learning style. Referral Services link people with relevant services and resources available in the broader community.
Collections & Lending Services	<ul style="list-style-type: none"> • The mission of collection management is to identify, evaluate, select, organize and maintain high-quality, balanced, accessible and relevant information resources, in a wide variety of formats (print, audio-visual, electronic, etc.) to meet the needs of a diverse community. Selection of material is guided by need, intellectual freedom and a range of viewpoints. Customer activities include: borrowing; ability to reserve materials; circulation of collections through 16 locations; in-library use; web site borrowing services via the catalogue (i.e. placing holds); remote advisory and reference services; visiting library service and collections based programming.
Information Technology Services	<ul style="list-style-type: none"> • To connect the community to the world of information by providing access to technologies including the Internet, basic orientation to new technologies, e-mail capabilities, career development information, word processing capability, online database subscriptions and literacy skills development.

LONDON PUBLIC LIBRARY SERVICES PROVIDED BY BOARD (cont'd)

PROGRAM	SERVICE DESCRIPTION
Programming & Community Outreach	<ul style="list-style-type: none"> • To offer library outreach programs for non-users, special community needs, the underserved and people with special needs in their branch libraries and communities across London. The Library works collaboratively with community service partners and individuals to provide opportunities for people to access information, learn and interact.
Community Meeting Place	<ul style="list-style-type: none"> • To provide a welcoming, relevant, safe and neutral space that reflects the needs and diversity of the communities served. Facilities are open and accessible to all - individuals, families, children, students, seniors, newcomers, business people, job-searchers, etc. To offer an environment where people can come to read, learn, engage in conversations and dialogue, explore, develop, listen and collaborate.

Note: This overview has been modified from previous years in order to reflect the ways in which the Library offers services. It is consistent with the 'London Public Library Service Model'.

LONDON PUBLIC LIBRARY
2009 OPERATING BUDGET DEPARTMENT SUMMARY
(\$ 000's)

Program	2007 Net Actual	2008 Approved Net Budget	2008 Revised Net Budget	2009 Proposed Budget			Increase (Decrease) Over 2008 Revised Net Budget
				Gross Expenditure	Revenue Recovery	Net Budget	
Reference, Reader's Advisory & Info Services	5,185	5,075	5,530	6,225	(518)	5,707	177
Collection & Lending Services	6,863	7,269	7,319	8,239	(686)	7,553	234
Information Technology Services	1,067	1,707	1,139	1,282	(107)	1,175	36
Programming & Community Outreach	1,220	1,358	1,301	1,465	(122)	1,343	42
Community Meeting Place	915	906	976	1,099	(91)	1,008	32
Total London Public Library	15,250	16,315	16,265	18,310	(1,524)	16,786	521
% INCREASE/(DECREASE) OVER 2008 BUDGET							3.2%

Council Approved Budget Target	16,786	3.2%
Over/(Under) Target	0	0.0%

Note: All figures subject to rounding.

This overview has been modified from previous years in order to reflect the ways in which the Library offers services. It is consistent with the 'London Public Library Service Model'.

LONDON PUBLIC LIBRARY
2009 OPERATING BUDGET DEPARTMENT SUMMARY
(\$ 000's)

Program	2007 Net Actual	2008 Approved Net Budget	2008 Revised Net Budget	2009 Proposed Budget			Increase (Decrease) Over 2008 Revised Net Budget
				Gross Expenditure	Revenue Recovery	Net Budget	
Object of Expenditure:							
Human Resources Costs	11,397	12,038	12,056	12,526	0	12,526	470
Administration Costs	107	110	107	107	0	107	0
Purchased Services	504	523	524	530	0	530	6
Technology Services	604	717	717	717	0	717	0
Utilities	854	824	824	866	0	866	42
Facilities Services	1,251	1,370	1,364	1,364	0	1,364	0
Materials & Collections	1,868	1,988	1,968	1,968	0	1,968	0
Program Services	68	86	95	95	0	95	0
General	10	11	10	10	0	10	0
Reserve Fund Contribution	69	119	69	69	0	69	0
Furniture and Equipment	38	60	58	58	0	58	0
Total Expenditures	16,770	17,846	17,792	18,310	0	18,310	518
Revenue/Recovery:							
Provincial Grants	(599)	(599)	(599)	0	(599)	(599)	0
Fines, Fees, Etc	(504)	(509)	(509)	0	(509)	(509)	0
Operating Revenues	(158)	(173)	(169)	0	(161)	(161)	8
Rental Revenue	(183)	(174)	(174)	0	(179)	(179)	(5)
Business Revenue	(76)	(76)	(76)	0	(76)	(76)	0
Reserve Fund Contribution	0	0	0	0	0	0	0
Total Revenue	(1,520)	(1,531)	(1,527)	0	(1,524)	(1,524)	3
Total London Public Library	15,250	16,315	16,265	18,310	(1,524)	16,786	521
% INCREASE/(DECREASE) OVER 2008 BUDGET							3.2%

Note: All figures subject to rounding.

LONDON PUBLIC LIBRARY
2009 BUDGET OVERVIEW
(\$ 000's)

2009 PROPOSED NET BUDGET	\$16,786
2008 REVISED NET BUDGET	\$16,265
NET INCREASE / (DECREASE)	\$521
% INCREASE / (DECREASE)	3.2%

ALLOCATION OF 2009 BUDGET INCREASE / (DECREASE):	INCREASE / (DECREASE)		2009 PROPOSED BUDGET
	\$	%	
MAINTAINING EXISTING SERVICE LEVELS	521	3.2%	16,786
ADD LIST	100	0.6%	16,886
CUT LIST	(100)	(0.6%)	16,786
TOTAL 2009 BUDGET INCREASE REQUESTED	521	3.2%	16,786

Note: All figures subject to rounding.

LONDON PUBLIC LIBRARY
SUMMARY OF 2009 BUDGET COMPONENTS
TO ACHIEVE 3.2% BUDGET TARGET
(\$ 000's)

PROGRAM	NET INCREASE	2010 FULL YEAR COST
<p><i>The London Public Library achieved the 3.2% target approved by Municipal Council on April 28, 2008. The following overview provides a breakdown on the 3.2% target.</i></p>		
<p>Maintaining Existing Service Levels (All Programs):</p>		
<ul style="list-style-type: none"> • Wage, salary and benefit adjustments due to existing collective agreements along with an increase to minimum wage. 	470	470
<ul style="list-style-type: none"> • Increase due to inflationary pressures on utilities. 	41	41
<ul style="list-style-type: none"> • Inflationary adjustments to miscellaneous purchased services as well as experiential adjustments to revenue. 	10	10
<p>Total Increase/Decrease to Maintaining Existing Service Levels</p>	521	521

Note: All figures subject to rounding.

LONDON PUBLIC LIBRARY
SUMMARY OF 2009 BUDGET COMPONENTS
TO ACHIEVE 3.2% BUDGET TARGET
(\$ 000's)

PROGRAM	NET INCREASE	2010 FULL YEAR COST
<p>ADDS:</p> <p>Recommended increases to service levels currently provided:</p> <p>Londoners see library collections as the core to all library services. Collections serve diverse users from a variety of demographic and socio-economic backgrounds who have a variety of needs and expectations.</p> <p>The Collections Operating Budget has neither kept pace with inflation nor with user demand. CPI for printed materials has been significantly higher than general CPI over the last decade.</p> <p>User demand: Changes in marketplace (information highway and introduction of new formats including DVDs and digital formats such as e-books) have raised consumer expectations adding demand for new types of collections, in addition to ongoing and increasing demand for traditional resources.</p> <p>The Collections Operating Budget was increased by \$100,000 in 2006, 2007 and 2008. 2009 projections include another increase of \$100,000 as part of a 5 year plan.</p> <p>(See 'Supplementary Information - Library Collections' for further information)</p>	100	100
Total Adds	100	100

Note: All figures subject to rounding.

LONDON PUBLIC LIBRARY
SUMMARY OF 2009 BUDGET COMPONENTS
TO ACHIEVE 3.2% BUDGET TARGET
(\$ 000's)

PROGRAM / DESCRIPTION	NET INCREASE	2010 FULL YEAR COST
<p>CUTS:</p> <p>The following budget cut is recommended in order to achieve a 3.2% increase:</p> <ul style="list-style-type: none"> In order to meet the 3.2% target set by Council, the request for additional funding for the Collections Operating Budget will be cut. The 3.2% target only addresses costs to maintain existing service levels. <p>(See 'Supplementary Information - Library Collections' for further information)</p>	(100)	(100)
TOTAL	(100)	(100)

Note: All figures subject to rounding.

LONDON PUBLIC LIBRARY

2009 SUPPLEMENTARY INFORMATION - LIBRARY COLLECTIONS

Department	LONDON PUBLIC LIBRARY	
Initiative	Library Collections	
Financial Implication	2009	\$100,000

Background

- Library collections are the core to all library services. Collections serve Londoners from every demographic and socioeconomic background, meeting the full spectrum of needs and expectations. Collections support Londoners in all aspects of their lives, including literacy, learning, daily information needs, recreation and leisure pursuits and cultural understanding.
- Comprised of approximately 900,000 items, library collections are housed in the Central Library and 15 Branch libraries located throughout the City of London. In 2007, library cardholders borrowed over 3,530,000 items.
- Collections are provided in a wide variety of formats (hardcover and paperback books, magazines and newspapers; videos and DVDs, music CDs; audio books in cassette, CD and MP3 format, electronic books and downloadable audio books, electronic magazine & journal subscriptions, CD-ROM materials for children).
- Accessibility for diverse populations is provided through specialized resources including non-English language materials for newcomers; literacy and English as a second language books and a/v materials; Braille and special access formats.
- Between 1994 and 2007 there was a continuous decrease in collections budget purchasing power. Between 1994-2007, the collections budget increased by 19.84% while the increase in the CPI for printed materials was 36.74%. The Consumer Price Index (CPI) for reading materials and other printed matter has been significantly higher than general CPI over the past years [Source: Statistics Canada].
- Library customers demand newly published, current materials. Usage statistics show that titles published in 2007 circulated an average of 5.4 times per year, while titles published in 2002 circulated an average of 2.7 times per year. Since erosion of purchasing power results in the purchase of fewer titles with the same money, the number of new titles added per capita has decreased each year for the past 10

How does this service add value?

- Extensive analysis of collections holdings and usage, using both quantitative and qualitative services assessment and external comparative measures, such as OMBI (2007) data, shows:
- Service level - total library holdings: 985,249 volumes // total library holdings per capita: London = 2.77, Canadian library average = 2.96
- Community impact - total annual circulation: 3,533,500 // total annual circulation per capita: London = 9.9, Canadian library average = 8.4

LONDON PUBLIC LIBRARY 2009 SUPPLEMENTARY INFORMATION - LIBRARY COLLECTIONS (cont'd)

Department	LONDON PUBLIC LIBRARY	
Initiative	Library Collections	
Financial Implication	2009	\$100,000

How does this service add value? (cont'd)

- An infusion of \$250,000 to the collections budget as part of the operating budget increase to support the new, expanded Central Library (2000/2001) helped to narrow the gap between available funding and need. To address the inflationary impact since 1994 the core collections budget was increased by \$100,000 in each of 2006, 2007 and 2008. The original business case recommended that the increase would continue in 2009 and 2010. Given the efforts by the Library to meet the 2009 budget target set by Council, the Library eliminated the proposed increase from its 2009 budget submission.
- Efforts to offset reduced purchasing power and the impact of increased demand include: annual prioritization of allocations within collections budgets, the development of pool browsing collections, changes to lending services policies, limited introduction of new formats until the format is mainstream, aggressive procurement negotiations and consortium buying.

What is the impact of reducing the five year plan to three years?

- Changes in the marketplace (information highway and introduction of new formats) have raised consumer expectations, adding demand for new types of collections. Ongoing erosion of service levels (collections relevancy, currency and accessibility) will have a negative impact on the ability to meet community needs, demands and expectations for new formats and materials, in addition to meeting the increased demand for traditional resources.
- Reduced service levels have a negative impact on partnerships, revenue development and fund raising.
- There will be a negative impact on educational institutions, community organizations and government departments that rely on the library collections to serve their clients in London and area.
- There will be a negative impact on London's efforts to reenergize the community by encouraging new graduates, young professionals and young families to remain in London.
- There will be a negative impact on newcomers who seek out the Library as their first entry point in London. Library collections are vital to London's efforts to settle newcomers in the community.

LONDON PUBLIC LIBRARY SUPPLEMENTARY INFORMATION UPDATE ON 2008 SUSTAINABILITY PLAN

Department

LONDON PUBLIC LIBRARY

Initiative

2008 Budget Appropriation to Support Library Sustainability Business Case

Background

- In January 2007, during deliberations on the City of London 2007 Capital and Operating Budgets, Board of Control in consultation with LPL CEO Anne Becker identified the need for the development of a business case that reported on the library's ability to create and deliver sustained value for the citizens of London on a go-forward basis. The resulting business case, based on extensive research including customer feedback, analysis of performance metrics and best practices of other North American Libraries was submitted to Board of Control in October of 2007 and became part of the library's budget package for the 2008 budget process.
- The problem identified in the report was the ability of LPL to continue to be relevant and to meet community needs and expectations in the context of financial obstacles, stretched resources and significant social, technological and cultural changes. The **2008 London Public Library Sustainability Business Case & Budget Implications** defined the issue; identified areas of need; demonstrated library efforts to manage within existing financial resources; considered potential 'savings' related to cutting services; and presented 7 alternative service and operating models, along with the analysis criteria.
- The solution by which LPL could capitalize on its "customers first" philosophy and continue to contribute to London's overall social cultural and economic growth was approved by the Library Board (October 3, 2007) and the corresponding budget request was submitted to the City of London as part of the London Public Library 2008 Operating Budget. Specifically, the budget request of \$350,000 included funding to support:
 - \$100,000 - **LPL Virtual Branch Services** to support LPL's 24/7 interactive website services including direct customer services such as holds/renewal of collections materials; access to full text database content for research; links to information websites selected by library staff; etc.;
 - \$50,000 – **Technology Services** to support infrastructure, solutions and services which in turn support customer service and effective/efficient operations;
 - \$75,000 - **Facility Cleaning** to provide a safe and welcoming environment;
 - \$75,000 - **Newcomer Services** to meet demographic needs and in support of the City of London Diversity Strategy;
 - \$50,000 - **Small Branch** needs.

Implementation and follow up

- Upon approval of the 2008 operating budget, staff began implementation of the plan. Specific action plans with milestones and time lines were undertaken and have been successfully put in place. Budget expenditures are on target for year end.
- There is an ongoing ROI analysis of performance metrics to show the impact of this investment on service utilization and customer satisfaction.

LONDON PUBLIC LIBRARY
2009 to 2012 OPERATING BUDGET TARGET
(\$ 000's)

Program	2009 Proposed Budget	2010 Budget	Incr./(Decr.) Over 2009		2011 Budget	Incr./(Decr.) Over 2010		2012 Budget	Incr./(Decr.) Over 2011	
			\$	%		\$	%		\$	%
Object of Expenditure:										
Human Resources Costs	12,526	13,054	528	4.2%	13,627	573	4.4%	14,067	440	3.2%
Administration Costs	107	107	0	0.0%	107	0	0.0%	107	0	0.0%
Purchased Services	530	534	4	0.8%	535	1	0.2%	535	0	0.0%
Technology Services	717	751	34	4.7%	821	70	9.3%	841	20	2.4%
Utilities	866	905	39	4.5%	976	71	7.8%	1,031	55	5.6%
Facilities Services	1,364	1,362	(2)	-0.1%	1,352	(10)	-0.7%	1,352	0	0.0%
Materials & Collections	1,968	1,973	5	0.3%	2,013	40	2.0%	2,038	25	1.2%
Program Services	95	97	2	2.1%	97	0	0.0%	97	0	0.0%
General	10	10	0	0.0%	10	0	0.0%	10	0	0.0%
Reserve Fund Contribution	69	69	0	0.0%	89	20	29.0%	89	0	0.0%
Furniture and Equipment	58	58	0	0.0%	58	0	0.0%	58	0	0.0%
Total Expenditures	18,310	18,920	610	3.3%	19,685	765	3.9%	20,225	540	2.7%
Revenue/Recovery:										
Provincial Grants	(599)	(599)	0	0.0%	(599)	0	0.0%	(599)	0	0.0%
Fines, Fees, Etc	(509)	(509)	0	0.0%	(509)	0	0.0%	(509)	0	0.0%
Operating Revenues	(161)	(165)	(4)	2.5%	(176)	(11)	6.7%	(176)	0	0.0%
Rental Revenue	(179)	(179)	0	0.0%	(179)	0	0.0%	(179)	0	0.0%
Business Revenue	(76)	(76)	0	0.0%	(76)	0	0.0%	(76)	0	0.0%
Reserve Fund Contribution										
Total Revenue	(1,524)	(1,528)	(4)	0.3%	(1,539)	(11)	0.7%	(1,539)	0	-
London Public Library Proposed Budget	16,786	17,392	606	3.6%	18,146	754	4.3%	18,686	540	3.0%
Council Approved Budget Target	16,786	17,392	606	3.6%	18,146	754	4.3%	18,686	540	3.0%
Over/(Under) Target	0	0			0			0		

Note: All figures subject to rounding.

LONDON PUBLIC LIBRARY
IMPACT OF 2010 TO 2012 TARGETS
(\$ 000's)

Impact on Service To Achieve Budget Target	2010	2011	2012
Previous Years Proposed Budget	16,786	17,392	18,146
Wage, salary and benefit adjustments due to collective agreements, grid progression and minimum wage increases.	385	405	440
Increases in utilities costs and purchased services.	30	50	55
Increase sick leave reserve contribution in order to meet liability.	0	20	0
Technology to keep pace with increased costs.	30	60	20
Total Maintaining Existing Service Level	445	535	515
Adds:			
Operating costs associated with opening of new Northeast Branch Library (salaries, cleaning, utilities, collections, computers etc.)	189	295	0
To restore the scope, depth and relevance of the collections and keep pace with inflation.	100	25	25
Cuts:			
Savings realized with closure of Northridge Branch Library (rent, wages, purchased services etc.)	(28)	(101)	0
Five year plan to increase collections budget reduced to three years.	(100)	0	0
Total Adds & Cuts	161	219	25
London Public Library Proposed Budget	17,392	18,146	18,686
Council Approved Budget Target	17,392	18,146	18,686

Note: All figures subject to rounding.

SUPPLEMENTARY INFORMATION
LONDON PUBLIC LIBRARY
2009 PERFORMANCE INDICATORS

INDICATOR	2007 ACTUAL	2008 REVISED	2009 ESTIMATE	2010 ESTIMATE	2011 ESTIMATE	2012 ESTIMATE
Attendance (in person visits)	2,912,835	2,974,000	3,003,740	3,033,777	3,064,115	3,094,756
Website visits (LPL)	1,799,107	2,480,000	2,604,000	2,708,160	2,816,486	2,929,146
Reference, Referral & Reader's Advisory questions	1,124,448	1,147,000	1,169,940	1,193,339	1,217,206	1,241,550
Number of collections items borrowed	3,533,500	3,580,000	3,615,800	3,651,958	3,688,478	3,725,362
In-library use of collections items	1,124,448	1,090,000	1,095,450	1,100,927	1,106,432	1,111,964
In-library computer use	472,825	486,000	490,860	495,769	505,684	510,741
Program attendance	190,209	196,600	200,532	204,543	208,633	212,806

SUPPLEMENTARY INFORMATION
LONDON PUBLIC LIBRARY
2009 FULL TIME STAFF OVERVIEW

PROGRAM	2008 REVISED		STAFF CHANGES		2009 ESTIMATE		2010 ESTIMATE		2011 ESTIMATE		2012 ESTIMATE	
	FT	FTE	FT	FTE	FT	FTE	FT	FTE	FT	FTE	FT	FTE
Permanent Staff (Full and part time) ^{1,2}	180	199.0	0	0.0	180	199.0	185	204.5	185	204.5	185	204.5
Page staff ²	0	30.3	0	0.1	0	30.4	0	31.0	0	31.0	0	31.0
Casual staff ⁴	0	3.2	0	(0.2)	0	3.0	0	3.0	0	3.0	0	3.0
Total Full Time Staff	180	232.5	0	(0.1)	180	232.4	185	238.5	185	238.5	185	238.5

Notes: ⁽¹⁾ Permanent staff FTEs include both full time and part time staff. Except in years where additional staff is requested and approved (for example, staffing for the new Northeast branch which will be part of the City's multi-purpose community centre), FTEs may vary slightly from year to year based on redeployment of staff to meet strategic objectives and service levels.

⁽²⁾ The 2010 estimate includes staff for the new Northeast branch.

⁽³⁾ Casual staff are persons hired to temporarily replace permanent employees who may be absent due to leaves of absence (e.g. maternity or parental leaves), extended illness, periods of heavy workload or any other reason. Total FTEs may fluctuate from year to year.