



REPORT TO THE LIBRARY BOARD

MEETING DATE: APRIL 28, 2011

Session:	Public Session
Subject:	2011 Operating Budget Final Approval
Prepared By:	Susanna Hubbard Krimmer, Barbara Jessop
Presented By:	Susanna Hubbard Krimmer
Purpose of Report:	For Decision: Approval <input checked="" type="checkbox"/>

Recommendation:

It is recommended that the Board approve the 2011 Operating Budget as attached.

Issue / Opportunity

Due to the change in Council process for approving the 2011 Budget, final budget approval is required by the Library Board.

Background & Review

At its August 10, 2010 meeting, the Library Board approved a 2011 operating budget request of \$728,000 or 4.3% over the 2010 base budget of \$17,085,842. (L10/54)

In the spirit of supporting the work that Council undertook to achieve an overall 0% tax increase, the London Public Library Board held a special board meeting on January 13, 2011 for the purpose of re-examining its 2011 Operating Budget appropriation request to the City of London. The objective was to seek out cost avoidance or potential savings that might enable LPL to reduce its 2011 operating budget need.

LPL acted in response to the Municipal Council direction of December 20, 2010 that:

“All civic boards, commissions and agencies BE REQUESTED to bring forward a list of salary and wage savings, vacancy management savings and potential cuts to services with 2011-2015 budget impacts and service implications”.

The Library Board approved a list of actions it would need to take to reduce its budget. \$190,000 was identified (\$200,000 with Sunday Service annualized) as follows:

- Utilities cost reduction - \$40,000
- Vacancy management - \$45,000
- Elimination of "Sunday Service" - \$30,000 (\$40,000 annualized)
- Close Glanworth Branch - \$10,000
- Reduce collections budget - \$50,000
- Salaries – management wage freeze - \$15,000

The Board also determined that, given the necessary funding, the most critical services to sustain, in priority order would be (L11/13.1):

1. Collections
2. Sunday Service
3. Glanworth

At its February 16, 2011 budget session, Committee of the Whole recommended reducing the Library's appropriation request by \$100,000 (comprised of the management wage freeze of \$15,000, vacancy management of \$45,000 and utilities cost reduction of \$40,000.) On February 28, 2011, Municipal Council approved the Committee of the Whole's recommendation, reducing the Library's initial net budget request of \$17,814,000 to \$17,714,000. See Appendix A.

The wage and utilities budget lines have now been reduced to reflect the \$100,000 budget reduction. Minor adjustments to both budget lines have also been made in order to more accurately reflect 2010 experience, as the 2011 budget was prepared mid 2010. Since the 2010 actual utility expenditure was lower than projected, \$20,000 was moved from Utilities to Facilities to address needs in that area. See Appendix B for the revised budget summary.

Due to the change in budget approval process this year, final 2011 budget approval by the Library Board is now required.



300 Dufferin Avenue
P.O. Box 5035
London, ON
N6A 4L9

London
CANADA

APPENDIX A

March 1, 2011

M. Hayward
City Treasurer, Chief Financial Officer

I hereby certify that the Municipal Council, at its session held on February 28, 2011 resolved:

18. That the 2011 Operating Budget for Culture **BE APPROVED** as identified in the right-hand column entitled "Committee of the Whole Recommendation":

Page No.	Item	2011 Net Budget Request (\$000's)	Committee of the Whole Recommendation (in \$000's)
54	Cultural Services • Centennial Hall	\$98	\$98
57	Cultural Services • Arts, Culture and Heritage	\$2,016	\$2,016
61	Museum London <u>Adjustments:</u> Personnel Costs - \$13 Reduced Utility Costs - \$16	\$1,616	\$1,587
65	Heritage Service	\$90.2	\$90.2
69	London Public Library <u>Adjustments:</u> Salary Freeze Mgmt. -\$15 Energy Savings -\$40 Vacancy Management -\$45	\$17,814	\$17,714

(18/9/CW)

C. Saunders
City Clerk
/hw

cc: J. A. Fielding, Chief Administrative Officer
R. L. Fair, General Manager of Community Services
P. McNally, General Manager of Environmental and Engineering Services and City Engineer
J. Fleming, City Planner
L. Palarchio, Director of Financial Planning & Policy
R. Armistead, Manager, Culture and Municipal Policy
Museum London, 421 Ridout Street North, London, ON N6A 5H4
London Public Library, 251 Dundas Street, London, ON N6A 6H9
Centennial Hall, 550 Wellington Avenue, London, ON N6A 3P9

London Public Library
2011 Requested Budget
(\$000's)

Object	2011 Draft Budget Request	2011 Council Approved Budget	Variance
Expenditures			
Human Resources Costs	13,419	13,349	(70)
Administration Costs	103	113	10
Purchased Services	598	598	-
Technology Services	699	699	-
Utilities	856	796	(60)
Facilities Services	1,391	1,411	20
Materials & Collections	2,064	2,064	-
Program Services	71	62	(9)
General	6	6	-
Reserve Fund Contribution	91	91	-
Furniture and Equipment	44	44	-
Total Expenditures	19,342	19,233	(109)
Revenue			
Provincial Grants	(599)	(599)	-
Fines, Fees, Etc	(519)	(534)	(15)
Operating Revenues	(146)	(134)	12
Rental Revenue	(185)	(202)	(17)
Business Revenue	(79)	(50)	29
Reserve Fund Contribution	-	-	-
Sub-total - Non Property Tax Revenue	(1,528)	(1,519)	9
Property Tax Support (Net Budget)	17,814	17,714	(100)