



REPORT TO THE LIBRARY BOARD

MEETING DATE: MAY 19, 2011

Session:	Public Session
Subject:	2012 LPL Operating Budget Target and Guiding Principles
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Presented By:	Susanna Hubbard Krimmer, Barbara Jessop
Purpose of Report:	For decision: Approval <input checked="" type="checkbox"/>

Recommendation:

It is recommended that the Library Board:

- Approve the development of the draft **2012 London Public Library Operating Budget** on the basis of the 1.5% amended target set by Committee of the Whole on May 10th, 2011; and
- Provide direction to Library Administration regarding *Guiding Principles* for the development of the draft **2012 London Public Library Operating Budget**.

Issue/Opportunity

The London Public Library (LPL) budget serves as the annual financial plan for the Library and for achieving its *Vision, Mission, Service Excellence Model* and *Strategic Plan*.

The purpose of this report is to provide:

- Information about the City of London 2012 Budget Targets and
- Draft Guiding Principles for the development of the *2012 LPL Operating Budget*.

Background & Review

2012 Budget Targets

At the time this report was written, LPL has not received written official notification of its 2012 City of London Operating Budget target. However, on the basis of the Meeting of the Committee of the Whole held on May 10th, 2011, it is anticipated that that LPL's target will be a 1.5% increase over the Library's 2011 budget allocation.

On February 28th, 2011, London City Council resolved that: "Clear tax levy target increases be set in May 2011 by Municipal Council, in liaison with the Civic Administration and

Boards and Commissions”. Meetings including representatives of the civic departments, boards and commissions, Larry Palarchio, Director of Financial Planning & Policy (FP&P), and other City of London FP&P Staff, were held in March and April regarding forecasted cost increases and pressures, projected operating budget needs, total projected needs for all of the civic departments, boards and commissions, property tax levy and forecasts, etc. Susanna Hubbard Krimmer and Barb Jessop participated as representing LPL. Based on the information provided and meeting discussions, Jeff Fielding, Chief Administrative Officer, and Martin Hayward, Chief Financial Officer and City Treasurer, took a report forward to Committee of the Whole with a series of recommendations. The recommendations provided for a 0% target for LPL. Committee of the Whole met on May 10th, 2011 to discuss the recommendations and set direction for next steps.

Please see Appendix 1 for the report: “2012 – 2016 Operating Budget Targets” and Appendix 2 for the May 10th staff presentation to Committee of the Whole.

In reviewing the report and presentation, Committee referred the report back to Civic Administration; however, they made amendments to the targets to serve as a starting point for the 2012 Property Tax Budget Development process. These amendments reduced the targeted property tax levy target from 2.5% (before assessment growth) to 2.4%. Note: With the application of 1% assessment growth, the property tax levy target starting point is a 1.4% increase over 2011. As part of the amendments, the Library’s target was amended from 0% to 1.5%.

Therefore, it is recommended that LPL budget development be based on the 1.5% amended target set by Committee of the Whole on May 10th, 2011.

Budget Guiding Principles

The following are the budget Guiding Principles set for the development of *the 2011 LPL Operating Budget*. These are put forward for consideration for development on the 2012 budget:

- Flat line, reduce costs and seek efficiencies wherever possible;
- Reallocate resources to cover areas of highest need (such as increases to fixed/mandatory costs);
- Seek revenue opportunities;
- Maintain quality service to the public as LPL’s top priority, although current service may have to be adjusted to align with the target;
- Endeavour to preserve and deploy staffing levels in order to meet community expectations and increased demand for services, LPL strategic priorities, and operational requirements; and
- Provide staff with ongoing training and professional development opportunities.

Next Steps

Upon Board approval and direction, Library Administration will draft the LPL budget.

Based on direction received from Committee of the Whole, Financial Planning & Policy Staff will be working on developing the **2012 Budget Guidelines** in order to facilitate 2012

budget development and meet the draft timelines set out in the report/presentation. LPL's budget will be submitted to the City of London according to the budget guidelines and time lines.

Implications of the 2012 target and multi-year target on services and service levels may be discussed during the Service Review Committee process over the coming months.