



February 6, 2012

Mayor J. Fontana  
Councillor W.J. Armstrong  
Councillor J. L. Baechler  
Councillor D. Brown  
Councillor M. Brown  
Councillor J.P. Bryant  
Councillor N. Branscombe

Councillor D.G. Henderson  
Councillor P. Hubert  
Councillor S. Orser  
Councillor W.J. Polhill  
Councillor J.L. Swan  
Councillor H.L. Usher  
Councillor P. Van Meerbergen  
Councillor S. White

**Re: London Public Library 2012 Operating Budget – Review of Submission per Request of Services Review and Strategic Priorities and Policy Committees**

In the spirit of supporting the work that London City Council and its committees have been undertaking, London Public Library (LPL) achieved the operating budget target it was given by Council. LPL met its 1.5% target, requesting a \$266,000 increase to its 2012 operating budget appropriation over its 2011 appropriation.

While City Council has been reviewing the budget submissions, LPL has continued its ongoing process of cost avoidance, cost containment and cost cutting. We have reviewed our 2011 year-end position and our 2012 projections to determine if we can reduce our request at this time.

LPL will decrease its budget request by \$15,000. This decreases the LPL 2012 operating appropriation request to a 1.4%, i.e. \$251,000, increase over its 2011 amount.

Any further reduction to the LPL request would result in cuts to public services. This would come at a time of significant use of library services by the public. In 2011, there were approximately:

- 3.23 million in-person visits to library branches (10.5% increase since 2007);
- 4.5 million virtual visits to use of online services, such as renewing borrowed materials, via LPL's website (150% increase since 2007);
- 4.25 million items borrowed (20% increase since 2007);
- 972,000 reserves placed (31% increase since 2007);
- 1.31 million reference questions asked (17% increase since 2007);
- 192,000 people attended library programs (24% increase since 2007);
- 567,000 uses of library computers onsite at branches (38% increase since 2007); and
- 171,000 uses of LPL wireless service in library branches (4447% increase since the service was introduced in November, 2007).

2011 is the 5<sup>th</sup> year in a row that usage has gone up significantly.

## **Background**

### Actions to Meet Target

In 2011, the projected 2012 target for the Library set by the City was 3.3%. The Library submitted a forecast of 3.5% based on projected needs. In the 3.5% forecast, we had built in dollars for:

- Inflationary increases for purchased services, collections and utilities;
- Restoring the furniture and equipment budget which had been decreased in a prior year to meet target; and
- A portion of our anticipated costs associated with AODA compliance.

In order to meet target, we backed all of that out. What remained was:

- Contractual wage costs per the negotiated wage settlement, grid progression, OMERS increase, and an inflationary benefit cost increase [the latter we are now removing per above];
- Inflationary costs, such as common area charge increases for leased locations; and
- A modest amount to increase our contribution to the City-held, self-insurance fund and to restore a vehicle reserve contribution.

These costs were partially offset by:

- Reduction in purchased services resulting from 2010-2011 procurement strategies;
- Various line adjustments to reflect experience; and
- An anticipated reduction in insurance costs based on the city's projection.

To meet the target, LPL also included vacancy management savings.

### Additional Costs

LPL has made strategic decisions that will result in additional costs being absorbed into the base Library operating budget since the budget was drafted this past summer. The Library will:

- Continue to operate the Glanworth Branch Library in 2012 and
- Require authentication by patrons in order to use the LPL Wireless Service.

It is important to note that both of these are related to matters that went before City Council and were referred back by motion to the Library Board with recommendations for action.

### Business Issue: Loss of Employment Ontario Funding for Employment Resource Centres

One specific way in which LPL has supported workforce capacity building, through our core service of information and referral, has been through Library Employment Resource Centres (ERCs). ERCs are located at the Central Library and five branch locations: Beacock Branch Library, Crouch Branch Library, Jalna Branch Library, Pond Mills Branch Library and Westmount Branch Library. Effective July 31, 2012, LPL will lose funding for this service.

Employment Resource Centres provide information and referral services to individuals seeking employment or career information. From April 2010 to March 2011, 85,000 visits were made by clients to use resources and services of the LPL Centres. The number of visits from April 2011 to the present will meet or exceed this number. Staff assist clients to access Internet self-serve job search tools and to use fax machines and internet access, self-assessment tools, computers and software. They help clients prepare resumes and cover letters, learn interview skills, access job sites and up-to-date labour market information on the Internet and locate community resources. Employment Resource Centre staff refer clients to other employment service agencies in London, connecting clients to the specific services they need to further their employment search.

This service, which LPL has offered for 16 years, is funded through a contract with the Provincial Ministry of Training, Colleges and Universities (MTCU). On January 30, 2012, MTCU announced that funding for Employment Resource Centres will end as of July 31, 2012. This recent announcement is the next step in the Employment Ontario Transformation of employment services across the Province. In August 2010, delivery under the new Employment Services delivery model commenced with the establishment of 7 organizations providing one-stop access services. Public libraries, which delivered employment and information referral services but did not provide the full range of employment services (such as client planning and assessment), were not eligible to apply for the "one-stop" role in the new model. At that time the Ministry indicated that it would be taking additional time to study and to allow community agencies to retool to align with the service delivery model. After further analysis, MTCU has determined that it will be focusing on one-stop access and therefore has provided 6 months' notice to all organizations with Employment Resource Centre contracts.

The annualized financial contribution to LPL of the MTCU ERC contract is \$746,970. This funding covers: wages and benefits for 10.5 full time equivalent employees; collections; computer hardware and software; public programs, workshops and events; furniture; stationary and supplies, printing/advertising; telephone and fax lines/equipment; mileage and travel.

When the funding for ERCs is eliminated through the Employment Ontario Transformation model, the Library will be unable to continue the current scope and level of employment information and referral services within the LPL Operating Budget. We know from experience that the public will still come to the Library to seek help because the library is a recognized, trusted institution that has traditionally supported citizens in their efforts to do career development, seek employment or start small businesses. As well, they see value in our access points (i.e. branches) in neighbourhoods across the city and convenient service hours that exceed walk-in service hours of other agencies.

### Deferral of New Branches

As part of its operating and capital plans, LPL also projects the need for new branches based on a number of variables such as population growth and city development. The addition of three new 10,000-12,500 square foot branch libraries (Northeast, Northwest and Southeast), was identified in the City Development Charges Review and included in the approved City of London Long-term Capital Plan. LPL opened the Stoney Creek Branch in 2010. Given the economic

climate, the construction of the remaining two new branches was deferred by the Library Board because of the costs associated with the operating of new service locations. The cost of operating a branch of this size is approximately \$675,000 per annum. The impact of deferral on the capital budget has been managed in conjunction with the Civic Administration.

#### **“B” List of Possible Additional Cuts**

LPL has used cost avoidance, cost containment, cost cutting and revenue generation (where allowable under the Public Libraries Act) to sustain library services to the community. This has been necessary to be able to cope with high levels and ongoing increases in public use of library services and to deal with marketplace inflation in goods and services.

Given the impact of the reductions that LPL made to achieve the 2010 and 2011 targets and additional reductions made to meet the 2012 target, any actions to reduce our appropriation request further are limited to cuts that will have a direct impact on services to the public. LPL would need to cut services by undertaking actions such as:

- Reductions to the collections budget;
- Reduction of library hours of service;
- Elimination of specific services, such as Sunday Service; and/or
- Closure of branch locations.

The scope and depth of cuts would be dependent upon the amount by which LPL’s budget appropriation request might be reduced. The Library Board would determine the appropriate actions to take given the impact on the public, staff and library operations of service cuts at a time of ongoing high use of all library services and locations.

The London Public Library again acknowledges the challenges facing council in continuing to ensure the best possible services for Londoners in this difficult economic time. In considering this challenge, it is important to underscore that Londoners love and use their library and to emphasize that library services are essential for many, many people in our community in socially and economically challenging times.

Council has begun the process of how it will achieve a budget that balances service delivery with cost containment and reduction measures. It is the hope of the Library Board that our efforts demonstrate our support to the work that is before all of us.

Sincerely,



Josh Morgan  
Chair, London Public Library Board



Susanna Hubbard Krimmer  
CEO & Chief Librarian

cc: Martin Hayward (City Treasurer & Chief Financial Officer)