



February 6, 2012

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Councillor J. L. Baechler
Councillor D. Brown
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Councillor J.L. Swan
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Councillor S. White

Re: London Public Library 2012 Capital Budget – Review of Submission per Request of Service Review and Strategic Priorities and Policy Committees

London Public Library (LPL) branch locations are highly valued by the community as shown by the ongoing high number of in-person visits, use of services and public feedback. At the same time, the Library Board understands the fiscal environment and the task before the Strategic Priorities and Policy Committee, along with the whole of City Council, and is working to do its part to support the efforts.

In the spirit of supporting the work being undertaken, the London Public Library Board undertook the following as part of its 2012 capital budget submission related to library branches:

- Deferral of construction of two new facilities, identified through the development charges process and approved for funding by the City of London. Deferral of new facilities also delays an operating budget need of approximately \$675,000 per facility, per annum.
- Limited the amount of its request to \$50,000 for “Facilities Lifecycle Renewal”, and \$250,000 for “Integrated Library System”, as part of a 10 year capital plan to sustain the Library’s physical and technological infrastructure. (See attached appendix.)

Background

London Public Library currently operates sixteen (16) facilities comprised of over 334,000 square feet of space. Twelve (12) of the branches are owned and three (3) are leased. Leased locations include: Cherryhill, Pond Mills, and Sherwood. In addition, in 2010, London Public Library opened the Stoney Creek Branch Library, an 8,654 square foot facility which is leased through a partnership agreement with the City of London and YMCA.

Facilities Lifecycle Renewal

The management of LPL facilities is funded both by operating and capital budgets. The Facility Services Operating Budget includes funding for repairs, maintenance, health and safety inspections, cleaning and building supplies. Annual capital expenditures are over and above the Facility Services Operating Budget and support life cycle maintenance, i.e. the value and longevity of LPL tangible capital assets. Capital requirements and sources of funding are outlined in the LPL Capital Plan.

Capital requirements and priorities for facility life cycle renewal are determined on the basis of current and projected life cycle renewal priorities and timelines based on construction / renovation plans and the life expectancy of key elements. A three-year plan is maintained that lists branch by branch life cycle facility priorities and is updated annually as part of the Library's capital needs assessment. Needs listed address:

- Building envelope elements such as roofs, exterior walls, cladding (i.e., brick, stonework, siding);
- Exterior structures such as garbage enclosures;
- Exterior hard surfaces such as sidewalks, parking lots and bike racks;
- Interior structural and built items such as millwork, Help Desks; and
- Heating, ventilation and cooling (HVAC) and electrical systems.

LPL's current capital plan identifies a need of \$430,000 required for planned projects such as HVAC, roofs, siding, and brickwork. Currently, LPL has \$381,985 held in two capital funds for facilities held with the City of London:

- RC3533 – Library Branch Facilities Maintenance
- RC3540 – Library Facility Renewal Plan.

RC3533 is designated for flooring, furniture and minor renovations. RC3540 is designated for ongoing facilities renewal and life cycle maintenance and is used for building envelope elements, exterior structures, exterior hard surfaces, and HVAC and electrical systems. LPL has requested \$50,000 annually to meet the current, planned lifecycle renewal.

Facility Growth Projects

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.

Integrated Library System

The LPL Integrated Library System (ILS) is both a service delivery and infrastructure system and supports the *LPL Vision, Mission and Service Excellence Model*. An essential component of the ILS is the backbone Library System (LS) which includes the library catalogue, patron database, circulation system, acquisitions and cataloguing modules. As a service delivery system, the LS links with other key systems, such as the LPL website/virtual branch, public computer booking, program calendar, room booking system, etc. It is also linked with assistive technology for people with disabilities. As an infrastructure system, the LS links with the larger LPL ILS including corporate systems such as the ACCPAC financial system and the Library Intranet. It is common practice for libraries to do ongoing life-cycle maintenance and upgrading of their systems and so LPL has worked with the City of London to do this in a planned way.

At the beginning of 2012, LPL had a balance of \$888,000 in RC3341 – Integrated Library System, the capital fund held by the City of London. This fund was developed as part of the Business Plan designed to ensure that LPL had “a planned program to maintain the currency, effectiveness and efficiency of the Library’s integrated IT system” and that this program was sufficiently resourced. Strategic initiatives planned for 2012 include:

- Migration to a more modern system architecture for the LS - \$425,250
- Reengineering collections management and lending services materials handling and workflow by implementing Radio Frequency Identification Device (RFID) technology - total project costs are projected to be up to \$2,000,000 with costs for the initial implementation estimated at approximately \$500,000-600,000.

Approval of the IT capital request will give a number of positive, immediate benefits:

- Ability to maintain relevancy of services and customer satisfaction by implementing access to services, ability to keep up-to-date with how the public want to do business;
- Ability to keep pace with significantly increasing service utilization levels through introduction of additional patron self service functions and streamlining of materials handling;
- Ability to increase and improve effectiveness/efficiency and e-workflow such as integration of new electronic resource types (e.g. e-books) and communications devices as they emerge;
- Ensured flexibility and scalability in deployment methodology; and
- Prevention of the interruption of public services and staff workflow resulting from system downtime as computer hardware begins to age.

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. 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 deferral of capital growth projects that have both capital and operating financial impact demonstrate our support to the work that is before all of us.

Sincerely,

A stylized, handwritten signature in black ink, consisting of a large, sweeping initial 'J' followed by a long horizontal line.

Josh Morgan
Chair, London Public Library Board

A handwritten signature in black ink, written in a cursive style that reads 'Susanna Hubbard Krimmer'.

Susanna Hubbard Krimmer
CEO & Chief Librarian

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

LIFE CYCLE RENEWAL CAPITAL EXPENDITURES
(\$ 000's)

CULTURE														
LIBRARIES														
Project	Dept Boards and Comm	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total 2012-2021	Total Project Cost
RC3341 Integrated Library System	Boards and Comm	250	250	250	250	250	250	250	250	250	250	250	2,500	2,750
A planned program to maintain the currency, effectiveness and efficiency of the Library's integrated IT system. Program funded by reserve fund.														
RC3533 Library Branch Facilities Upgrade	Boards and Comm	50	50	50	50	50	50	50	50	50	50	50	500	550
To maintain branch facilities incl. replacement of flooring, furniture & minor renovations. Program funded by reserve fund.														
RC3540 Library Facility Renewal Plan	Boards and Comm				100	100	100	100	100	100	100	100	800	800
To develop and implement a capital life cycle planning methodology and multi-year capital renewal plan. Program funded by reserve fund.														
TOTAL LIBRARIES		300	300	300	400	400	400	400	400	400	400	400	3,800	4,100
TOTAL CULTURE		1,357	1,347	1,347	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447	14,270	15,627