



June 1, 2012

Mayor J. Fontana
Councillor W.J. Armstrong
Councillor J. L. Baechler
Councillor J.P. Bryant
Councillor N. Branscombe
Councillor D. Brown
Councillor M. Brown
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: Multi-Year Budget Planning and Target Setting Strategy

London Public Library (LPL) understands the fiscal environment and the task before Council to integrate its vision and strategic goal setting and the budgetary process both for 2013 and for the longer term. The “2013-2017 Operating Budget Targets” report (April 30, 2012) from Civic Administration to the City of London Strategic Priorities and Policy Committee speaks to the need to integrate business planning and target setting. It also speaks about the adoption of and adherence to long term targets which would support this by setting expectations and objectives for the community, municipal council, civic administration and boards and commissions within the longer term context.

At its meeting of May 24, 2012, the London Public Library Board unanimously endorsed (Library Board motion #) that a recommendation be made to London City Council that:

London City Council and Civic Administration commit to the continued use of a “Multi-Year Budget Planning and Target Setting Strategy”; and that

This strategy is given some level of “political stability” through a commitment by elected officials to using the multi-year process as a meaningful planning and financial programming tool.

The Library Board also wishes to recommend a civic budget process whereby budget approvals are determined by year-end in order to support fiscal accountability and appropriate and timely resource allocation in the budget year in which the appropriation will be spent.

Background

Along with its budget submission each year, LPL prepares five year forecasts and provides these to the City of London. These are finalized in consultation with the Civic Administration, who then put the associated targets forward to City Council for approval in the budget planning and approval process.

Changes to City of London Operating Budget Targets that were previously approved, despite longer term targets having been set and approved in prior years, is resulting in a type of “annual” budget setting approach. Compounding this, delays in the yearly approval of the targets for budget submission and subsequently approval of the actual budgets, is resulting in the amount of LPL’s City of London appropriation not being known until well into the fiscal year.

The impact of this includes, for example:

- Uncertainty regarding the sustainability of core services during a time of ongoing high use and sustained growth in usage by the public of all library services and library branches;
- Delays in the implementation of strategic initiatives affecting the desired outcomes of both the specific initiatives and the LPL Strategic Plan as a whole;
- Challenges in timing of purchasing, e.g. ordering of collections materials;
- Challenges in the timing of preventative maintenance work required for LPL's heavily used facilities (3.5 million in-person visits a year across the system);
- Challenges in planning for service continuity in the face of loss of external grant funding, e.g. over \$700,000 annualized for Employment Resource Centres (Employment Ontario, MTCU) and \$13,600 of Community Access Program funding (Industry Canada); and
- Increases to the amount of Staff time spent on reactive as opposed to planned budgeting processes, including development of multiple budget scenarios, for example.

It is especially important in the current economic climate that Council set expectations in the community and for the Civic Departments, Boards and Commissions as early as possible to allow sufficient time to respond to budget targets that would require service level changes and/or exit plans.

We believe that is important and necessary to consider financial planning over a longer time horizon to:

- Support more effective short and long-term planning and priority setting;
- Allow for meaningful community engagement and participation;
- Meet the exigencies of the current challenging economic context while maintaining strong fiscal health for the future; and to
- Realize effective resource allocation.

It is also important to ensure that the current economic environment does not leave a negative legacy that the community, the City of London, Board and Commissions will need to pay for and deal with for years to come.

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 and for the future. In this spirit, the Library Board recommends that the City Council commit to adopting multi-year budget planning and target setting and that this approach be given some level of "political stability" as a meaningful planning and financial programming tool.

Sincerely,



Josh Morgan
Chair, London Public Library Board

Cc: Martin Hayward (City Treasurer & Chief Financial Officer)
Susanna Hubbard Krimmer (CEO & Chief Librarian, London Public Library)