



# 2007 BUDGET

*Approved by the RPL Board  
February 27, 2007*

*Approved by City Council  
April 17, 2007*

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## 2007 Budget

### 2007 Library Board Levy

2007 Library Mill Rate	2.0267
2007 City of Regina Net Levy Request	\$12,214,200
2007 Grants-in-Lieu	\$882,900
Mill Rate Increase over 2006	4.9%
Resulting tax increase for an average household	\$5.51

(Note: 2007 Budget documents attached as Appendix A)

### Introduction

The Regina Public Library Board has come through another successful year. Proposed plans have come to fruition and the Library is moving forward with its Strategic Plan. Through 2007, two other major planning projects will be completed:

- ▶ **Development Plan for Branches.** In the spring, the Library Board will release for public comment the development plans for five of the six Branches identified for restoration in the Strategic Plan. The Plan serves as the basis for capital planning and for the Board's Fundraising Plan.
- ▶ **Programs and Services Review Report.** At the end of 2007, Phase I of the Review will be complete and its recommendations will impact budget preparation for 2008. The Review is an examination of programs and services provided by the Library to the public – what is offered, why, how, and at what cost. The resulting report will outline a recommended direction for the future offerings of RPL.

In addition to these planning processes, the Library will undertake a number of major projects that will advance the Strategic Plan. The mill rate proposal, through the budget, reflects initiatives that cover planning for Branch development, an expanded building maintenance and repair program, allocation of human resources to the fundraising

campaign, assessment of the Central Library building, rebuilding the failing computer network, and rejuvenating one of the Library's essential public services – the online Library catalogue.

## Discussion

Coming through 2006, the Library was able to accomplish most of its stated strategic objectives. The Prince of Wales Branch development project spent the year on an information gathering process that included working with City staff to review area demographics, as well as a survey and focus group program that looked at the library service needs of people in the area. Also, the Board confirmed that the Regent Place Branch will remain in its current location. A major gifts lead for the Library's Capital Campaign was hired and he is working to develop the relationships necessary for a successful campaign. The first Library Home Lottery was a confirmed success and brought in a profit of \$37,000. A minor re-organization of management positions has put in place the leads for strategic development and Branch services. A number of modest building improvement projects have addressed safety concerns and brightened the appearance of the Central Library and three Branches.

Regina Public Library has also enjoyed broader recognition in the Library community over the past year. Two staff members received peer awards and RPL was featured in a publication. The Library's Head of Central Public Services, André Gagnon, was the recipient of the national Outstanding Public Library Services Award, and Rosemary Oddie, Head of Reference (retired) was the recipient of the provincial Frances Morrison Award. RPL was recognized as one of only four Canadian libraries, and the only Western Canadian library, selected for inclusion in the Berkshire Publishing Group's publication *Heart of the Community: The Libraries We Love*.

Moving into 2007, the Regina Public Library Board is only 2½ years into its tenure. The challenges that led to the closure threat in 2004 took decades to build to the breaking point and re-working how RPL does business will take time as well. The current Board has met the challenge and delivered a Plan for change that will produce a more effective public library and a sustainable public service for the citizens of Regina.

The Library Board's Strategic Plan, released in 2006, continues to be the guide for Library activities and budget. Designed to span the period from 2006 to 2010, *A New Direction: Setting the Course*, targets six areas of development:

- Restoring Our Branches;
- Building a Strong Capital Campaign;
- Considering the Future of Central Library;
- Telling the Library's Story;
- Creating a Welcoming Environment; and
- Meeting Community Needs.

The targets of the Strategic Plan are intended to set the framework for a renewed and sustainable public library system for Regina. Throughout the course of the Plan, the emphasis will shift but it is important to note that the targets are interconnected and interdependent – that is, the activities carried out under the auspices of one target will normally impact at least one other target.

The budget process necessarily involves an evaluation of current activities to find economies and efficiencies that will lead to savings and reduce the need for tax generated dollars. The Library participates in partnerships that reduce costs on items such as paper, photocopier leases, office supplies, janitorial supplies, and electronic library services (that is, remote reference and periodical databases). In comparison to 2006, the Library has also been able to cut service costs on public photocopying and notification of overdue. The Library's reliance on temporary employment services has been reduced. The replacement of lighting with energy efficient lighting provides the Library with reduced utility costs and a payback period of approximately four years. The Library Board has reduced its number of meetings, reducing the amounts of honoraria. The reduced PST rate will save the Library about \$40,000 annually. The Library recently negotiated a new lease for the Regent Place Branch that has brought the lease rate down by 24%.

Building on activities and projects from 2006, the budget for 2007 reflects the following areas of major development:

▶ *Restoring Our Branches*

- ▶ The Board identified in 2006 a number of options for Branch development as part of the Strategic Planning process. In its continuing planning process, the Board further refined its Branch plans and is poised to release conceptual plans for five of the Library's nine locations. The Branch plans for Albert, Prince of Wales, and Connaught have identified a preferred location and development route for each, while the plans for Glen Elm and Sherwood Village include significant renovation of the existing buildings. The conceptual plans have been produced based on previous consultation and will be featured for further public input in sessions scheduled for the spring of this year. The 2007 budget has provided \$16,000 for the creation of the conceptual Branch plans as well as \$50,000 to begin project planning.
- ▶ The physical state of the Library's Branches has been a very public issue since the closure announcement of 2003, but the deterioration of the facilities has been a gradual process over many, many years. As the RPL Board has worked through the planning process, it has allocated modest amounts of maintenance capital to ensure that Library programs and services continued while the evaluative work was done. The 2007 budget includes an additional \$136,000 to begin to address the significant capital expenditures necessary for the maintenance of Library buildings. This amount will permit the Library to

address problems with the heating and air handling systems at Sunrise, Glen Elm, and Sherwood Village; fire alarms and emergency lighting at a number of locations; and the replacement of interior components itemized in the architectural assessments done in 2005.

‣ *Building a Strong Capital Campaign*

- A major task for 2006 that was realized toward the end of the year was the search for a lead for the major gifts campaign. Provision for a project leader has been made in the 2007 budget for the full year, as has re-instatement of the position of Development Co-ordinator. The Development Co-ordinator position is an in-house fundraiser and will be primarily responsible for pursuing opportunities with grants, foundations, events, and external partnerships.
- The Library Home Lottery will continue in 2007 and the budget includes the assumption of additional revenue for the Capital Donation Reserve based on the profit results from the 2006 lottery. This project is a priority for the RPL Board and it holds the potential to be a significant long-term fundraising strategy.

‣ *Considering the Future of Central Library*

- Whether new or renovated, the eventual rejuvenation of the Central Library will be the single largest RPL project in 50 years. To begin the discussion about the future of the current building, the Board will commission an architectural and engineering assessment of Central Library in 2007. The assessment will provide information about the base requirements of the Central Library in terms of building code and accessibility standards and will attach costs to its recommendations.
- The future of Central Library is tied inherently to its state in the present. The 2007 budget includes a significant allocation from the capital reserve (\$500,000) to complete the work on the replacement of the chiller. The Central Library's chiller had exceeded its life expectancy but its replacement is required under environmental protection legislation. Whether the Central Library is renovated, expanded, or rebuilt, the new chiller will have a useful life that will be counted in decades. In addition, the new chiller will provide operational savings through a gain of approximately 20% in efficiency.

‣ *Meeting Community Needs*

- Significant Library resources are being dedicated to a Programs and Services Review in 2007. Planning for the Review began in 2006 with training for the project and Phase I of the Review taking place in 2007. The Review will involve every level of staff in various committees and work groups that will

examine all public service units and the Public Relations Unit. The Review will consider the input from public consultation and surveys, a statistical and procedural review of each unit, demographic data, staff input, and incorporation of information from the broader world of possibilities for public library services. The budgetary allocation for the project includes support services for project guidance and co-ordination in the amount of \$55,000, but the majority of the work for the Review will be done by Library Management and staff. The project will produce a report and recommendations for the Board on future development and focus for Regina Public Library services. Phase II of the Review will take place in 2008 and will examine support services.

- ▶ Community consultations in recent years confirm the need for the integration of technology into the services of a contemporary public library. RPL's performance in this area has lagged. The Library's old and continually aging network infrastructure is not able to keep up with operational or public demand. The public face of the library catalogue is unnecessarily complex and, as the world of information is increasingly electronic, many of the Library's available resources are not accessible through the catalogue. An investment in 2007 of \$50,000 each for projects in network improvement and catalogue enhancement will lay the groundwork for RPL's ability to provide technology-based and technology-enhanced services.
- ▶ RPL has a long history of making alternative formats and materials available to its patrons. As digitally-based and electronic formats become more widely available, so too does demand for materials in those formats. The Library's collections expenditures evolve with demand and 2007 is no exception. As the overall collections budget remains the same, the distribution of budget amounts among various material types is changing. Spending on books will be slightly lower than in 2006, but books remain a Library staple and the Library will spend almost \$1 million on books. *Sound Recordings* (music CDs and books on CD) appear to take a significant cut in 2007, but some audio books are now being made available as downloadable files so that expenditure has been shifted to the *Electronic Information Databases* line, which shows an increase. The *Films and Videos* line is primarily DVDs and while it shows an increased budget allocation reflective of the demand for the materials, this collection remains a modest one both in size and scope. Use of the DVD collection is consistent with that reflected in 2005 as the average DVD circulates about 25 times per year while the average book circulates about 3 times per year.

There remain two targets of the Board's Strategic Plan that, while their activity levels will peak during the latter half of the term of the Plan, will continue to advance through projects supported by the budget:

‣ *Telling the Library's Story*

- The period from March 27, 2008, to January 1, 2009, marks the official 100<sup>th</sup> Anniversary of Regina Public Library. On March 27, 1908, the first Board of the newly created public library met for the first time and on January 1, 1909, the Library opened its doors to the public. Throughout most of 2007 an Anniversary Committee will work to plan a number of events to celebrate 100 years of public library service in Regina. The current budget includes an allocation of \$5,000 to support the preliminary work of the Anniversary Committee.
- A part of the re-organization and re-thinking inherent in this target is a new approach to public relations and communication. The Library has added a Marketing Co-ordinator and will actively inject into the operation a marketing perspective to the public relations and communications functions, and to the overall development and promotion of the Library's programs and services. The advantage over the long-term to the Library and Regina is a more efficient allocation and use of resources as the pairing of products and customers becomes more strongly evidence-based.

‣ *Creating a Welcoming Environment*

- In terms of the physical appearance of Library space, a number of replacements of minor interior finishes will take place in 2007. In many cases, concerns for staff and public safety and accessibility are the source of the need to replace such items as bathroom fixtures, shelving, and flooring. The budget includes a project to replace unsafe shelving and add some new shelving to those Branches that have the capacity to do so. Also, the Library will begin to replace flooring in the Sherwood Village Branch as part of the work to be undertaken as a result of the architect's review of branch facilities in 2005.
- The staffing component of this target is an important area of focus for 2007 and beyond. The Library expects to complete this year the five-year process that will produce a Job Evaluation Plan, developed jointly by Management and the Union. Following the completion of the Job Evaluation Plan, the Library and the Union have committed to explore a Pay Equity process. A review of out-of-scope compensation is also in process. With approximately 10% of the Library's workforce eligible to retire between 2007 and 2009, succession is a concern and the Library's competitiveness in the marketplace is being addressed. In addition to direct compensation, the Library has been active in supporting and encouraging staff members who choose to update credentials through advanced library training. Recruitment is an increasingly

challenging aspect of the human resources function, especially for professional and para-professional positions, and delays experienced in the recruitment process have led to delays in project development, implementation, and completion within the Library. The Human Resources Unit budget reflects an increase of \$66,000 to address some of the above-mentioned issues.

In addition to projects undertaken specifically to support individual targets of the Strategic Plan, changes have been made to support the Plan in general. There have been staffing changes and a minor re-organization toward the end of 2006, which will see its first full year of implementation in 2007. The Collections Unit and the Technical Services Unit have been merged under one manager and more technical expertise has been added. The implementation of operational aspects of the Strategic Plan is co-ordinated by the Manager for Strategic Initiatives and the structure has been put in place to have all Branch services reporting to a single manager by 2008 or 2009. Accountability and compliance with upcoming CICA standards has led to the addition of one half of an accounting position. Toward the end of 2007, the currently vacant Deputy Director position should be filled.

## Use Measures

In any given year, use of Library services can move up or down by small amounts and not be easily attributable to a particular cause. In most cases, a look at the longer-term trends of use of services is more indicative of the relative strength of various services. While the use indicators of some services were down in 2006, the overall trend for public library services shows growth and a particular strength in use of technology-based services. An overview of core statistics is attached as Appendix B.

- **Circulation.** Though down slightly in 2006, in comparison to five years ago, circulation nets an increase of 12%. At any given time, about 95,000 individuals have active RPL library cards. RPL does not require the presentation of a library card in order to receive some services, like asking a reference question, and library cards are transferable so the number of individuals with access to Library programs and services is much higher than the active card count would imply.
- **Visitors.** The Library counts visitors to the Library with electronic counters at the doors of each location. The count in 2006 was down 2% but over the past five years the count remains stable with a net increase of 3%. On average, the Library welcomes about 1,500,000 visitors each year.
- **Holds.** Placing a hold gives a Library patron the ability to request that a currently unavailable item be held for them once it becomes available. The change in holds from 2006 to 2007 is up very slightly but over the past five years, the number of



holds placed has increased by 136%. This is a well-appreciated service at RPL with significant operational impact that the Library continues to adjust to accommodate.

- **Programs.** This is one of the areas of inquiry in the Programs and Services Review currently under way. The number of programs offered in 2007 was up slightly (3%) but attendance was down. Figures from five years ago accentuate this discrepancy with 20% more programming and attendance that is 26% lower.
- **Reference Questions.** The annual change in reference questions asked is down by 6% while the five-year figures show a net increase of 28%. The vast majority of questions are still asked in-person, but the number of questions asked over the Internet shows the strongest increase at 105%.
- **Computer Use.** The use of publicly accessible computers continues to grow in spite of high household penetration of computers and Internet access in some areas of the City. The Library collects information on how many individual computer sessions were initiated and the total number of minutes used throughout the year. Both the change from 2006 and the comparison to five years ago shows that the number of individual sessions is growing more slowly than the number of minutes – that is, each individual using the computers is spending more time online. Between 2006 and 2007, 22% fewer sessions led to a 37% increase in the number of online minutes. In comparison to five years ago, the number of minutes used has increased by 275% while the number of sessions has only increased by 242%.

Library use statistics remain strong. Nationally, RPL ranks above average in those use measures that are collected nationally – circulation, visitors, programs, and reference questions. Computer use is not measured nationally but the number of public PCs maintained by RPL is average for a Canadian public library.

The Regina Public Library Board submits this mill rate request and budget overview in support of the ongoing needs of the Library. The Board has been working very hard to move RPL in *A New Direction* and has delivered on its commitment to the planning processes and implementation of programs and projects that advance the Strategic Plan. The Board very much appreciates City Council's support in past mill rate requests and your assistance as the Library explores new fundraising opportunities. The RPL Board looks forward to your continued support of public library services for Reginans.

**THE REGINA PUBLIC LIBRARY BOARD  
MARCH 15, 2007 CITY COUNCIL BUDGET SUBMISSION  
STATEMENT OF FINANCIAL ACTIVITIES  
(CONSOLIDATED)**

Appendix A

Year ended December 31

	2007 Budget \$ (Unaudited)	2006 Budget \$ (Unaudited) (Restated)	2007 Budget vs. 2006 Budget \$ Change
<b>REVENUE</b>			
City of Regina tax levy	12,289,200 *	11,452,500 *	836,700
Grants-in-lieu of taxes	882,900	815,100	67,800
Provincial services agreement	528,000	515,000	13,000
Other grants	404,700	366,600	38,100
Home Lottery revenue	681,800	614,000	67,800
Other revenue	613,500	569,200	44,300
Capital donations	-	2,000	(2,000)
	<b>15,400,100</b>	<b>14,334,400</b>	<b>1,065,700</b>
<b>EXPENDITURES</b>			
Public services	7,796,700	7,420,400	376,300
Support services	3,597,900	3,295,200	302,700
Administration	1,164,800	1,133,200	31,600
Governance	68,100	81,200	(13,100)
Capital expenditures [Schedule 2]	2,622,700	1,905,800	716,900
Home Lottery expenditures	639,500	614,000	25,500
Interest expense on building lease obligation	147,400	151,200	(3,800)
	<b>16,037,100</b>	<b>14,601,000</b>	<b>1,436,100</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(637,000)</b>	<b>(266,600)</b>	<b>(370,400)</b>

\* Includes supplementary taxes of: 2007 - \$75,000; 2006 - \$62,100

THE REGINA PUBLIC LIBRARY BOARD  
MARCH 15, 2007 CITY COUNCIL BUDGET SUBMISSION  
SCHEDULE OF GENERAL FUND OPERATIONS

Schedule 1

Year ended December 31

	2007 Budget \$ (Unaudited)		2006 Budget \$ (Unaudited) (Restated)	2007 Budget vs. 2006 Budget \$ Change
<b>REVENUE</b>				
<b>Taxes and grants</b>				
City of Regina tax levy	12,289,200 *		11,452,500 *	836,700
Grants-in-lieu of taxes	882,900		815,100	67,800
Provincial services agreement	528,000		515,000	13,000
Other grants	404,700		366,600	38,100
	<b>14,104,800</b>		<b>13,149,200</b>	<b>955,600</b>
<b>Other revenue</b>				
Fines and lost charges	218,900		205,500	13,400
Public services	155,800		208,900	(53,100)
Interest	132,600		85,100	47,500
Donations	5,200		4,200	1,000
	<b>512,500</b>		<b>503,700</b>	<b>8,800</b>
	<b>14,617,300</b>		<b>13,652,900</b>	<b>964,400</b>
<b>EXPENDITURES [Schedule 3]</b>				
Public services	7,796,700		7,420,400	376,300
Support services	3,597,900		3,295,200	302,700
Administration	1,164,800		1,133,200	31,600
Governance	68,100		81,200	(13,100)
	<b>12,627,500</b>		<b>11,930,000</b>	<b>697,500</b>
<b>Excess of revenue over expenditures</b>	<b>1,989,800</b>		<b>1,722,900</b>	<b>266,900</b>

\* Includes supplementary taxes of: 2007 - \$75,000; 2006 - \$62,100

**THE REGINA PUBLIC LIBRARY BOARD**  
**MARCH 15, 2007 CITY COUNCIL BUDGET SUBMISSION**  
**SCHEDULE OF CAPITAL FUND OPERATIONS**

Schedule 2

Year ended December 31

	2007 Budget \$ (Unaudited)	2006 Budget \$ (Unaudited)	2007 Budget vs. 2006 Budget \$ Change
<b>REVENUE</b>			
Home Lottery revenue	672,600	614,000	58,600
Interest earned	101,000	65,500	35,500
Home Lottery grant	9,200	-	9,200
Capital donations	-	2,000	(2,000)
	<b>782,800</b>	<b>681,500</b>	<b>101,300</b>
<b>EXPENDITURES</b>			
Library materials	1,443,800	1,443,800	-
Works of art	8,000	8,000	-
Major equipment replacement	500,000	19,000	481,000
Computer hardware and software	250,000	200,000	50,000
Library improvements	220,900	85,000	135,900
Furniture and equipment	150,000	100,000	50,000
Branch restoration plan	50,000	50,000	-
<b>Capital expenditures</b>	<b>2,622,700</b>	<b>1,905,800</b>	<b>716,900</b>
Home Lottery expenditures	639,500	614,000	25,500
Interest expense on building lease obligations	147,400	151,200	(3,800)
	<b>3,409,600</b>	<b>2,671,000</b>	<b>738,600</b>
<b>Deficiency of revenue over expenditures</b>	<b>(2,626,800)</b>	<b>(1,989,500)</b>	<b>(637,300)</b>

THE REGINA PUBLIC LIBRARY BOARD  
MARCH 15, 2007 CITY COUNCIL BUDGET SUBMISSION  
SCHEDULE OF GENERAL FUND EXPENDITURES BY FUNCTION  
Year ended December 31

Schedule 3

	2007 Budget \$ (Unaudited)	2006 Budget (Unaudited) (Restated)	2007 Budget vs. 2006 Budget \$ Change
<b>Public Service</b>			
<b>Strategic Initiatives</b>			
Strategic Initiatives	155,000	49,100	105,900
Web Coordinator	59,600	56,100	3,500
Director System Wide Initiatives	46,000	-	46,000
Aboriginal Library Service	25,000	25,000	-
RPL Centennial 2008	5,000	-	5,000
	290,600	130,200	160,400
<b>Branch Services</b>			
Department Operating	93,200	51,100	42,100
Albert Branch	266,900	245,100	21,800
Connaught Branch	245,600	233,000	12,600
Prince of Wales Branch	160,000	159,700	300
George Bothwell Branch	489,500	475,800	13,700
Glen Elm Branch	385,900	374,100	11,800
Regent Place Branch	533,100	546,800	(13,700)
Sherwood Village Branch	478,700	463,500	15,200
Sunrise Branch	533,700	497,700	36,000
	3,186,600	3,046,800	139,800
<b>Central Public Services</b>			
Information Services	965,300	924,800	40,500
Circulation	610,800	648,200	(37,400)
Central Children's	445,800	435,400	10,400
Learning Centre	281,700	239,100	42,600
Department Operating	116,600	114,100	2,500
Working Together: Library Community Connections	141,900	145,500	(3,600)
Film Theatre	197,800	189,900	7,900
Interlibrary Loan	145,800	139,500	6,300
Outreach	128,200	125,600	2,600
Business Services	76,300	73,700	2,600
Writer In Residence/Author Reading	11,600	19,300	(7,700)
	3,121,800	3,055,100	66,700
<b>Collections</b>			
Collections	440,100	470,400	(30,300)
<b>Dunlop Art Gallery</b>			
Art Projects	384,000	363,800	20,200
Dunlop Art Gallery	292,200	284,500	7,700
Department Operating	81,400	69,600	11,800
	757,600	717,900	39,700
<b>Total Public Service</b>	7,796,700	7,420,400	376,300

THE REGINA PUBLIC LIBRARY BOARD  
MARCH 15, 2007 CITY COUNCIL BUDGET SUBMISSION  
SCHEDULE OF GENERAL FUND EXPENDITURES BY FUNCTION  
Year ended December 31

Schedule 3

	2007 Budget \$ <hr/> (Unaudited)	2006 Budget  (Unaudited) (Restated)	2007 Budget vs. 2006 Budget \$ Change
<b>Support Services</b>			
<b>Finance and Administration</b>			
Accounting	487,900	395,000	92,900
Department Operating	103,400	101,500	1,900
Employee Benefits	(128,800)	(52,400)	(76,400)
<b>Human Resources</b>			
Human Resources	565,400	498,800	66,600
<b>Computer Systems</b>			
Computer Systems	564,600	518,900	45,700
<b>Physical Plant</b>			
Physical Plant	548,800	507,400	41,400
Central Library Building	533,600	520,300	13,300
<b>Technical Support Services</b>			
Technical Services	350,400	338,900	11,500
Department Operating	120,800	82,800	38,000
<b>Public Relations</b>			
Public Relations	384,300	352,300	32,000
Marketing	67,500	31,700	35,800
<b>Total Support Service</b>	<hr/> 3,597,900	<hr/> 3,295,200	<hr/> 302,700
<b>Administration</b>	<hr/> 1,164,800	<hr/> 1,133,200	<hr/> 31,600
<b>Governance</b>	<hr/> 68,100	<hr/> 81,200	<hr/> (13,100)
<b>TOTAL EXPENDITURES [Schedule 1]</b>	<hr/> 12,627,500	<hr/> 11,930,000	<hr/> 697,500

THE REGINA PUBLIC LIBRARY BOARD  
MARCH 15, 2007 CITY COUNCIL BUDGET SUBMISSION  
SCHEDULE OF EXPENDITURES BY OBJECT

Schedule 4

Year ended December 31

	2007 Budget \$	2006 Budget \$	2007 Budget vs. 2006 Budget \$ Change
	(Unaudited)	(Unaudited) (Restated)	
Wages, benefits and honoraria	9,245,100	8,658,600	586,500
Purchased goods and services	3,978,000	3,841,700	136,300
Interest	191,300	194,900	(3,600)
Capital assets other than library materials	1,170,900	454,000	716,900
Works of art	8,000	8,000	-
Library materials	1,443,800	1,443,800	-
<b>Net expenditures</b>	<b>16,037,100</b>	<b>14,601,000</b>	<b>1,436,100</b>

**THE REGINA PUBLIC LIBRARY BOARD  
MARCH 15, 2007 CITY COUNCIL BUDGET SUBMISSION  
SCHEDULE OF CHANGES IN NET ASSETS**

Schedule 5

Year ended December 31, 2007  
(Unaudited)

	General Fund \$	Capital Funds \$	Appropriated Reserves \$	Unfunded Employee Benefits to be Recovered from Future Revenues \$	Net Investment in Capital Assets \$	Total Budget 2007 \$	Total Budget 2006 \$
<b>Net assets, beginning of year (2006 Budget)</b>						<b>21,643,100</b>	<b>21,909,700</b>
Excess (deficiency) of revenues over expenditures	1,989,800	(2,626,800)				<b>(637,000)</b>	<b>(266,600)</b>
Transfers:							
General Fund to Capital Fund	(2,251,800)	2,251,800				-	-
Capital Project Reserve to Capital Fund		528,900	(528,900)			-	-
Capital Fund to Capital Donation Reserve		(58,300)	58,300			-	-
General Fund to Capital Donation Reserve	(1,200)		1,200			-	-
Other Reserves to General Fund	128,000		(128,000)			-	-
Repayment of building lease obligations	-	(95,600)			95,600	-	-
Increase in unfunded employee benefits	88,200			(88,200)		-	-
<b>Net change in year</b>	<b>(47,000)</b>	<b>-</b>	<b>(597,400)</b>	<b>(88,200)</b>	<b>95,600</b>	<b>(637,000)</b>	<b>(266,600)</b>
<b>Net assets, end of year</b>						<b>21,006,100</b>	<b>21,643,100</b>



THE REGINA PUBLIC LIBRARY BOARD  
MARCH 15, 2007 CITY COUNCIL BUDGET SUBMISSION  
SCHEDULE OF LIBRARY MATERIALS EXPENDITURES

Schedule 6

Year ended December 31

	<b>2007 Budget \$ (Unaudited)</b>	<b>2006 Budget \$ (Unaudited)</b>	<b>2007 Budget vs. 2006 Budget \$ Change</b>
<b>EXPENDITURES</b>			
Books	<b>991,600</b>	1,029,450	(37,850)
Electronic information databases	<b>205,300</b>	178,000	27,300
Films and videos	<b>151,400</b>	98,850	52,550
Sound recordings	<b>95,500</b>	137,500	(42,000)
Works of art	<b>8,000</b>	8,000	-
<b>Net expenditures</b>	<b>1,451,800</b>	1,451,800	-

Note:

The 2007 budget of serials / periodicals of \$125,000 (2006 budget \$125,000) are reflected in the Public Services line of the "Schedule of General Fund Operations" [Schedule 1].

## **Appendix B**

### **Statistics from 2002 to 2006**

#### *Circulation*

* 2002	2,391,617
2003	2,708,909
2004	2,673,744
2005	2,718,400
2006	2,673,805

#### *Visitors to the Library*

* 2002	1,430,868
2003	1,463,154
2004	1,290,114
2005	1,506,635
2006	1,474,832

#### *Holdings*

* 2002	134,759
2003	168,730
2004	272,137
2005	317,119
2006	318,918

#### *Computer Use by Patrons*

	<u>Minutes</u>	<u>Sessions</u>
* 2002	1,323,338	66,000
2003	2,229,995	139,703
** 2004	2,733,040	173,593
2005	3,625,432	289,347
2006	4,959,266	225,639

#### *Programs*

	<u>Number</u>	<u>Attendance</u>
2001	4,203	209,302
* 2002	3,777	166,576
2003	4,565	144,430
2004	4,231	112,531
2005	4,419	131,985
2006	4,547	122,364

*Reference Questions*

* 2002	147,089
2003	184,028
2004	191,180
2005	199,393
2006	187,512

\* A spring strike in 2002 negatively impacted statistics for that year.

\*\* Annualized

## **Appendix C**

### **Library Q&A**

In recent years, there have been a few questions from City Council members that would benefit from the clarity that a written explanation can provide. This document attempts to provide that clarity through the use of a Q&A format.

**Q. What is the average per household cost of the proposed 4.9% increase?**

- A. On average, the household tax bill would increase by \$5.51 to support the Library's plan.

**Q. Why does the Library capitalize but not depreciate its assets?**

- A. The Library has long followed a common practice for local government capital whereby the value of assets are capitalized but no depreciation is taken.

New Public Sector Accounting rules will require local governments to capitalize and depreciate fixed assets on an annual basis starting with the 2009 year-end. At that point, the City and the Library will account for capital in similar ways.

**Q. Why do the Library's budget and Financial Statements look so different from those of the City?**

- A. The Library prepares both its budget documents and Audited Financial Statements in accordance with the Public Sector Accounting Standards. The Canadian Institute of Chartered Accountants (CICA) Public Sector Standard suggests that, "budget information should be presented on a basis consistent with that used for actual results". Using the same format also allows for easy and direct comparison between the budget presentation and the Audited Financial Statements of any given year. New to the Statements this year is Schedule 3, which shows the operating budget by function and presents the budget in a way that closely matches the Library's unit structure.

Also relevant to this point is the discussion under the previous question, "Why does the Library capitalize but not depreciate its assets?"

**Q. Why does the lease for the George Bothwell Branch have a capital component in the budget?**

- A. The decision to capitalize the lease for the George Bothwell Branch was based on guidelines set out by the Canadian Institute of Chartered Accountants (CICA). The nature of the building, that is, that the lease is designed to cover the construction cost of the building, that it was specifically built for the Library, and that the Library will occupy it for most of the useful life of the building, supports the decision that the lease be capitalized according to CICA rules.

**Q. Explain the transfers outlined on Schedule 5.**

- A. Net assets represent the equity of the Regina Public Library. During the year, the Library records its financial transactions, consisting of revenues and expenditures and changes to assets and liabilities, into one of two funds: the General Fund for operating transactions and the Capital Fund for capital transactions. Accumulated surplus for a Fund can stay as surplus in the fund if it has not been designated, or can be set aside by the Library Board for a specific purpose and be transferred to a reserve.

Library activities can be funded from any combination of current taxation and other revenue sources, drawdown of reserves, or funded on a pay as you go basis. Schedule 5 shows overall how accounting transactions for the year correspond to funding.

The 2007 budget plan is that expenditures will be funded from current revenues with the following exceptions: prior years operating surplus of \$47,000 will be utilized, reserves will be drawn down by a total of \$597,000, and \$88,000 of expenditures for employee benefits payouts on termination will be funded from future revenues. Net assets of the Library are expected to decline by \$637,000 in 2007.

**Q. What is the unfunded employee benefit noted on Schedule 5?**

- A. The entry in this Schedule is not a transfer that involves cash and no money is being borrowed. The line in question is an unfunded liability to account for the Library's obligations for accumulated severance pay and sick pay. The Library does not set money aside to support severance pay or sick pay entitlements on termination so this obligation shows up on the Library's Statements as an unfunded liability. As Library's employees' tenure increase, the severance pay for which they are eligible will also increase. This line in Schedule 5 shows how much that liability is expected to increase in the next year. The actual cost of this benefit is charged, annually, to the Administration expenditures budget line. The Library's approach to this unfunded liability is very similar to that of the City of Regina.

**Q. Which Library facilities are owned and which are leased?**

A. Of the system's nine locations, seven are owned and two are leased. Those owned are:

- Albert
- Central
- Connaught
- Glen Elm
- Prince of Wales
- Sherwood Village
- Sunrise

The remaining two locations, Regent Place and George Bothwell, are leased.

**Q. What is the cost of the Library's leases on an annual basis?**

A. The cost can vary slightly each year, depending upon the lease agreement, but for 2007, the total cost of leases is \$369,800 (Appendix D). As noted in an earlier question, the lease for the George Bothwell Branch is capitalized.

**Q. What are the Library's owned buildings worth?**

A. The Library does not maintain current market data on the value of its buildings but, from the perspective of the Audited Financial Statements, the Library attributes a value to the buildings as an asset. Consistent with the information given in the earlier question "Why does the Library capitalize but not depreciate its assets?", the Library's Financial Statements attribute to each location an amount equal to the original purchase price of the land and building plus the cost of capital improvements over time, and that cost is not depreciated. The resulting "book" values of the seven owned locations (land and building) are:

Albert	\$189,200
Central	\$4,429,400
Connaught	\$129,100
Glen Elm	\$1,000,500
Prince of Wales	\$103,800
Sherwood Village	\$1,232,100
Sunrise	\$1,602,800

**Q. What are the net expenditures for each Library location?**

A. A detailed list of revenue and expenditures, by location, is included as Appendix D.

**Q. How much does the Library spend on repair and maintenance of the current buildings?**

A. An outline of repair and maintenance costs is included as Appendix E.

**Q. When will the Library produce a long-term capital plan?**

A. The Library's planning process is not quite at the point where a capital plan is meaningful. The Library is currently working with a draft capital maintenance plan for the period from 2007 to 2011. This plan outlines significant repairs and maintenance necessary for the Library's current buildings. The Library's Branch Development Plan outlines the Board's intentions for re-development of five Branches. The two plans are necessarily tied together, but the latter will not be complete until after a consultation process. Also, this year's Programs and Services Review, in that it will set the course for public services offered by the Library, will necessarily impact how the Library's buildings are used and, ultimately, the kinds of repairs and renovations that might be carried out. The fourth element in the mix is the Board's fundraising program. The flow of money from fundraising will impact how and when building projects are funded. Development of a comprehensive capital plan is dependent upon information that is not yet available.

**Q. What are "library materials"?**

A. Library materials is the general term used to refer to items purchased to support the Library's lending, research, and informational roles. It includes such categories of items as books, videos, DVDs, electronic databases, CDs, audio tapes, works of art, etc. A breakdown of the library materials expenditures can be found in Schedule 6 of the budget document.

**Q. Why does the Library offer DVDs for loan to patrons?**

A. The Regina Public Library has a long history of providing visual materials for loan as well as an extensive array of programs and services that emphasize visual literacy. The Library's Vision and Mission statements also reference a recreational role for the public library. As visual material, DVDs fit well into the Library's mandate. From the point of view of use, DVDs are the heaviest used of material types. On average, a DVD at the public library will circulate 25 times in one year. The Library's DVD collection is small (2% of the collection) and carries very few copies of current popular titles. In terms of providing services for which there is obviously heavy demand, the Library falls short of good service in DVDs.

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SUPPLEMENTARY INFORMATION ON BRANCHES (Unaudited)**

Appendix D

Library Location	Revenue		Expenditures				Total 2007 Expenditures \$	Total 2006 Expenditures \$
	Building Lease \$ (Note 1)	All Sources \$	Building Operations \$	Staffing \$	Services & Other \$			
Albert		3,800	50,100	202,000	14,800	266,900	245,100	
Connaught		9,300	36,400	199,800	9,400	245,600	233,000	
George Bothwell	Lease 243,000	47,200	60,900	415,400	13,200 with Lease	489,500 732,500	718,200	
Glen Elm		11,800	83,800	293,600	8,500	385,900	374,100	
Prince of Wales		2,700	18,000	138,100	3,900	160,000	159,700	
Regent Place		23,700	43,700	352,400	10,200	533,100	546,800	
Sherwood Village		33,800	92,300	374,600	11,800	478,700	463,500	
Sunrise		33,500	103,100	416,600	14,000	533,700	497,700	
		165,800	488,300	2,392,500	85,800	3,336,400	3,238,100	

Note:

1. The remaining Library Locations are owner occupied. No depreciation expense is taken on existing Library buildings. The George Bothwell lease is capitalized.



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Appendix E

**MAJOR MAINTENANCE - REPAIRS AND MAINTENANCE**

Library Location	Major Maintenance Capital Fund \$	Repair and Maintenance General Fund \$	Total \$
Albert	12,500	16,600	29,100
Central (Note 1)	557,800	95,000	652,800
Connaught	19,000	6,000	25,000
George Bothwell	-	10,000	10,000
Glen Elm	72,600	12,000	84,600
Prince of Wales	6,800	1,000	7,800
Regent Place	1,400	2,800	4,200
Sherwood Village	48,800	12,000	60,800
Sunrise	2,000	28,000	30,000
	720,900	183,400	904,300

Note:

1. Central Major Maintenance includes \$500,000 for chiller replacement