



Approved BUDGET 2019

Notes for the Parkland Regional Library Budget 2019

Parkland's budget is developed according to Board policy and the constraints imposed by the Parkland Regional Library Agreement. According to clause eight of the agreement – Library System Budget:

8.1 The PRL Board shall prior to November 1 of each year submit a budget to the Parties to this Agreement and an estimate of the money required during the ensuing fiscal year to operate the library system. [Reg. s.25 (1)(f)]

8.2 The budget and estimate of money required referred to in clause 8.1 above, shall be effective upon receipt by the PRL Board of written notification of approval from two-thirds of the Parties to this Agreement which must represent at least two-thirds of the member population; and thereupon, each Party to this Agreement shall pay to the PRL Board an amount which is the product of the per capita requisition set out in Schedule "B" and the population of the Parties to the agreement. Payments shall be made on or before the dates set out therein.

8.3 The population of a municipality that is a Party to this Agreement shall be deemed to be the most recent population figure for the municipality as published by Alberta Municipal Affairs.

8.4 Municipalities which join the library system after January 1, 1998 shall pay a signing fee as determined by the PRL Board.

8.5 The PRL Board shall apply to the Government of Alberta for all library grants for which it is eligible, in accordance with the Department of Community Development Grants Regulation 57/98.

8.6 Notwithstanding Clause 17.1.c., any increase in the requisition requires written notification of approval from two-thirds of the parties to this agreement which must represent at least two-thirds of the member population.

Generally speaking, PRL budgets are prepared with conservative estimates. Revenue is estimated at its minimum level and expenditures are estimated at their maximum level. For 2019, the increase to the municipal per capita requisition is thirteen cents or 1.6%.

PRL's budget projections for 2019 use the information supplied by the Public Library Services Branch, Alberta Municipal Affairs. For 2019, we project the provincial operating grant to regional systems will remain at \$4.70 per capita and \$5.55 per capita for the rural library service grant. We also assume that grant levels will be based on 2016 population statistics.

Points within the budget to note include:

- The provincial operating grant for systems is estimated using 2016 population figures and calculated at the current rate of \$4.70 per capita (line 1.1).
- The First Nations Grant is assumed to continue. Also using 2016 population figures, the grant is calculated at \$10.25 per capita (line 1.2).
- It is assumed the rural library service grant will also be issued at \$5.55 per capita using 2016 population figures (line 1.4).
- Materials Allotment is being calculated at \$1.13 per capita (line 2.2).
- eContent platform subscription fees have been increased due to an upgrade we obtained for one of our licensed resources (Novelist), and the new TAL core database subscriptions and now includes Audio Cine moved from periodicals.
- In compliance with expectations from the Government of Alberta, a First Nations Provincial Grant expense line has been created as a separate pool of funds to spend on First Nations activities (line 2.6). This grant is calculated at \$5.55 per capita and corresponds to line 1.2 under "Income" from which line 2.6 derives its funding.
- The eContent line (line 2.17) has been reduced significantly since Parkland has drastically cut funds supporting the government sponsored streaming media resource hoopla.
- Large Print, Reference, and Audio books collection allotments have been reduced slightly to reflect decreased demand (lines 2.16, 2.18, 2.20).
- Line 3.4 the Building – Repairs/Maintenance line, has been reduced substantially simply because staff have reassigned the cost of carpet cleaning, window cleaning, and other custodial type activities to line 3.9, the Janitorial/Outdoor maintenance expense line.
- Salaries will go up a step for most staff plus a consumer price index increase in compliance with Parkland's Compensation Policy (line 3.13).
- The Benefits line (line 3.14) has also increased proportionately to the salaries line (line 3.13) since benefits are calculated in relation to wages.
- Provincial grants amount to approximately 45.5% of PRL's total income.
- Of the 2019 budget expense lines, 17 lines remained the same compared to 2018, 10 went up, 11 went down, and 1 was new.

At the end of the budget documents you will find the Budget Supplement. The largest planned purchase is for computer hardware from the Technology Reserve estimated to be valued at \$126,800. The only other anticipated reserve fund transfers for 2019 involve the amortization of PRL's capital assets. By approving the budget, the board is approving these transfers to and from Parkland's reserve fund accounts.

Brief Notes – September 2019

INCOME

- 1.1 The Operating grant is an estimate, based on announcement from the Public Library Services Branch (PLSB) calculated at \$4.70 per capita.
- 1.2 The First Nations grant for reserve residents is calculated at \$10.25 per capita
- 1.3 Estimated requisition to municipalities to balance budget
- 1.4 Estimate, based on announcement from PLSB and calculated at \$5.55 per capita
- 1.5 Held to reflect the anticipated returns on investments

LIBRARY MATERIALS

- 2.1 Estimate, based on announcement from PLSB - see 1.4 above
 - 2.2 Reflects allotment rate of \$1.13 per capita
 - 2.3 Based on actual costs and reduced slightly from the 2018 amount
 - 2.4 Line increased slightly to allow for the purchase of non-capital hardware and misc. IT items such as adapters, cables, and supplies. For software, subscriptions, maintenance agreements, ongoing website development, the Microsoft Office suite of software for PRL and member library computers, PRL's management of wireless networks
 - 2.5 Line to pay for platform fees/subscriptions for eContent - increased due to an upgrade for one of our licensed resources (Novelist), the new TAL core eResources subscriptions and includes Audio Cine fees moved from periodicals
 - 2.6 This line created due to PLSB expectations for direct First Nations services, the amount for 2019 is \$5.55 per capita to spearhead outreach activities and services to First Nations reserve residents
 - 2.7 Reduced slightly based on actual costs
 - 2.8 Held at 2018 amount
 - 2.9 Based on current population at \$0.30 per capita
 - 2.10 Held at \$800
 - 2.11 Decreased to \$1,100 - fees for the subscription to Audio Cine for public performance rights have been moved to line 2.5
 - 2.12 Held at 2018 amount
 - 2.13 Held at 2018 amount - used for purchasing library material processing items such as mylar book covers, cataloguing records, and multimedia cases
 - 2.14 Increased to \$43,000 due to the purchase of a third cargo van and a second consulting vehicle - anticipated maintenance costs for five vehicles and fuel, using a 5 year review of actual costs
 - 2.15 Held at 2018 level of \$15,000 used for projects for training library managers and staff, and library conference expenses
- PRL Circulating Collections
- 2.16 Reduced slightly in 2019

- 2.17 Line reflects materials allotment for the purchase of eContent, reduced in 2019 due to the need to limit the cost of the hoopla streaming media service
- 2.18 Reduced in 2019 due to the trend of reduced use of the large print collection
- 2.19 Increased slightly to \$1,000
- 2.20 Reduced slightly in 2019 to accommodate other budget priorities

COST OF SERVICES

- 3.1 The fee for 2019 is an estimate which also includes the annual legal letter required from PRL's lawyer for the auditor
- 3.2 Held at \$1,500 - to cover the cost of cheques and electronic banking services
- 3.3 Held at \$4,500
- 3.4 Reduced to \$17,000 - janitorial items such as window and carpet cleaning for the building have been moved to line 3.9 - based on five-year averages
- 3.5 Held at 2018 amount of \$5,000 - used to provide tools for marketing, advocacy and other initiatives for PRL and member library staff and boards
- 3.6 Held at \$20,000
- 3.7 Held at \$11,500 - to cover PRL's cost to belong to membership organizations (e.g. Library Association of Alberta (LAA), Alberta Library Trustee Association (ALTA), The Alberta Library (TAL), etc.)
- 3.8 Held at \$13,750 based on a 5 year review of actual costs
- 3.9 Increased to \$34,500 for additions from line 3.4 for janitorial building maintenance items - includes snow removal, yard maintenance, janitorial services and janitorial maintenance (carpet and window cleaning)
- 3.10 Reduced to \$7,000 based on usage over last three years
- 3.11 Increased slightly to \$5,500 - based on five year averages
- 3.12 Held at \$6,500
- 3.13 Increased to reflect predicted staff salary costs based on current staff levels and in compliance with the new compensation policy
- 3.14 Increased to reflect predicted staff benefits costs based on current staff levels
- 3.15 Held at \$30,000 used for - based on a five-year review
- 3.16 Reduced to \$11,000 - based on actual costs
- 3.17 Reduced to \$12,000 - based on a five-year review
- 3.18 Held at 2018 level of \$22,000 - to support trustee activities
- 3.19 Based on five-year averages - held at \$35,000

Complete Notes to the 2019 Budget

Approved 2019 Budget PARKLAND REGIONAL LIBRARY

		Present Budget	
		2018	2019
Income			
1.1	Provincial Grants	990,831	990,831
1.2	First Nations Grant	109,624	109,624
1.3	Membership Fees	1,711,794	1,801,371
1.4	Alberta Rural Library Services Grant	428,738	428,738
1.5	Interest Income	27,000	27,000
TOTAL Income		3,267,987	3,357,564

Income – line details

1.1 Provincial Grants: for budgeting purposes, the provincial operating grant rate for regional systems is based on information from the Public Library Services Branch (PLSB) - for regional systems it will be calculated using 2016 population statistics at \$4.70 per capita - this rate is subject to change annually.

1.2 First Nations Grant: the First Nations (FN) grant from the PLSB is expected to be ongoing. It is calculated at \$10.25 per capita based on First Nations reserve residents found within Parkland's regional borders. The grant is to provide system level services to FN reserve residents. The grant is composed of two grants. The \$4.70 system operating grant and the \$5.55 per capita rural library services grant. The \$4.70 is used to fund operations of the regional system. The \$5.55 per capita is to fund various First Nations initiatives. See line 2.6.

1.3 Membership Fees: \$8.25 per capita – requisition to municipalities to balance the budget. This is an increase of 1.6% or thirteen cents per capita.

*1.4 Alberta Rural Library
Services Grant:*

grant received from Alberta Municipal Affairs for service to rural residents, based on the membership in PRL of municipalities and municipal districts, which do not appoint a library board – the grant is passed entirely to libraries, as directed by these municipalities. Based on information from the PLSB, the grant will be calculated using 2016 population statistics at \$5.55 per capita – see line 2.1 under Support Materials & Services Directly to Libraries.

1.5 Interest Income:

estimate based on the returns from the RBC Dominion investment program, the Servus Credit Union short-term investments, and current bank account – the budgeted amount is reflective of the anticipated return on investments.

		2018	2019
Support Materials & Services Directly to Libraries			
2.1	Alberta Rural Library Services Grant	428,738	428,738
2.2	Allotment Funds issued to Libraries	239,125	247,637
2.3	Cataloguing Tools	4,000	3,800
2.4	Computer Maint.Agree. Software licenses	164,081	168,049
2.5	eContent Platform fees, Subscriptions	18,250	44,400
2.6	FN Provincial Grant expenses		59,357
2.7	Freight	7,500	6,500
2.8	Internet Connection Fees	10,800	10,800
2.9	Member Library Computers Allotment	63,245	65,504
2.10	Outlets - Contribution to Operating	800	800
2.11	Periodicals	1,975	1,100
2.12	Postage Reimbursement	7,000	7,000
2.13	Supply purchased Cataloguing/Mylar	25,000	25,000
2.14	Vehicle expense	37,000	43,000
2.15	Workshop/Training expense	15,000	15,000
PRL Circulating Collections			
2.16	Audio Book	5,000	3,800
2.17	eContent	80,600	45,000
2.18	Large Print	13,000	10,000
2.19	Programming Box	750	1,000
2.20	Reference	6,000	4,500
TOTAL Support Materials & Services Directly to Libraries		1,127,864	1,190,985

Support Materials & Services Directly to Libraries - line details

2.1 Alberta Rural Library

Services Grant:

provincial grant received by PRL for municipalities and municipal districts that do not have library boards but are members of the system – per membership agreement, the grant is passed back to the libraries as determined by the municipalities – see line 1.4 under income.

2.2 Allotment Funds Issued to Libraries:

reflects allotment rate of \$1.13 per capita – held at 2017 level.

2.3 Cataloguing tools: based on actual costs – reduced slightly – includes a number of electronic resources such as Library of Congress classification web, Web Dewey, and BookWhere; among other resources, all of which are used to prepare books and other materials for libraries.

2.4 Computer Maint. Agree. Software Licenses: for software maintenance agreements and subscriptions – line covers, but not limited to, the Microsoft suite of software for member library computers, website software, PRL’s management of wireless networks, PRL’s computers, and licensed services for the Horizon integrated library system increased to reflect the US dollar exchange, increased quantity of licensing, and now includes small non-capital IT items as needed such as monitors and bar code scanners.

2.5 eContent Platform fees and Subscription fees: to pay for platform fees for 3M ebooks, and Novelist, Novelist Select subscriptions, now includes Audio Cine fees moved from periodicals, and the TAL core of eResource subscriptions (includes 4 public library focused databases: Ancestry Library Edition, Consumer Reports, Solaro (homework help), and TumbleBook Library – Premium) or other eContent as needed – increased but see 2.17 as it has decreased).

2.6 FN Provincial Grant Expense: line created due to expectations from the Public Library Services Branch that direct services to indigenous communities be provided and accounted for, the amount estimated is \$5.55 per capita to spearhead outreach activities and services.

2.7 Freight: vendor freight costs for allotment, in-house collections and shipment of computers for repairs and/or replacement parts – reduced slightly from 2018 level.

2.8 Internet Connection Fees: for internet service provision to member libraries and HQ – held at 2018 level.

2.9 Member Library

Computers:

income collected for transfer to the Technology Reserve for the purchase of computers and peripherals for member libraries in the year the funds are collected. Calculated at thirty cents per capita.

2.10 Outlet - Contribution to Operating:

amounts set by board policy, up to \$200 annually, if a local library outlet's sponsoring society provides matching funds – held at \$800.

2.11 Periodicals:

decreased due to moving Audio Cine the public performance rights licensing fee to line 2.5; includes professional development publications and library journals.

2.12 Postage

Reimbursement:

held at 2018 level, based the last 2-year estimates – reimbursement for items interlibrary loaned or mailed directly to patrons by member libraries.

2.13 Supplies purchased

Cataloguing/Mylar:

held at 2018 level, line for purchasing library materials processing such as precut "mylar" book covers, cataloguing records, and multimedia cases.

2.14 Vehicle Expense:

includes fuel and accounts for fluctuation in fuel prices, repairs and tire replacements for three cargo vans and two vehicles for staff use – line increased due to the recent purchases of a third cargo van and a second staff consulting vehicle.

2.15 Workshop/Training:

includes costs for all workshops and training activities hosted or planned by PRL staff for member libraries regardless of whether they are held at PRL or other locations – held at \$15,000.

PRL Circulating Collections

2.16. Audiobook Materials:

reduced – used to support the physical audio collection.

2.17 eContent:

reduced due to drastically diminishing funding for the hoopla streaming media service – includes allotment for

3M eBooks, Zinio Magazines, One Click digital eAudiobooks, and potentially other eContent.

2.18. Large Print Books: reduced in 2018 due to the trend of reduced use of the large print collection.

2.19 Programming Boxes: increased slightly to \$1,000 - to refresh and build new programming kits for programming in member libraries.

2.20 Reference Materials: reduced due to other budget priorities – to purchase limited amounts of reference material for use by PRL staff and member libraries. eResources for reference and professional development purposes can also be purchased using this budget line.

		2018	2019
Cost of Services			
3.1	Audit	16,200	16,200
3.2	Bank expenses	1,500	1,500
3.3	Bank Investment Fees	4,500	4,500
3.4	Building-Repairs/Maintenance	28,000	17,000
3.5	Communications/Marketing/Advocacy	5,000	5,000
3.6	Continuing Education	20,000	20,000
3.7	Dues/Fees/Memberships	11,500	11,500
3.8	Insurance	13,750	13,750
3.9	Janitorial/Outdoor maintenance expense	29,500	34,500
3.10	Photocopy/Printing	9,000	7,000
3.11	Postage	5,000	5,500
3.12	Promotion/Trade Shows/Publicity	6,500	6,500
3.13	Salaries	1,537,027	1,566,669
3.14	Salaries - Employee Benefits	338,146	346,960
3.15	Supplies/Stationery/Building	30,000	30,000
3.16	Telephone	12,500	11,000
3.17	Travel	15,000	12,000
3.18	Trustee expense	22,000	22,000
3.19	Utilities	35,000	35,000
TOTAL Cost of Services		2,140,123	2,166,579

Cost of Services – line details

- 3.1 Audit:* 2018 is based on an estimate – now includes costs for an annual letter from PRL’s lawyer required for the audit process.
- 3.2 Bank Expenses:* held at 2018 level - to cover the cost of cheques and other banking services including enhanced electronic services.
- 3.3 Bank Investment Fees:* fee for management of the RBC Dominion investment program – based on actual charges – held at 2018 level.
- 3.4 Building-Repair/Maintenance:* based on repairs expected in aging building – reduced to \$17,000 as janitorial items for the building have been moved to line 3.9 – costs are based on five-year averages.

- 3.5 Communications/Marketing/Advocacy:* this line is used by Parkland staff to provide tools for marketing, advocacy and other initiatives for PRL and member library staff and boards, held at 2018 level.
- 3.6 Continuing Education:* funds PRL staff to attend the Alberta Library Conference, plus other conferences, workshops, seminars, technology courses, and other continuing education activities – held at \$20,000.
- 3.7 Dues/Fees/Memberships:* for Parkland's membership in professional organizations; may include, but not necessarily be limited to: Library Association of Alberta (LAA), Alberta Library Trustee Association (ALTA), Alberta Association of Library Technicians (AALT), Public Library Associations (PLA), Rural Municipalities of Alberta (RMA), American Library Association (ALA), Alberta Public Library Administrators' Council (APLAC); and The Alberta Library (TAL).
- 3.8 Insurance:* includes the buildings, HQ's contents, PRL's outlet libraries contents, vehicle, general liability, bond and crime – held at the 2018 level, using an average of actual costs.
- 3.9 Janitorial Expense:* increased to \$34,500 to include additional activities previously allocated to line 3.4 for janitorial building maintenance such as carpet and window cleaning – also includes snow removal, yard maintenance, and small repairs.
- 3.10 Photocopy/Printing:* reduced – reflects actual costs reviewed over last three years and estimated usage – now includes printing costs if outside source is used for publications.
- 3.11 Postage:* slight increased - based on actual costs.
- 3.12 Promotion/Trade Shows/Publicity:* held at 2018 level, includes, but not limited to, printing systems' brochures and hospitality expenses for the Alberta Library Conference (ALC), Alberta Urban Municipalities Association (AUMA) and Rural Municipalities of Alberta (RMA) conventions, plus gifts/donations, flowers for libraries' anniversaries, and promotional items.

- 3.13 Salaries:* estimated at the maximum level and increased to support the new compensation policy and salary grid. The budget reflects the possibility of all eligible staff members moving up a step on the grid plus receiving a cost of living adjustment in 2019.
- 3.14 Salaries-Employee Benefits:* increased on the basis of all eligible staff members being provided full benefits including LAPP and Blue Cross.
- 3.15 Supplies/Stationery/ Building:* held at 2018 level - based on a six-year review - includes, but not limited to, book-related supplies as well as barcodes, barcode label protectors, new plastic patron membership cards supplied to public libraries, building supplies, and stationery supplies.
- 3.16 Telephone:* includes line charges, toll free number, mobile telephones, and long distance costs – reduced slightly to \$11,000.
- 3.17 Travel:* includes consulting travel to public libraries, administrative travel, annual IT visits, and staff travel to workshops and conferences (includes reimbursement at \$0.505 per km to staff when they are unable to use the PRL staff vehicles) – based on actual and estimates, reduced to \$12,000.
- 3.18 Trustee Expense:* held to 2018 level - includes costs for a 10 member executive committee meeting 8 or 9 times a year, and 4 trustees attending the Alberta Library Conference; also includes \$100 half day/\$200 full day honorarium and mileage for committee meetings (includes meetings the board chair attends such as, Systems Directors and Board Chair meetings hosted by the Public Library Services Branch).
- 3.19 Utilities:* based on five-year averages – held at \$35,000.

**Approved 2019 Budget
PARKLAND REGIONAL LIBRARY**

	Present Budget 2018	Proposed Budget 2019
TOTAL Income	3,267,987	3,357,564
TOTAL Support Materials & Services Directly to Libraries	1,127,864	1,190,985
TOTAL Cost of Services	2,140,123	2,166,579
TOTAL Expenses (library materials & cost of service)	3,267,987	3,357,564
Surplus/Deficit	0	0
AMOUNT PER CAPITA REQUISITION	8.12	8.25
		1.6%

Budget Supplement

Explanation points to the 2019 Budget dealing with Capital Assets, Amortization and Reserves.

Staff make all applicable computer and vehicle purchases directly from reserves.

For IT purchases, PRL has a very detailed Technology Replacement Schedule as it relates to maintaining our current IT infrastructure and the purchase of computers for member libraries. Based on PRL's Technology Replacement Schedule, items being identified as needing to be replaced or newly acquired will have their costs estimated with the funds required for purchase included in the notes section of the Budget Supplement document. This amount will be shown as coming from the Technology Reserve. The expense for amortization will be allocated and the residual value set aside in the Amortization Reserve.

There are no planned vehicle purchases in 2019.

In passing the budget, Board members are approving the movement of funds between reserves and operating as defined on the following pages and based on policy. Capital assets are now purchased from reserves.

Parkland Regional Library

Budget Supplement - Movement of Funds

Explanation points to the 2019 Budget dealing with Capital Assets, Amortization and Reserves

In passing the budget you agree to the movement of funds between reserves and operating as defined below and below. Capital assets will now be purchased from reserves.

1 MOVEMENT OF FUNDS FROM RESERVES TO OPERATING INCOME	2019	
Amortization Reserve		
Anticipated funds required to cover current portion of amortization expense from Jan 1, 2009 forward <i>(actual amount will be affected by asset disposals during the year)</i>	\$48,603	A
Vehicle Reserve		
Anticipated funds required to purchase new vehicles <i>(actual amount will be based on exact purchase price in the year)</i>	\$0	B
Technology Reserve		
Anticipated funds required for Technology purchases <i>(May included Member libraries computers, wireless equipment, SuperNet CED units, PRL assets)</i> <i>(Estimated capital PRL assets - 2019, \$35,100)</i>	\$126,800	B
	\$175,403	
2 INCOME FROM THE SALE OF CAPITAL ASSETS		
Vehicle selling price <i>(actual amounts will be based on exact selling price in the year)</i>	\$0	C
	\$0	
3 MOVEMENT OF FUNDS FROM OPERATING EXPENSE TO RESERVES		
Amortization Reserve		
Residual Amortization anticipated - PRL assets <i>(actual amounts will be based on exact purchase amounts in the year)</i>	\$23,510	B
Vehicle Reserve		
Proceeds from the sale of vehicles <i>(actual amounts will be based on exact selling price in the year)</i>	\$0	C

Technology Reserve

Budgeted for member library computers \$65,504

\$89,014

4 CAPITAL ASSET EXPENSE ALLOCATION

Current year Amortization estimated - PRL Assets \$11,590 **B**

(actual amounts will be based on exact purchase amounts in the year)

Amortization expense anticipated from years (Jan 2009 forward) \$48,603 **A**

(actual amount will be affected by asset disposals during the year)

\$60,193

5 Unrestricted Operating Fund - as needed to balance at year end

Current Amortization expense anticipated - from years previous to Dec 31, 2008 \$17,525

(actual amounts will be based on exact disposals amounts in the year)