



GREATER VICTORIA PUBLIC LIBRARY

October 28, 2015

Her Worship Mayor Desjardins and Council
Township of Esquimalt
1229 Esquimalt Road
Esquimalt, BC V9A 3P1

Dear Mayor Desjardins and Council,

360-20 GVPLB JW
A/CAU

| | | |
|--|--|-------------------------------|
| CORPORATION OF THE TOWNSHIP OF ESQUIMALT | | |
| For Information: | | |
| <input checked="" type="checkbox"/> CAO | <input checked="" type="checkbox"/> Mayor/Council | |
| RECEIVED: NOV 06 2015 | | |
| Referred: <u>Fan</u> | | |
| <input checked="" type="checkbox"/> For Action | <input type="checkbox"/> For Response | <input type="checkbox"/> COTW |
| <input type="checkbox"/> For Report | <input checked="" type="checkbox"/> Council Agenda | <input type="checkbox"/> IC |

Re: 2016 Budget and Five Year Financial Plan – PROVISIONAL

The Greater Victoria Public Library respectfully submits its Provisional 2016 Operating Budget and Five Year Financial Plan for 2016-2020 for receipt by Council.

In accordance with the Library Operating Agreement, we will submit a final budget by March 31, 2016 and will seek Council approval by resolution by May 1, 2016. We are seeking feedback or any recommended amendments by December 15, 2015.

Library usage in our community continues to grow. GVPL is ranked as one of the highest per capita circulating libraries in Canada, and we are experiencing increasingly heavy use of our public spaces. We remain committed to service excellence that is made affordable through staff resourcefulness, service innovations and community partnerships.

The provisional operating budget increase for 2016 is projected to be 2.49%, net of all revenue-neutral transfers. Please refer to the enclosed budget briefing notes for more information on revenue and expenditure changes.

The municipal contribution increase for the library system is 2.76%. Each municipality's respective share is outlined in the enclosed Municipal Contributions document and is subject to change once property assessment values are received.

We look forward to your comments and feedback at this stage of the budget development process, and thank you for your ongoing support of the vital role public libraries play in our communities.

Sincerely,

Kevin Murdoch
Chair, Greater Victoria Public Library Board

Enclosures

Copies: Laurie Hurst, CAO, Township of Esquimalt
Ian Irvine, Director of Financial Services, Township of Esquimalt
Maureen Sawa, CEO, Greater Victoria Public Library
Donna Phillips, Director of Finance and Facilities, Greater Victoria Public Library

BRIEFING NOTES

FOR MEMBERS OF COUNCIL, LIBRARY BOARD AND MUNICIPAL CAO'S/ TREASURERS

Subject: Provisional 2016 Operating Budget

Date: October 20, 2015

Purpose: To provide additional notes and variance explanations.

Summary:

- For receipt by Council; request feedback or recommendations for amendment by December 15, 2015
- Total budget increase, net of transfer for the new branch startup costs, is 1.97%
- Total budget increase, net of all transfers, including the branch startup, is 2.49%
- Municipal contribution increase of 2.76% (higher than budget increase due to decline in other revenue)
- Total expenditure increase of 6.39% primarily due to \$765,000 for start-up costs for Langford branch, funded by Langford
- Library system cost per capita increase of \$1.37 (2015 increase was \$1.89).

New Branch in 2016

The new branch in Langford is planned to open on April 1, 2016. Accordingly, the 2016 operating budget includes:

1. **Start-up funds and expenditures** for furnishing and equipping the new branch, totaling \$765,000, are for the funds to be received from Langford (per LOA section 8 - Branches). This start-up is considered to be a "transfer" revenue. The budget increase, after removing the portion related to the branch start-up, is as follows:

| | 2016 Increase | Branch start-up funded by Langford | Balance of increase |
|--------------------------|--------------------------|---|--------------------------------|
| Salaries & benefits | \$308,329 | - | \$308,329 |
| Library materials | 394,894 | 350,000 | 44,894 |
| Supplies & services | 35,301 | 8,438 | 26,863 |
| Building occupancy | 30,186 | - | 30,186 |
| Other | 4,251 | 5,178 | (927) |
| Capital expenditures | 328,717 | 401,384 | (72,667) |
| Contribution to reserves | 5,000 | - | 5,000 |
| Total | \$1,106,678 | \$765,000 | \$341,678 |
| % increase | 6.39% | 4.42% | 1.97% |

2. **New branch operating costs**, such as salaries and benefits, network and phone, utilities, janitorial, are included and pro-rated from April 1st. Annualized, these costs total approximately, \$314,000. However, budget savings found throughout the library system have been applied towards the additional operating costs of the Langford branch.

Variance Explanations (2016 over 2015 Budget):

Expenditure

| Expenditures are increasing by 1.97% after removing the impact of the new branch start-up costs. Expenditures are increasing a further 0.52% to a total increase of 2.49% after removing the impact of changes in transfers for one-time expenditures funded from reserves (\$80,415): | | | |
|--|--|---|-------------------------------------|
| | 2016 Increase, excluding branch start-up | Change in transfers from reserves | Total increase, Net of Transfers |
| Salaries & benefits | \$308,329 | \$27,773 | \$336,102 |
| Library materials | 44,894 | 15,000 | 59,894 |
| Supplies & services | 26,863 | - | 26,863 |
| Building occupancy | 30,186 | (20,000) | 10,186 |
| Other | (927) | 10,325 | 9,398 |
| Capital expenditures | (72,667) | 47,317 | (25,350) |
| Contribution to reserves | 5,000 | - | 5,000 |
| Total | \$341,678 | \$80,415 | \$422,093 |
| % increase | 1.97% | 0.52% | 2.49% |

This 2.49% increase allows for operating costs for a new branch, allows all branches to be open from 1:00 to 5:00 p.m. on Family Day, and includes a full network upgrade funded through savings from the new integrated library system and hardware. The network upgrade enables both staff and patron-focused technologies and services, by increasing patron and staff network capacity (10x bandwidth), improving sustainability and capacity management, and reducing maintenance, management costs and support requirements.

The budget also includes \$19,389 in 2016 for a Digilab project funded through the United Way Youth in Action, with offsetting revenue. This initiative builds capacity in youth and enables them to make positive change for their neighbourhoods. The Esquimalt Youth in Action team approached GVPL to work with them to create a youth-centered arts space in the spirit of accessibility and artistic exploration.

The following variances explain the total increase, net of transfers, of 2.49%:

Salaries and benefits (increase of \$336,102) – increase per collective agreement (2% increase) and a 1.23 net increase in regularized FTE's due to addition of Langford branch, potentially to be reduced to nil in the final budget.

Library materials (increase of \$59,894) – 1.98% increase to maintain current collection. The fall of the Canadian dollar will negatively impact the library's ability to maintain current collections. The full impact will be known by the time the final budget is submitted.

Supplies and services (increase of \$26,863) – 1.22% net increase (\$11k), including costs funded by United Way for the Digilab project, a network upgrade, and net of reductions in various budgets; plus a further increase of 1.67% (\$16k) for operating costs for the Langford branch.

Building occupancy (increase of \$10,186) – Continues to be an area under pressure due to increases in utilities and maintenance costs due to wear and tear. The total increase consists of:

- 2.03% (\$17k) increase for Langford Branch operating costs;
- 2.37% (\$20k) increase for office lease sublet term end (funded with janitorial savings)
- 2.43% (\$21k) increase for utilities and maintenance costs;
- Net of a 5.64% (\$48k) reduction reflecting Central Branch one-time project savings in 2015 for major asset maintenance and janitorial savings at all branches.

Other expenses (increase of \$9,398) – consists of a 1.78% increase (\$6k) for increases in insurance, employee recruitment and vehicle parking, and a 0.90% (\$3k) increase for the Langford branch operating costs.

Capital expenditures (decrease of \$25,350) – consists of a reduction to Hardware (\$25k) to fund a network upgrade under Supplies and Services.

Contribution to reserve funds (increase of \$5,000/+5.26%) – The Replacement Reserve is used for tenant improvements and replacements, and minor renovations to improve or enhance services within the branches; an increase is requested due to aging infrastructure and the addition of a new branch in Langford.

Revenue

Overall, revenues, not including transfers, are budgeted to decline by \$7,354. Fortunately, a continued decline in fine and fee revenues is offset by a projected increase on investment earnings on reserve funds.

Provincial grants (decrease of \$1,484 / -0.23%) – reduction in Resource Sharing Grant, based on 2015 funding.

Fines, fees and printing (decrease of \$39,200 / -6.30%) – 6.5% decrease (\$30k) in fine revenue due to increasing use of e-formats; 2% reduction in discard book sales (\$13k); removal of budget for replacement library card fees (negligible actual revenue); offset by projected increases in printing, meeting room rentals and non-resident fees.

Contracts for service (increase of \$541 / +2.00%) – annual increase for services provided to the CRD Juan de Fuca Electoral Area.

Investment income (increase of \$23,400 / +37.99%) – conservatively estimated to include compounded earnings on funds invested with Nesbitt Burns, and in the Municipal Finance Authority bond fund.

Donations and other grants (increase of \$9,389 / +46.94%) – donations include stable funding from Friends of the Library for the Summer Reading Club. The 2016 increase consists of funding from the United Way for the DigiLab initiative (\$19k) and removal of budget for Victoria Foundation annual endowment grants, as grant expenditure is to be determined and is not included in the budget (-\$10k). While the library has initiated a Development Plan, the program is in its infancy and revenue cannot be reliably projected at this time.

Transfers from reserves (decrease \$80,415 / -21.55%) – includes a \$117k decrease in one-time capital asset funding related to the new integrated library system, tenant improvements, an outreach vehicle and library materials; a reduction of one-time funding from unrestricted donations of \$33k for a temporary development position; a reduction in one-time operating reserve funding for lease of office space and strategic planning (-\$14k); offset by an increase of \$84k for approved major asset maintenance building projects at the Juan de Fuca branch, funded from the JF MAM reserve fund.

Transfer for start-up – 2016 includes one-time funding of \$765k for start-up costs for the new branch located in and funded by Langford.

Greater Victoria Public Library 2016 Operating Budget (Provisional)

| | 2014 Actuals | 2015 Budget | 2016 Provisional Budget | 2015 to 2016 Budget Change | |
|------------------------------------|------------------------|------------------------|-------------------------|----------------------------|---------------|
| REVENUE | | | | | |
| Municipal contributions | \$ (14,982,635) | \$ (15,565,266) | \$ (15,994,713) | \$ (429,447) | 2.76% |
| Other revenue: | | | | | |
| Provincial grants | (643,011) | (643,011) | (641,527) | 1,484 | -0.23% |
| Federal grants | (5,534) | (5,534) | (5,534) | - | 0.00% |
| Fines, fees and printing | (621,007) | (622,000) | (582,800) | 39,200 | -6.30% |
| Contracts for service | (26,489) | (27,019) | (27,560) | (541) | 2.00% |
| Investment income | (84,656) | (61,600) | (85,000) | (23,400) | 37.99% |
| Donations and other grants | (113,881) | (20,000) | (29,389) | (9,389) | 46.94% |
| <i>Sub-total: Other revenue</i> | <i>(1,494,578)</i> | <i>(1,379,164)</i> | <i>(1,371,810)</i> | <i>7,354</i> | <i>-0.53%</i> |
| Transfer from reserves | (103,770) | (373,190) | (292,775) | 80,415 | -21.55% |
| Transfer for start-up ¹ | (38,288) | - | (765,000) | (765,000) | 0.00% |
| TOTAL REVENUES | \$ (16,619,271) | \$ (17,317,620) | \$ (18,424,298) | \$ (1,106,678) | 6.39% |
| | | | | | |
| EXPENDITURE | | | | | |
| Salaries and benefits | \$ 11,930,935 | \$ 12,394,213 | \$ 12,702,542 | 308,329 | 2.49% |
| Library materials ² | 2,265,981 | 2,264,993 | 2,659,887 | 394,894 | 17.43% |
| Supplies and services | 903,530 | 931,095 | 966,396 | 35,301 | 3.79% |
| Building occupancy | 675,420 | 854,709 | 884,895 | 30,186 | 3.53% |
| Other expenses | 276,498 | 351,325 | 355,576 | 4,251 | 1.21% |
| Capital expenditures ³ | 392,238 | 426,285 | 755,002 | 328,717 | 77.11% |
| Contributions to reserve funds | 95,000 | 95,000 | 100,000 | 5,000 | 5.26% |
| TOTAL EXPENDITURES | \$ 16,539,602 | \$ 17,317,620 | \$ 18,424,298 | \$ 1,106,678 | 6.39% |
| Net (Revenue) / Expense | \$ (79,669) | - | - | - | - |

| | | | | | |
|--------------------------------|----------------------|----------------------|----------------------|-------------------|--------------|
| Total, Net of Transfers | \$ 16,477,213 | \$ 16,944,430 | \$ 17,366,523 | \$ 422,093 | 2.49% |
|--------------------------------|----------------------|----------------------|----------------------|-------------------|--------------|

Refer to Budget Briefing Notes

1 - Transfer for start-up in 2014 was for remainder funds received from Saanich for the Emily Carr Branch relocation. In 2016, the transfer budget is for funds to be received from Langford for new branch start-up costs. Refer to briefing notes for more information.

2 - Library materials include \$350,000 in 2016 for start-up of new branch, which is funded by Langford and also included in the \$765,000 revenue line "Transfer for start-up".

3 - Capital expenditures includes \$401,384 in 2016 for start-up furniture, equipment and technology for new branch, which is funded by Langford and also included in the \$765,000 revenue line "Transfer for start-up".

Approved by the Library Board, October 20, 2015

2016 MUNICIPAL CONTRIBUTIONS (PROVISIONAL)

| 2015 | | | | 2016 | | | | | |
|-----------------|---------------|------------------------------|---------------------|---------------------------------|------------------------------|-----------|-------|--------------------------------|--------------------------------|
| | Share 2015 | Total Requisition 2015 | Operating Budget | Rent Adjustment ¹ | Total Requisition 2016 | Increase | | Building Costs ² | Total Municipal Budget 2016 |
| | | | | | | \$ | % | | |
| Central Saanich | 5.26% | \$828,043 | \$841,322 | \$9,310 | \$850,632 | \$22,589 | 2.73% | \$0 | \$850,632 |
| Colwood | 4.73% | 742,567 | 756,550 | 6,330 | 762,880 | 20,313 | 2.74% | 27,047 | 789,927 |
| Esquimalt | 5.51% | 853,589 | 881,308 | -4,057 | 877,251 | 23,663 | 2.77% | 0 | 877,251 |
| Highlands | 0.68% | 106,756 | 108,764 | 912 | 109,676 | 2,920 | 2.74% | 3,898 | 113,574 |
| Langford | 9.90% | 1,554,307 | 1,583,477 | 13,346 | 1,596,823 | 42,515 | 2.74% | 56,587 | 1,653,410 |
| Metchosin | 1.63% | 255,884 | 260,714 | 2,170 | 262,884 | 7,000 | 2.74% | 9,322 | 272,206 |
| Oak Bay | 6.47% | 1,002,255 | 1,034,858 | -4,818 | 1,030,040 | 27,785 | 2.77% | 0 | 1,030,040 |
| Saanich | 33.96% | 5,263,910 | 5,431,804 | -22,054 | 5,409,750 | 145,840 | 2.77% | 0 | 5,409,750 |
| Victoria | 28.77% | 4,475,781 | 4,601,679 | -2,346 | 4,599,333 | 123,552 | 2.76% | 100,270 | 4,699,603 |
| View Royal | 3.09% | 482,174 | 494,237 | 1,207 | 495,444 | 13,270 | 2.75% | 7,210 | 502,654 |
| Total | 100% | \$15,565,266 | \$15,994,713 | \$0 | \$15,994,713 | \$429,447 | 2.76% | \$204,334 | \$16,199,047 |

¹ The Rent Adjustment is calculated in accordance with Section 8.12 (a), (b) and (c) of the Library Operating Agreement and relates to portions of buildings used to benefit all member municipalities: the Collection and Technical Services section of the Juan de Fuca Branch building and the Administrative portion of the Central Branch building. Municipalities which did not contribute to the initial acquisition of such building or who did not subsequently purchase a portion of such building pays reasonable rent to those Municipalities that did. Rent adjustments are subject to change in the final budget submission, due by March 1, 2016, once property assessment values have been received.

² Building Costs for jointly owned buildings are additional municipal budget amounts that are over-and-above the requisition for the library operating budget. The two branches that are jointly owned are the Central Branch and the Juan de Fuca Branch. Similar costs at other branches do not flow through GVPL and are paid by the municipalities directly. Building costs are estimates. Once actual costs are known, GVPL invoices the municipalities. Budgeted building costs for the branch portion of the jointly-owned buildings, excluding administrative area costs that are included in the library operating budget, are as follows:

| | Central Branch | Juan de Fuca Branch | Total |
|---|----------------|---------------------|------------|
| Shared strata costs (repairs, maintenance, MAM projects, cleaning, security, recycling) | 57,640 | - | 57,640 |
| Direct property manager costs (repairs, maintenance, misc.) | 18,398 | 21,950 | 40,348 |
| Building insurance | 17,447 | 10,200 | 27,647 |
| Strata contingency reserve contribution | 13,995 | - | 13,995 |
| Major asset maintenance (MAM) reserve fund contribution | - | 64,704 | 64,704 |
| | \$ 107,480 | \$ 96,854 | \$ 204,334 |

2016 MUNICIPAL PER CAPITA CONTRIBUTIONS

| | 2016 | | | |
|-----------------|------------------------|-------------------------|----------------------|---------------------|
| | Total Requisition 2016 | Population ¹ | Cost Per Capita 2016 | Increase per capita |
| Central Saanich | \$850,632 | 15,794 | \$53.86 | \$1.43 |
| Colwood | 762,880 | 16,636 | 45.86 | \$1.22 |
| Esquimalt | 877,251 | 16,207 | 54.13 | \$1.46 |
| Highlands | 109,676 | 2,221 | 49.38 | \$1.31 |
| Langford | 1,596,823 | 34,677 | 46.05 | \$1.23 |
| Metchosis | 262,884 | 4,968 | 52.92 | \$1.41 |
| Oak Bay | 1,030,040 | 17,448 | 59.03 | \$1.59 |
| Saanich | 5,409,750 | 110,767 | 48.84 | \$1.32 |
| Victoria | 4,599,333 | 83,200 | 55.28 | \$1.48 |
| View Royal | 495,444 | 10,714 | 46.24 | \$1.24 |
| Total | \$15,994,713 | 312,632 | \$51.16 | \$1.37 |

¹ Source of 2016 population figures: BC Stats website:
<<http://www.bccstats.gov.bc.ca/StatisticsBySubject/Demography/PopulationEstimates.aspx>>, 2014
population estimates, accessed on August 26, 2015.

General note: Percentage share of costs by municipality are determined based on 50% property assessment value and 50% population estimate. More detailed information on assessment values and population are available on request.

FIVE YEAR FINANCIAL PLAN (Provisional)

2016 - 2020

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue | | | | | | |
| Municipal contributions | 15,565,266 | 15,994,713 | 16,665,775 | 17,413,989 | 17,865,449 | 18,311,763 |
| Provincial grants | 643,011 | 641,527 | 641,527 | 641,527 | 641,527 | 641,527 |
| Federal grants | 5,534 | 5,534 | 5,534 | 5,534 | 5,534 | 5,534 |
| Fines, fees and printing | 622,000 | 582,800 | 547,800 | 515,564 | 485,872 | 458,520 |
| Contracts for service | 27,019 | 27,560 | 28,111 | 28,673 | 29,246 | 29,831 |
| Investment Income | 61,600 | 85,000 | 85,000 | 85,000 | 85,000 | 89,000 |
| Donations and other grants | 20,000 | 29,389 | 28,889 | 16,682 | 10,000 | 10,000 |
| Transfer from reserves | 373,190 | 292,775 | 255,000 | 180,000 | 140,000 | 190,000 |
| Transfer for start-up - Langford | - | 765,000 | - | - | - | - |
| Potential transfer for start-up - James Bay ¹ | - | - | 740,000 | - | - | - |
| Potential transfer for relocation-Esquimalt ¹ | - | - | - | 200,000 | - | - |
| Total Revenue | \$ 17,317,620 | \$ 18,424,298 | \$ 18,997,636 | \$ 19,086,969 | \$ 19,262,627 | \$ 19,736,175 |
| Expenditure | | | | | | |
| Salaries and benefits | 12,394,213 | 12,702,542 | 13,168,974 | 13,759,688 | 14,029,037 | 14,315,773 |
| Library materials | 2,264,993 | 2,659,887 | 2,707,789 | 2,407,049 | 2,505,990 | 2,655,902 |
| Supplies and services | 931,095 | 966,396 | 977,703 | 1,002,763 | 1,040,829 | 1,008,558 |
| Building occupancy | 854,709 | 884,895 | 861,385 | 896,430 | 911,156 | 923,453 |
| Other expenses | 351,325 | 355,576 | 383,217 | 358,856 | 360,616 | 362,489 |
| Capital expenditures | 426,285 | 755,002 | 793,569 | 552,183 | 300,000 | 350,000 |
| Contribution to reserve funds | 95,000 | 100,000 | 105,000 | 110,000 | 115,000 | 120,000 |
| Total Expenditure | \$ 17,317,620 | \$ 18,424,298 | \$ 18,997,636 | \$ 19,086,969 | \$ 19,262,627 | \$ 19,736,175 |
| Net Surplus (Deficit) | - | - | - | - | - | - |
| Municipal Contribution Increase | | | | | | |
| | \$ 589,473 | \$ 429,447 | \$ 671,062 | \$ 748,214 | \$ 451,459 | \$ 446,315 |
| | 3.94% | 2.76% | 4.20% | 4.49% | 2.59% | 2.50% |
| Budget Increase, Net of Transfers | | | | | | |
| | \$ 532,572 | \$ 422,093 | \$ 636,113 | \$ 704,333 | \$ 415,658 | \$ 423,548 |
| | 3.25% | 2.49% | 3.66% | 3.91% | 2.22% | 2.21% |

1 - Impact of potential new branch and branch relocation

For new branches, this plan includes: 1) start-up funds and expenses to establish the branch for funds received from the municipality (nil impact on plan percentage increases), and 2) operating costs for branch (salaries, network, phone, utilities, supplies, program costs), which create a one-time spike in plan percentages (or over two years when branch opens mid-year, such as in the case with the Langford branch) followed by normalization of annual increases.

For the potential branch relocation, this plan includes reduced start-up costs (estimated), resulting in a nil impact on plan percentage increases and assumes no additional operating costs. Increases EXCLUDING potential branch changes would be:

| | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| Municipal Contribution Increase, excluding potential branches | \$ 589,473 | \$ 429,447 | \$ 671,062 | \$ 372,518 | \$ 445,459 | \$ 439,806 |
| | 3.94% | 2.76% | 4.20% | 2.24% | 2.56% | 2.46% |

Refer to additional notes on Page 2.

GREATER VICTORIA PUBLIC LIBRARY

NOTES TO THE 2016 - 2020 FINANCIAL PLAN (Provisional)

1. This Financial Plan complies with the requirements of the Community Charter for a balanced five year financial plan and combines financial operating and capital plans. It is not in accordance with Public Sector Accounting Board (PSAB) standards.

2. Transfers from Reserves consist of:

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Sources of funding | | | | | | |
| Unrestricted donation fund ^A | 118,173 | 19,300 | - | - | - | - |
| Operating surplus from 2013 ^B | 70,000 | 109,475 | - | - | - | - |
| Personnel contingency | 24,548 | - | - | - | - | - |
| Endowment reserve | 15,000 | - | - | - | - | - |
| Replacement reserve | 145,469 | 80,000 | 85,000 | 90,000 | 95,000 | 10,000 |
| JF MAM reserve ^C | - | 84,000 | 170,000 | 90,000 | 45,000 | 90,000 |
| | \$ 373,190 | \$ 292,775 | \$ 255,000 | \$ 180,000 | \$ 140,000 | \$ 100,000 |
| Uses of funding | | | | | | |
| Salaries and benefits ^A | 76,548 | 19,300 | - | - | - | - |
| Library materials | 15,000 | - | - | - | - | - |
| Building occupancy ^B | 60,000 | 80,000 | - | - | - | - |
| Other expenses | 10,325 | - | - | - | - | - |
| Capital expenditures | 211,317 | 164,000 | 255,000 | 180,000 | 140,000 | 190,000 |
| Reduce municipal contributions ^B | - | 29,475 | - | - | - | - |
| | \$ 373,190 | \$ 292,775 | \$ 255,000 | \$ 180,000 | \$ 140,000 | \$ 190,000 |

^A 2016 represents balance of 2015 commitment (\$50,000) for temporary Development Assistant position.

^B 2016 represents balance of commitment for three-year office lease (\$80,000) plus proposed use of 2014 operating surplus to reduce 2016 municipal contributions (\$29,475 operating fund portion of 2014 surplus of \$79,669).

^C 2016-2020 budget reflects new accounting treatment confirmed by the auditor for funding and recording of Juan de Fuca MAM reserve project expenditures; figures above agree to last project budget approved by the building owners (to be updated for the Final 2016 budget to Councils).

3. **New Langford branch** - This plan assumes an opening date for this neighbourhood branch of April 1, 2016. The plan includes a *Transfer for Start-up* revenue for funds to be received from Langford and corresponding expenditures for furniture, equipment and collection, in accordance with the Library Operating Agreement (LOA) Section 8.1 (c) "Start-up". Operating costs have also been included in this plan, pro-rated in 2016, followed by a full year in 2017.

4. **Potential new James Bay branch** - The City of Victoria has not yet approved a capital request for this branch. This plan assumes an opening date for this neighbourhood branch of January 1, 2018. This plan includes a preliminary estimate for a *Transfer for Start-up* revenue for funds to be received from Victoria and corresponding expenditures for start-up.

5. **Potential relocation of Esquimalt Branch** - The Township of Esquimalt has initiated discussions regarding relocation of the branch in accordance with the Esquimalt Village Plan and this financial plan assumes an opening date of January 1, 2019. This plan includes a *Transfer for Start-up* revenue for funds to be received from Esquimalt and corresponding expenditures for furniture and equipment (no collection). No additional operating costs for the branch are included.

6. **Capital Expenditures** - budgets do not comply with PSAB standards for tangible capital assets: 1) the portion of the library materials budget which is capitalized is included in Library Materials Expense and not included as part of capital expenditures; 2) asset financing costs are included in the capital expenditure budget. The capital expenditures line in this five year financial plan consists of:

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Asset financing | 35,816 | 24,469 | 21,419 | 12,183 | - | - |
| Hardware | 125,000 | 105,150 | 105,150 | 100,000 | 100,000 | 100,000 |
| Hardware - branch start-up | - | 35,053 | 35,000 | - | - | - |
| Software | 60,000 | - | - | - | - | - |
| Furniture & equipment | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| Furniture & equipment - branch start-up | - | 366,331 | 317,000 | 200,000 | - | - |
| Building improvements | 145,469 | 164,000 | 255,000 | 180,000 | 140,000 | 190,000 |
| | \$ 426,285 | \$ 755,003 | \$ 793,569 | \$ 552,183 | \$ 300,000 | \$ 350,000 |