

Annual Budget 2008 – 2009

Introduction

The 2008 / 2009 Budget aims to:

- Increase collection funding to achieve a 6 year depreciation rate over the next 5 years
- Achieve the outcomes that have been identified in the Strategic Plan and Frameworks

The Library Service is mindful of the cost pressures on member councils and is continually reassessing processes to ensure that value is being achieved, in particular for procurement of library materials, equipment and services.

Library services continue to be one of the most popular and valued of all council services and over half the residents of Banyule, Nillumbik and Whittlesea use them regularly. The Library Service maintains a well deserved reputation for innovation and is one of the leading public library services in Australia.

Strategic Library Plan

The Library Plan 08 – 12 is a new document that is the result of a planning session with the Board and senior staff held in September 07. It builds on a number of initiatives that have been introduced over the past 4 years. These include:

- Strategic frameworks in major service delivery areas
- Shelf ready library materials using supplier aided selection
- RFID and self service checkout at all branches
- Robust, redundant, affordable network

The library's vision is *creating informed, inclusive, connected communities*.

The six outcome areas for the new Strategic Plan are:

- Libraries building community capacity
- Libraries as community hubs
- Libraries online
- Skilled and confident library staff
- Seamless integrated technology
- Sustainable and responsible finance and governance

General budget highlights

The overall increase to member councils for 08/09 is 4.9% made up of a 4.2% increase in the operational budget and a 7.7% increase in the capital budget.

Annual Plan and Key Projects

New initiatives are identified and highlighted from the Strategic Frameworks that have been adopted by the Board. The \$s are indicative costs and are either included in the operational budget, from grant funding, or are Local Priorities projects.

1. Libraries building community capacity

	\$000	<i>Comments</i>
Plenty Reads project *	5	Program to promote reading and share reading experiences, includes promotion of local authors
Finding my place	3	Expansion of program for at risk students in conjunction with 6 local secondary schools – Grant funding
Marketplace of ideas*	5	Developing a new program to introduce speakers and discussion groups to increase community capacity

2. Libraries as community hubs

	\$000	<i>Comments</i>
Digitising local history*	5	Continue to digitise local history photographs
Cultural Diversity Week	3	Programs and activities held – grant funding
Children's libraries upgrades*	10	As per Children's strategy, upgrade 3 children's libraries to make them more attractive and vibrant

3. Libraries Online

	\$000	<i>Comments</i>
LibraryThing for libraries*	7	Social tagging for library catalogue – annual subscription
LibraryLink Victoria*	12	Annual subscription for interlibrary loans

4. Skilled and confident library staff

	\$000	<i>Comments</i>
Wellness Program	3	New initiative to improve health and wellness of staff

5. Seamless integrated technology

	\$000	<i>Comments</i>
Monitor and evaluate network (ITIL)*	8	Software to improve management of network
Additional pcs for branches*	8	An additional 6 pcs for branches
Advanced workstations*	10	An additional 3 pcs for branches
Kids Corners*	10	An additional 2 sites

6. Sustainable and responsible finance and governance

	\$000	<i>Comments</i>
Ensure sustainable asset replacement including collections.		Per asset replacement schedule
Board member study tour to PLCMC	6	Invitation from PLCMC for a Board member to visit

*Local priorities grant

Revenue

1 Member Councils

The contribution from each member council has been determined by the cost apportionment formula as determined in the Regional Agreement. Usage patterns are for the period July 07 – March 08 per the Agreement.

\$000's	2007/2008	2008/2009	Increase %
Banyule	3,316	3,543	6.8
Nillumbik	1,649	1,726	4.6
Whittlesea	2,951	3,035	2.8

2 State Government

3.5% increase assumed, this figure will not be definitely known until the State Budget is released. The figures are based on the projected population growth for 08/09.

\$000's	2007/2008	2008/2009	Increase %
Banyule	586	606	3.41
Nillumbik	316	326	3.16
Whittlesea	658	682	3.65

3 Grant funding

\$000's	2007/2008	2008/2009	Increase %
Local priorities & sundry grants	90	92	2

4 Direct income

Interest will rise as rates increase and the asset replacement fund grows. Photocopy income is predicted to rise when Multifunctional Devices are implemented, which will provide colour copying. Sale of training services in Web 2.0 is expected to continue. Increased income from meeting rooms is included in miscellaneous income. Additional income of \$60,000 will be achieved from increasing overdue charges.

\$000's	2007/2008	2007/2008 Actual (projected)	2008/2009	Increase (Decrease) %
Interest	100	100	115	15
Charges	265	270	335	24
Murrindindi computer use	51	51	53	2.9
Fundraising	40	40	40	0
Photocopying	65	60	80	23
Sale of training services	0	45	45	0
Misc including meeting rooms	29	29	57	96

Expenditure

The operating budget has been based on the following assumptions:

CPI figure of 3.25% is used, which is in line with the ABS statistics (3.3% for the Dec 07 quarter) as well as a number of other economic forecasters.

Staff salaries increase by 4.2% for the Enterprise Agreement with actual increases for workcover and superannuation items and some reduction in staffing due to the implementation of RFID.

\$000s	07/08 Budget	07/08 Actual (projected)	08/09 Budget	Comments
Business and finance				
Administration	453	453	461	Increased finance costs includes RFID component
Branch utilities	518	518	505	Based on actual expenditure. Reduction in cleaning costs
Building rental	104	104	107	CPI increase
Photocopy costs	65	65	80	New Multifunctional Devices costs match increased income
Transport	113	123	122	Includes Mernda stop. Reduction in lease expenses
Staff salaries and on costs	5,791	5,831	6,057	EB increase and some actual adjustments

\$000s	07/08 Budget	07/08 Actual (projected)	08/09 Budget	Comments
Customer and community				
Branch furniture and fittings*	98	98	101	See list of following items
Courier	72	75	78	CPI increase
Outreach	138	143	125	Some programs funded by grants
Collections – processing	301	311	333	Additional processing funds for increase to collection and RFID tag and processing costs
RFID costs	0	0	70	
People and learning	101	101	107	Includes funding for staff exchange program
Online delivery	313	313	458	Software and maintenance for RFID
RFID project	600	600	0	Project completed
Total	8,667	8,735	8,604	

***Branch priorities for 08/09 – furniture and fittings**

Branch	Items	\$ 000s	Comment
Ivanhoe	Replace 24/7 returns chutes and bins	8	OHS priority. Bins do not rise. Return chutes are unreasonably noisy for both staff and public
	5 small trolleys	2.5	OHS - Ivanhoe already has some smaller trolleys
Rosanna	External returns bin and 24/7 book chute	8	OHS priority – bin is not adequate for overnight returns. Angle and height need changing for disability access.
	5 smaller book trolleys	2.5	OHS issue – weight of loaded larger trolleys.
Watsonia	10 smaller book trolleys	5	OHS issues with larger trolleys
Diamond Valley	Circulation area - returns area revamp	6	To reduce manual handling with new work flows procedures
	10 smaller book trolleys	5	OHS - need to replace
Eltham	10 smaller book trolleys	5	OHS requirement
Mill Park	10 smaller book trolleys	5	OHS requirement
Lalor	Study table and chairs for young adult area	3	This area has no study facilities
	10 smaller book trolleys	5	OHS requirement
Thomastown	Drop down projector and screen. Electronic whiteboard for training room.	8	These are essential items if we wish to extend the use of the room for training.
Mobile library	Cushions for children's area. Various items	2	The mobile library is now having storytimes sessions conducted at several stops.
Outreach vehicle	Various minor items including a smaller trolley.	2	New smaller trolley is for use at the base branch at Ivanhoe.

*** All branch budgets have a set allowance for asset replacement of \$3,000 per branch in addition to project specific items for minor equipment and furniture.**

Capital budget

The Capital Budget includes the collection budget for new library materials, replacement asset funds for the mobile libraries, computer equipment, Library Management System (software) and loan and lease repayments for IT and RFID equipment.

Collections

The collection budget has been increased by \$84,000, which includes an additional \$36,000 over CPI to bring collection expenditure to a 6 year depreciation schedule over a 5 year period.

Replacement asset funds

Provision of \$60,000 has been made for replacement of the mobile libraries, \$50,000 for computer equipment and \$30,000 for Library Management Software.

\$000s	07/08 Budget	07/08 Actual (projected)	08/09 Budget	Comments
Collection	1,470	1,470	1,554	Increased by CPI and an additional \$36,000 (+ \$6,000 processing in operations budget) to bring collection expenditure to a 6 year depreciation schedule.
Asset replacement fund				
Vehicles	100	70	60	Based on projected replacement timeline for vehicles
Computer equipment	20	43	50	Increased for additional equipment associated with Wide Area Network
Library Management System software	30	30	30	Based on 10 year life

\$000s	07/08 Budget	07/08 Actual (projected)	08/09 Budget	Comments
RFID equipment lease	86	65	140	Increase reflects full year of payments
Lease liability	140	140	100	Capital payments are reduced as lease progresses
Loan repayment	125	113	109	Reflects full year payment 08/09
Total	1,971	1,931	2,039	

All principal payments treated as capital; all interest costs treated as expense
Loan repayments for RFID project - \$600,000 repaid over 5 years
\$109,000 for repayment of loan principal

User fees and charges

Item	Current Cost	Proposed cost
Overdue charge	20c per day, max per borrower - \$50, max per item \$15	25c per day, max per borrower - \$50, max per item \$15
Lost library card	\$2.20	\$2.50
Lost items	Cost of the item	Cost of the item
Inter library loans	Cost recovery (13.20 per item)	Cost recovery (13.20 per item)
Use of meeting room	As per member council's schedules	As per member council's schedules
Use of training room	As per member council's schedules	As per member council's schedules
DVD Writeable disks	\$1.10 per disk	\$1.10 per disk
Printing and copying	25c per page	25c per page
Debt recovery	\$50 plus	\$50 plus

It is proposed that overdue charges be increased – an increase to 25c per day represents a 25% increase, however this fee has not changed in 12 years. The increase for lost library cards is 14%.

The proposed increases will increase income by \$60,000.