



LLOYDMINSTER
PUBLIC
LIBRARY



LLOYDMINSTER

Municipal Library Model Report of Findings

Municipal Library Model Report of Findings

1. Executive Summary

Lloydminster Public Library (LPL) has experienced exponential growth and changes over the past several years. From joining the provincial resource sharing model to moving locations to re-imagining program offerings, LPL board and staff have worked tirelessly to ensure that Lloydminster residents have access to a public library experience that meets their needs in as many ways as possible. Transition periods are exciting and complicated at the same time. LPL has long been part of Lakeland Library Region (Lakeland). In the recent past, LPL and Lakeland have both made an effort to formalize the relationship. In addition, Lakeland was instrumental in connecting LPL to the Saskatchewan integrated Library System (SILS) and providing access to current mainstream technologies. LPL is grateful for the support and expertise that Lakeland has provided.

LPL is the largest library (by a significant margin) within Lakeland. A library the size of LPL can represent a significant pull on regional library resources and services. LPL board and management have worked closely with Lakeland board and management to balance operational and managerial needs, wants, and time commitments. In previous years, LPL and Lakeland board and management have agreed to a Memorandum of Understanding (MOU) to effectively manage the relationship. The most recent MOU expired on December 31, 2023. Both parties have participated in multiple rounds of provincial mediation which have yet to yield a suitable resolution.

City of Lloydminster (City) Administration and LPL representatives have investigated the process of and rationale for transitioning LPL to a Municipal Library in the Province of Saskatchewan and have summarized the findings in this report.

Each section of the report explains the current state of LPL as a member of Lakeland, and what it would look like if LPL became a Municipal Library. The sections of the report explain the following in more detail:

- municipal libraries vs. regional library systems,
- legislative requirements of both municipal libraries and regional library systems,
- findings from a meeting with Prince Albert Public Library (the only municipality in Saskatchewan that has transitioned from being a member library in a regional library system to a municipal library),
- Lloydminster Public Library Board requirements,
- operational impacts, financial impacts,
- and the legal process of becoming a municipal library in Saskatchewan.

In addition, the team explored the difference between the Saskatchewan model for libraries vs. the Alberta model for libraries and where LPL could fit into the Alberta model. Although there are similarities in the two models, the Alberta model has a different set of systems that would need to be learned, policies and procedures would need to change, additional costs would be incurred, and in the end, these challenges may have the potential to offset any advantage gained by changing provinces.

The findings indicate that while staying within the region may be more cost effective than becoming a municipal library, the complexity of the bi-provincial nature of the City of Lloydminster creates unique challenges for the parties involved. These challenges could be resolved if LPL becomes a municipal library within the province of Saskatchewan.

This report has been prepared with the information that LPL and City Administration have gathered to date and although it is meant to be all inclusive, new information may arise should City Council proceed with the recommendation to transition to a municipal library. LPL and City Administration have considered these potential unknowns in the settlement process of removing LPL from Lakeland Library Region and contingencies for unknowns are reflected in the Financial section.

2. Municipal Libraries and Regions in Saskatchewan

Current State

The public library systems in Saskatchewan are established under *The Public Libraries Act, 1996* (the Act). As defined by the Act, the purpose of the provincial library system is to ensure equitable access to basic library services for all Saskatchewan residents. Patrons that are part of the Saskatchewan library system are provided a universal library card,

that can be used across the province at over 300 public library branches. This means that patrons can search for library materials on a single database with over one million records, request materials from any branch in the province, and pick up and drop off materials at any location province wide.

Saskatchewan's Public Library System is currently comprised of the following:

- Three municipal library systems (Regina, Saskatoon, and Prince Albert)
- Seven regional library systems (Chinook Regional Library, Lakeland Library Region, Palliser Regional Library, Parkland Regional Library, Southeast Regional Library, Wapiti Regional Library, and Wheatland Regional Library)
- A federation of northern libraries; and
- The Provincial Library and Literary Office (PLLO, the office of the Provincial Librarian).

LPL is located in Lakeland Library Region. The head office location for the region is in North Battleford. 72 municipalities comprised of 3 cities, 10 towns, 32 villages, and 27 rural municipalities participate in the Lakeland Library Region system through the branch libraries. There are 33 branch libraries in the region. Lloydminster is, to our knowledge, the only non-branch, membership-based library in the province. This relationship requires a unique partnership with Lakeland that has been addressed in the past through a Memorandum of Understanding between the two parties.

Each branch library has a board made up of local board members from each municipality that uses the branch library. Each branch library board is responsible for providing and maintaining a library facility, setting policies affecting the branch library, and the general development of library service in their area.

Each municipality appoints representatives based on per capita to the Lakeland Regional Board. Members of the Lakeland Regional Board meet twice per year. They appoint 14 members to the Executive Committee, approve the annual budget for the region and set municipal grants (known as levies in the region) for each municipality.

Lakeland provides administration, acquisitions, processing, technical support, and management of all 33 branch libraries of the region. Lakeland provides some of the same services to LPL, which is further outlined in the Operational Impacts section.

Lakeland completes annual reports and provides audited financial statements to the province on behalf of all of the branch libraries within the region. Lakeland includes LPL in the annual reporting.

Municipal Library System Model

In the municipal library system model, LPL would be listed as a municipal library system the same as Regina, Saskatoon and Prince Albert. LPL will be required to complete an annual report and provide audited financial statements to PLLO and City Council. Currently, LPL already provides audited financial statements to the City of Lloydminster, and so this process would not change. Additionally, LPL provides annual reporting to the Province of Alberta, which may or may not still be required if LPL transitions to a municipal library. This matter will be decided between the two provinces during the transition process.

Prince Albert is the only library in Saskatchewan to transition to a municipal library system. Originally, Prince Albert was a part of the Wapiti Regional Library. Representatives visited the City of Prince Albert Public Library to hear from the staff about the process to separate Prince Albert Public Library from the Wapiti Library Region. This separation was the first of its kind in the province and was precedent setting. Both the Prince Albert Library and the Wapiti Library Region spoke extensively about the separation. Prince Albert indicated the benefits of being a municipal library outweigh the additional costs. One of the concerns Prince Albert had in the process was not receiving equitable funding during the transition period. Years after the transition, Prince Albert Public Library continues to thrive as a municipal library. In terms of provincial influence, a region will always have more impact than a small municipal library.

3. Legislation

Current State

The Lloydminster Charter (the Charter) is the governing legislation for the City of Lloydminster, which is approved by both the Province of Saskatchewan and Province of Alberta. The Charter recognizes that the City of Lloydminster is a municipal government located partly in Alberta and partly in Saskatchewan, which creates unique interests and challenges. The Charter also recognizes that the application of only Alberta or Saskatchewan legislation to the City may cause disparities within the City. As such, the purpose of the Charter is to provide a legal structure and framework that seeks to harmonize the operation of the legislation of both Alberta and Saskatchewan within the City of Lloydminster.

If *the Charter* is silent on a matter (which it is for libraries), Section 4(3) of the *City of Lloydminster Act* applies:

- a) The law of Alberta governing that matter applies to that part of the City located in Alberta, and
- b) The law of Saskatchewan governing that matter applies to that part of the City located in Saskatchewan.

Because *the Charter* does not stipulate which provincial governing legislation the library shall use, this defaults to whichever legislation in which the library is located. Because the library is located in the Alberta portion of the City, the City of Lloydminster has established a library board as per the *Libraries Act* of Alberta, through the Library Bylaw #22-2020, adopted July 20, 2020.

Given the boundaries of the *Saskatchewan Public Libraries Act*, the Saskatchewan side of the City is considered to be part of the Lakeland Library Region. *The Public Libraries Act* identifies the definition of a municipality as including “that portion of the City of Lloydminster located in Saskatchewan” (Section 2(j)). Lakeland follows *The Public Libraries Act*.

Therefore, LPL is legislated by the *Libraries Act* of Alberta, but is utilizing systems through Lakeland that are governed by *The Public Libraries Act* of Saskatchewan. This creates challenges with Lakeland in that LPL is not following the same legislation as they are. LPL reporting to the Province of Alberta is a great example of where this relationship is different from branch libraries within the region, LPL is required to report annually to Alberta in order to receive grant funding from the province of Alberta, and the reporting requirements are different from that of the Saskatchewan annual reporting requirements.

Municipal Library System Model

Due to the unique nature of the City of Lloydminster, there will be a requirement to amend *the Charter* to include the City of Lloydminster as a whole under *The Public Libraries Act* in Saskatchewan. To make this amendment, both provinces shall be notified and agree on the change through Complimentary Orders in Council. In addition to amending *the Charter* an application is required to be submitted to the Minister of Education of the Province of Saskatchewan for a boundary change of Lakeland Library Region, removing the City of Lloydminster limits from the region and creating a boundary for LPL as a municipal library. This will also require notice of all municipalities within the Lakeland region and a period for engagement. Further information on this process is detailed in the Transition Process section.

The following are requirements that will need to be met if LPL is approved as a municipal library:

- Amend the Lloydminster Library Bylaw to reflect the new governing legislation (*The Public Libraries Act*)
- Appoint new board members to the Lloydminster Public Library Board as per the new terms and regulations.
- The municipal library board shall be established as a corporation.
- The City shall have a library mill rate to cover the estimated annual budget of the library.

4. Lloydminster Public Library Board

Current State

Currently, the LPL Board governs the bylaws and policies developed specifically for the Lloydminster Public Library. In addition, LPL follows Lakeland Library Region bylaws and policies where applicable. Terms for seats on the LPL Board are currently three-year terms and there are ten positions on the board, one of which is occupied by a Councillor. The LPL Board must hold at least four meetings per year. Currently, the Board meets each month except July and December.

Each board member sits on at least one sub-committee: Finance, Personnel, Advocacy, Policy and Governance, Facilities and Services, and an Executive Committee. These sub-committees are appointed at the beginning of each year during an LPL Board meeting.

The Director of LPL is the LPL Board's sole employee. The LPL Board completes performance reviews for the Director annually.

The LPL has two representatives that sit on the Lakeland Library Region Executive Committee Board. They attend monthly meetings either virtually or in North Battleford at the Lakeland Region office.

Municipal Library System Model

The LPL Board may require new bylaws and policies that are currently developed and maintained by Lakeland Library Region. Transitioning to a municipal library model will remove the requirement to have representation on either of the Lakeland Library Region boards (Regional Board and Executive Committee) and LPL representatives will not be required to attend any Lakeland region meetings.

The LPL Board must be restructured as per the Saskatchewan Legislation for municipal library boards. The LPL Board shall be reviewed for governance compliance and have board members formally appointed by Council to the new municipal board. Board members (other than the Mayor) hold office for two years, on a staggered rotation. The Board must consist of:

- The Mayor of the municipality; and
- Six or eight members who are resident electors of the City of Lloydminster, as determined in the library bylaw.

The sub-committees will remain the same. Meetings are likely to continue monthly like the current model.

5. Alberta vs. Saskatchewan Library Models

Saskatchewan Model

As stated above, there are three municipal libraries (Regina, Saskatoon, and Prince Albert), seven regional library systems and a federation of northern libraries (Northern Library System). All regions and cities coordinate together to provide services to all residents of Saskatchewan. In total, there are more than 300 libraries in the Saskatchewan library system that share materials through the Saskatchewan Information Library Services (SILS) system.

Lakeland is a member of the Saskatchewan Information Library Services (SILS) Consortium. SILS is a not-for-profit corporation that serves all the public library systems throughout the province. The Consortium is funded by the members and PLLO. SILS connects all Saskatchewan libraries to one system that allows any Saskatchewan library card member to borrow from member libraries in Saskatchewan. Currently, every public library in Saskatchewan participates in the SILS system.

SILS is an established, reliable, and respected organization. They provide access to the ILS (SILS library system) where LPL's records are already integrated. They take care of updates and quickly address security concerns. Through SILS LPL benefits from a wealth of experience and problem-solving opportunities. SILS has an established delivery network to effectively transport materials throughout the province.

In Saskatchewan, the PLLO provides funding to the regions and the municipal libraries to support the delivery of interlibrary loans within the province. Lakeland receives funding from the PLLO for the Saskatchewan population of Lloydminster.

Alberta Model

There are seven library system boards in Alberta. LPL is eligible (but not required) to participate in the Northern Lights Library System (NLLS), headquartered in Elk Point, which covers Eastern Alberta (north to Wandering River, south to Chauvin and west to Morinville). The current agreement among members of the NLLS is posted on the NLLS website. Members (municipalities/counties) appoint representatives (usually a Councillor) to the Board of the NLLS. There are four general board meetings per year. The Executive Committee is composed of a representative from each zone, three members at large plus automatic representation from Cold Lake and Sturgeon County. If LPL was a part of NLLS, they would have automatic representation on the Executive Committee like Cold Lake and Sturgeon County.

For 2024, municipalities pay a levy of \$5.39 per capita and public library boards also pay \$5.39 per capita. Any member that does not have a municipal library board (e.g. an MD or County whose residents are served by the municipal library within a municipality) pays both portions of the levy. LPL would pay approximately \$345,000 annually into NLLS based on this formula (for the entire population of Lloydminster).

Unlike Saskatchewan, Alberta does not have a province-wide borrowing system like SILS, however, there is a similar combined catalogue system NLLS participates in with some of the other library system boards in Alberta. The Regional Automation Consortium (TRAC) is a partnership of Marigold Library System, Northern Lights Library System, Peace Library System, Yellowhead Regional Library and their member libraries. Using TRAC is like SILS in that there is a combined catalogue of 180 libraries with holdings of nearly three million books, DVDs and other material. TRAC also participates in Alberta-wide borrowing through ME Libraries. Patrons registered through ME Libraries may borrow materials from any TRAC library, subject to local policies and lending periods. Although SILS is smaller than TRAC, SILS offers seamless access to borrowing in any public library across the province. Provincial borrowing in Alberta is potentially a many layered process for the patron.

NLLS offers generally the same services to member libraries as Lakeland: bibliographic services, technological services, membership in TRAC, interlibrary loans, etc. LPL would add significant resources to the system but would also place significant demands on the NLLS compared to other members. There would be some additional costs with transferring databases over to the NLLS system, but there could also be some savings in other areas such as how LPL accesses the internet the same way as other libraries in the NLLS system.

If LPL were to join NLLS, many of the issues and concerns of being a medium-sized library in a regional library system would still be present. In addition, based on preliminary conversations, NLLS has little appetite for LPL to become a member. They share similar concerns regarding having a medium-sized library in the same system as many small libraries.

6. Operational Impacts

Current State

The LPL Director is solely responsible for the day-to-day operations of the facility and services including the management of staff and resources. This includes long-term planning for the delivery of library services to meet the needs of the entire City of Lloydminster. In addition, unionized staff are members of CUPE Local 1015, and therefore union negotiations are managed by the Director of LPL.

LPL is currently operating within leased space in LloydMall. The City of Lloydminster holds this lease agreement with the property owners, but LPL management is responsible for the ongoing relationship with the LloydMall representatives and are held to the terms and conditions of the lease agreement including, but not limited to, operational hours, lease payments, insurance, exterior and interior signage, leaseholder meetings, and collaborative initiatives with other mall leases. Due to this location, the LPL operational hours are tied directly to the operational hours of the LloydMall with limited flexibility.

LPL currently receives external IT support from three sources. Bralin Technology Solutions provides network, server, and email support. City of Lloydminster provides support for public and user workstations and peripherals, as well as vendor coordination for some specialized library hardware. Lakeland provides wi-fi access points, public workstation hardware, software licenses on public and user workstations, and facilitates SILS access as well as hardware support related to Lakeland owned hardware.

LPL handled collection development independently up to the end of 2021. All LPL resources acquired prior to 2022 are the sole property of LPL. In 2022, Lakeland started providing collection development services for LPL. As per the *Saskatchewan Public Libraries Act*, all resources purchased by Lakeland are the property of Lakeland, regardless of where they are housed.

Like the branch libraries in the region, Lakeland currently pays for and manages the SILS membership on behalf of LPL. This includes the access management, IT support, reporting, and all communications with SILS on behalf of LPL and the region.

Lakeland delivers library materials twice per week to LPL to facilitate resource sharing across the province. LPL resources are shipped out through the same delivery service to other libraries and resources borrowed from other libraries for

Lloydminster patrons are delivered to LPL for distribution to local patrons. Deliveries include new resources catalogued by Lakeland, and resources returned by other libraries in the province.

Currently, LPL management requires Lakeland to pull data from SILS to complete reporting for the Alberta Government reporting requirements.

For most other branch libraries, Lakeland manages personnel including payroll, determines operational hours, negotiates collective bargaining agreements, and provides all IT support. The efficiencies found in a regional library system stem from making operational decisions the same across all the libraries within the region. Priorities within areas such as collection organization, staffing, operational hours, signage, etc. are very different from a small library to a medium-sized library like LPL which is the main concern with LPL staying within the regional model, as LPL currently operates in a different manner than all the branch libraries within the region.

Municipal Library System Model

In the municipal library model, the LPL Director will continue to be responsible for the day-to-day operations of the facility including management of staff and resources, like the current model. Operational hours will remain the same as they are dictated by the lease agreement with LloydMall.

As part of the transition to a municipal library and the removal of Lakeland IT support, LPL would be required to complete the following tasks, with the assistance of Bralin Technology Solutions and the City of Lloydminster:

- Replace the hardware currently owned by Lakeland including but not limited to wireless access points and public workstations.
- Purchase Office 365 licensing for staff workstations.
- Install management tools (antivirus, patching, etc.) on public and staff workstations.

It's important to note that as technology equipment at LPL reaches end of life, the City of Lloydminster and LPL would plan to review the technology and options, and potentially move some technology services into existing equipment that the City has for its operations, therefore saving costs in the future. These instances would be examined on a case-by-case basis.

Collection development will be the sole responsibility of LPL. This will allow the specific needs of Lloydminster patrons to be addressed locally. This will require one additional full-time staff member. Delivery of materials will also be managed solely by LPL.

LPL would become a member of the SILS Consortium and manage the relationship directly with SILS. There is a required one-time fee to become a member of the SILS Consortium which is further outlined in the Financial Impacts section. Lakeland would no longer manage the relationship with SILS on LPL's behalf.

7. Summary of Changes

The below table is a high-level summary of the differences between the two models.

	Regional Model	Municipal Library Model
Patron services	<ul style="list-style-type: none"> ▪ LPL provides excellent customer service and exemplary library service to all patrons. ▪ Patrons have seamless access to the resources of more than 300 libraries in Saskatchewan. 	<ul style="list-style-type: none"> ▪ LPL provides excellent customer service and exemplary library service to all patrons. ▪ Patrons have seamless access to the resources of more than 300 libraries in Saskatchewan.
Reporting	<ul style="list-style-type: none"> ▪ Branches submit annual reporting to the region. The region submits compiled annual reporting to PLLO. 	<ul style="list-style-type: none"> ▪ Libraries submit annual reporting directly to PLLO.
Libraries Act	<ul style="list-style-type: none"> ▪ LPL currently follows Alberta legislation due to physical location. 	<ul style="list-style-type: none"> ▪ Charter amendment so SK Public Libraries Act will apply to Lloydminster as a whole.
Bylaws and policies	<ul style="list-style-type: none"> ▪ LPL has its own policies and bylaws. LPL also abides by Lakeland policies and bylaws where applicable. 	<ul style="list-style-type: none"> ▪ Additional bylaws and policies will likely be required.
Board of Directors	<ul style="list-style-type: none"> ▪ Due to Alberta Legislation: 	<ul style="list-style-type: none"> ▪ Due to Saskatchewan Legislation:

	<ul style="list-style-type: none"> ○ LPL Board currently has 10 members including a City Councillor. ○ Place of residence for LPL Board members is not relevant. ○ Appointed to 3-year terms. ▪ Board members participate on Lakeland Executive Committee. 	<ul style="list-style-type: none"> ○ LPL Board consists of Mayor and 6 or 8 board members, one of whom may be a Councillor. ○ LPL Board members must be residents of the relevant municipality. ○ Appointed to 2-year terms. ▪ Participation in Lakeland boards is no longer required.
Financial	<ul style="list-style-type: none"> ▪ City is LPL's principal funder. ▪ LPL receives funding directly from Province of Alberta. ▪ Lakeland receives funding from the Province of Saskatchewan (on behalf of Saskatchewan residents, including the Saskatchewan portion of Lloydminster). ▪ Lakeland levy's LPL in two installments annually for their services. Lakeland returns a portion of the levy to LPL for staffing costs (unique to LPL due to LPL operating in a different model than other branches). ▪ LPL submits audited financial statements to the City and Lakeland. 	<ul style="list-style-type: none"> ▪ City is LPL's principal funder. ▪ Province of Alberta funding – this funding may be impacted if LPL becomes a Municipal Library. This will be determined during the transition process. ▪ LPL receives funding directly from Province of Saskatchewan – may be for the entire population of Lloydminster or only the Saskatchewan portion. This will be determined during the transition process. ▪ LPL submits audited financial statements to the City and PLLO. ▪ City of Lloydminster levies residents for library funding.
IT	<ul style="list-style-type: none"> ▪ Due to the complex nature of Lloydminster: <ul style="list-style-type: none"> ○ IT is provided by City staff, Lakeland staff, and Bralin Technologies. ○ Some hardware is owned by LPL, and some is owned by Lakeland. ○ Software licensing is provided by Lakeland and Bralin. 	<ul style="list-style-type: none"> ▪ IT will be provided by City staff and Bralin Technologies. ▪ All hardware will be owned and maintained by LPL/City. ▪ Software licensing will be maintained by LPL.
ILS (Library database)	<ul style="list-style-type: none"> ▪ Polaris via Lakeland via SILS. ▪ Annual SILS fee paid by Lakeland. ▪ The SILS buy-in fee covered for LPL by Lakeland. 	<ul style="list-style-type: none"> ▪ Polaris via SILS. ▪ Annual SILS fee paid by LPL ▪ LPL is responsible for the SILS buy-in fee (\$50,000).
Regional Fee	<ul style="list-style-type: none"> ▪ LPL pays an annual fee of \$26.28 per Lloydminster, SK resident to Lakeland. 	<ul style="list-style-type: none"> ▪ N/A
Collection development	<ul style="list-style-type: none"> ▪ Managed and owned by Lakeland. ▪ Resources are catalogued and processed at Lakeland headquarters. 	<ul style="list-style-type: none"> ▪ Managed and owned by LPL. ▪ Resources are catalogued and processed at LPL.
Staffing	<p>LPL</p> <ul style="list-style-type: none"> ▪ LPL Director reports to the LPL Board. ▪ LPL Director is responsible for LPL staffing. ▪ Payroll administered by LPL for LPL staff. <p>Lakeland</p> <ul style="list-style-type: none"> ▪ Lakeland Director reports to the board. ▪ Lakeland branch staff report to Lakeland Director. ▪ Lakeland Director is typically responsible for branch staffing. ▪ Lakeland provides payroll services for branches. 	<ul style="list-style-type: none"> ▪ LPL Director reports to the LPL Board. ▪ LPL Director is responsible for LPL staffing. ▪ Payroll administered by LPL for LPL staff.
Union	<p>LPL</p> <ul style="list-style-type: none"> ▪ CUPE Local 1015 – negotiations managed by LPL Director. <p>Lakeland</p> <ul style="list-style-type: none"> ▪ Lakeland unionized employees are CUPE Local 3077 – negotiations are managed by Lakeland management. 	<ul style="list-style-type: none"> ▪ CUPE Local 1015 – negotiations managed by LPL Director.

Resource sharing (Deliveries)	<ul style="list-style-type: none"> Lakeland provides twice weekly shipments to deliver new resources, deliver LPL resources to patrons across the province, and bring in resources from other libraries to LPL patrons. Lakeland headquarters is the sorting centre. 	<ul style="list-style-type: none"> LPL is responsible for resource sharing deliveries. LPL is the sorting centre.
Operational hours	<p>LPL</p> <ul style="list-style-type: none"> LPL's operational hours are determined by LloydMall as per the lease agreement. <p>Lakeland</p> <ul style="list-style-type: none"> Lakeland determines operational hours for its branches. 	<ul style="list-style-type: none"> LPL's operational hours are determined by LloydMall as per the lease agreement.
Branding	<p>LPL</p> <ul style="list-style-type: none"> LPL has unique identity and logo. <p>Lakeland</p> <ul style="list-style-type: none"> Branch libraries are branded as a Lakeland Branch within the region. 	<ul style="list-style-type: none"> LPL has unique identity and logo.

8. Transition Process

Complimentary Order in Council

The first step in establishing a municipal library under *The Saskatchewan Public Libraries Act* is to seek a complementary Order in Council directing that *The Saskatchewan Public Libraries Act* applies to the entirety of the City.

The process for this step is to write a letter to the Alberta Municipal Affairs Minister, and the Saskatchewan Government Relations Minister, to request the complementary Order in Council.

Government of Alberta
Minister of Municipal Affairs
Honourable Ric McIver
320 Legislature Building
10800 97 Avenue
Edmonton, AB
T5K 2B6

Government of Saskatchewan
Ministry of Government Relations
Honourable Don McMorris
Room 306, 2405 Legislative Drive
Regina, SK
S4S 0B3

A letter was sent on June 10, 2024, to request that Section 8(3) of *The Lloydminster Charter* be amended to include "*Saskatchewan Public Libraries Act*" as 8(3)(h). This will ensure that the *Saskatchewan Public Libraries Act* will be an approved enactment and apply to the whole City of Lloydminster.

Council Motion

At the June 24, 2024, Regular Council Meeting, Administration will be bringing an item forward to City of Lloydminster Council seeking direction on the future of library operations (regional or municipal model).

Notice

Notice shall be provided by either the City of Lloydminster or the Lloydminster Public Library (LPL) Board.

Notice shall be provided in the following manner:

- Notice published in local newspaper at least once per week for at least two consecutive weeks, and
- Copy of the notice mailed to the chairperson of the regional library board, and directors of each affected library board, the Council of any municipality located within the area of the proposed change, and the provincial librarian.

This notice must include:

- Map and description of the boundaries proposed to be changed,
- Brief explanation of reasons for the proposed boundary change, and,
- Statement that any person may, within four weeks after the last publication of the notice, file a written objection to the proposed change with the party that intends to apply for the boundary adjustment.

If an objection is filed, the City or LPL Board (whoever submitted the notice) must call a public meeting by publishing a notice in the same manner as the original notice, stating the date, time and place of the public meeting, which shall be at least one-week after the last publication of the notice. The City or LPL Board must hear all persons who wish to make representations relevant to the proposed change and must pay all costs associated with this meeting.

Application

After complying with the Notice requirements, the City or LPL Board can proceed with an application to:

- The Minister, if every affected party has provided a resolution in support of the proposed change, or
- The Saskatchewan Municipal Board, if any affected party does not provide a resolution supporting the proposed change.

The application must include:

- Map and description of the boundaries proposed to be changed;
- A brief explanation of the reasons for the proposed boundary change;
- A proposal with respect to the transfer of assets and liabilities from Lakeland Library Region to the proposed municipal library;
- A certified copy of the resolution of the party requesting the proposed boundary change;
- If available, a certified copy of the resolution of each affected party supporting the proposed change; and
- A copy of each written objection respecting the proposed boundary change filed with the party proposing the change and a written summary of any public meeting held as required in response to the objection(s) received.

Review

After the application is submitted, the Minister can either:

- Approve the request, subject to any terms of condition needed appropriate, as well as directions with respect to assets and liabilities from the regional board to the municipal board; or
- Reject the request.

If approved, the change of boundaries is made effective the date of the minister's order. If rejected, a similar application cannot be brought forward for a period of one (1) year.

9. Financial Impacts

Current State

The City of Lloydminster provides an annual operating grant to the LPL which is subject to City Council approval. In 2024, the LPL's operating grant from the City was just over \$1.2 million, 76% of its annual operating revenue. LPL currently provides audited financial statements to the City on an annual basis in March of every year as per the agreement between the two parties. LPL manages their budget and finances internally, with approval from the LPL Board. Additionally, LPL receives grant funding from the Government of Alberta for the Alberta population of the City of Lloydminster. The current year funding received by the Government of Alberta was \$119,000.

LPL pays a levy to Lakeland Library Region for their services. Historically, because LPL provides their own staffing, a significant portion of the levy that LPL pays to Lakeland is returned to LPL and recorded as revenue. In 2024, LPL is obligated to pay \$26.28/SK resident (11,843 SK residents = \$308,604 levy) to Lakeland in two installments. LPL has already paid the first installment to Lakeland on March 1, 2024. Based on previous MOUs, Lakeland has kept approximately \$70,000 to be used for collection development and has returned the rest to LPL for staffing. With no MOU in place at this time and mediation proceedings continuing, it is uncertain if LPL will receive these funds back from Lakeland in 2024.

Municipal Library System Model

As a municipal library, LPL would receive municipal library funding directly from the province of Saskatchewan on an annual basis, typically in one installment in October. A Library Services Agreement between LPL and the PLLO is a requirement. The agreement will include the amount of the total resource sharing grant provided by the Province of Saskatchewan. The amount of the resource sharing grant will be determined by the average per capita amount for the existing municipal libraries. This amount will be multiplied by the total population within the boundaries of the new system to determine the grant amount. The required funding will be redistributed from the regional library system grant pool.

For the municipal library board to be eligible to apply for the annual grant from the minister, the Library must participate in the Saskatchewan union catalogue, reciprocal borrowing within Saskatchewan, and Saskatchewan's interlibrary loan system otherwise known as SILS. The grant must be used to support resource sharing. In the financial impact assessment, an estimated grant amount of \$56,000 was used.

Financial Impact Assessment

As a municipal library, the LPL will need to raise funds, supplement its resources, and build its own collection. Outlined below are the current financial impacts of transitioning from a regional library to a municipal library.

Key Assumptions

The following key assumptions were made to estimate the current financial impact to the LPL's 2024 budget:

- The municipal library model would take effect on October 1, 2024;
- One-time costs are incurred to facilitate the transition from a member of Lakeland region to a municipal library;
- On-going costs in 2024 are prorated based on the effective date unless otherwise known; and
- Where it is reasonable and feasible to do so, the City will provide additional support and services at no additional cost listed.

Current Year Financial Impact Assessment

Both the LPL's 2024 operating and capital budgets were assessed. The following major impacts are summarized below and can be referenced in the appendix named "Current Year Financial Impact Assessment".

Operating Budget

In 2024, revenues are expected to decrease by \$205,213 or 13% in comparison to the original budget. A net increase in operating expenses of \$114,963 or 8% is the combination of both one-time and on-going operating expenses, pro-rated for the current year. The additional funding requirement of \$320,176 is offset by the budgeted operating surplus of \$50,000, therefore an operating deficit of \$270,170 will occur without any additional funding secured.

Total one-time costs of \$154,950 are required to support the transition from a member of Lakeland region to a municipal library. These costs are to support replacing resources currently provided by Lakeland, a change in library system memberships, and additional overhead expenditures such as legal fees, advertising (legislative requirement), and IT support.

Capital Budget

An investment in library materials is required to maintain a modest collection in Lloydminster. Currently, it is estimated that \$40,000 of resources belonging to Lakeland would be returned to Lakeland region and replaced by LPL to maintain the existing collection size. An additional investment of \$100,000 is recommended to enhance the collection to meet the community's needs.

Year over Year Financial Impact Assessment

The 2023 historical operating and capital expenditures were compared to the 2024 budget adjusted for transitional costs (one-time and on-going), and a 2025 budget projection. 2023 demonstrates a year in operation as a member of the Lakeland Library Region, 2024 is a year in transition, and 2025 is a normalized budget projection as a municipal library.

Overall, comparing 2023 as a regional member to 2025 as a municipal library, the LPL's operating expenses are expected to increase by 4.3% which is offset by additional funding available to municipal libraries from the province of Saskatchewan. At this time, it is uncertain whether the grant funds of approximately \$119,000 from the province of Alberta will be impacted by this transition and change in legislation. Currently, the funding is included in 2024, and 2025. In terms of capital expenditures, an on-going investment of \$100,000 in the library collection will be required, however, funds invested will remain entirely in Lloydminster whereas this isn't the case as a regional member. Further details can be found on the attached appendix named "Year over Year Financial Impact Assessment".

10. Conclusion

LPL and City Administration have determined that although there will be an additional cost to becoming a municipal library, the benefits will be a made for Lloydminster Public Library solution. LPL has seen tremendous growth over the last few years and is ready to take the step forward to become an independent entity within the province of Saskatchewan that will continue to provide excellent library services for all Lloydminster residents for years to come. As shown within the report, operations will continue to remain consistent with the current level of service being provided if LPL transitions to a municipal library as the same systems will be utilized once the transition has taken place, ensuring no disruption to patrons.

Appendix A - Current Year Financial Impact Assessment

Lloydminster Public Library

Regional Library vs. Municipal Library - Financial Impact Assessment

Prepared: June 11, 2024

Current Year Financial Impact Assessment

Operating Budget	2024 Budget				Variance		Notes
	Original	One-Time	On-going	Adjusted	\$	%	
Revenues							
Grants	1,544,312		(205,213)	1,339,099	(205,213)	-13%	1
Other Revenue	12,000			12,000	-	0%	
Donations	10,000			10,000	-	0%	
Sales of Goods and Services	4,500			4,500	-	0%	
Fines	3,600			3,600	-	0%	
Total Revenues	1,574,412	-	(205,213)	1,369,199	(205,213)	-13%	
Expenses							
Facility Operations	284,969			284,969	-	0%	
Labour	795,057			795,057	-	0%	
Library Materials	10,000		11,000	21,000	11,000	110%	2
Library Services & Other	60,952	51,100	10,425	122,477	61,525	101%	3
Library System Membership	296,713	50,000	(63,750)	282,963	(13,750)	-5%	4
Overhead Expenses	25,666	53,850	2,338	81,854	56,188	219%	5
Transfers to Reserves	51,050			51,050	-	0%	
	1,524,407	154,950	(39,988)	1,639,369	114,963	8%	
Operating Surplus/(Deficit)	50,005	(154,950)	(165,226)	(270,170)			
Capital Budget							
Capital Budget	2024 Budget				Variance		Notes
	Original	One-Time	On-going	Adjusted	\$	%	
Funding Sources							
Capital Reserves	85,000			85,000	-	0%	
Total Funding Sources	85,000	-	-	85,000	-	0%	
Projects							
Furniture and Fixtures	85,000			85,000	-	0%	
Library Materials	-	40,000	100,000	140,000	140,000	100%	6
Total Projects	85,000	40,000	100,000	225,000	140,000	165%	
Capital Surplus/(Deficit)	-	(40,000)	(100,000)	(140,000)			

Notes

- The total funding from the Lakeland Library Region (Lakeland) of \$219,213 will cease, however, the Province of Saskatchewan issues a Library per capita grant to municipal libraries which is estimated at \$56,000 per year, assuming 25% could be distributed as early as October 1. This results in a net decrease in funding of \$205,213.
- On-going additional costs of \$6,500 for cataloguing, processing and freight costs as well as \$4,500 for access to electronic resources for patrons, such as SK Electronic Resources Partnership (SERP) and Multi-Type Database Licensing Program (MDLP).
- One-time costs includes \$25,000 for Advertising (a requirement of SK Public Libraries Act) and \$26,100 for software licenses and IT support for public computers. Currently, the library is using resources from Lakeland and these would need to be removed and replacements installed to maintain the current level of services.

On-going costs of \$5,325 for IT support and \$5,100 for transporting library materials as part of the Saskatchewan Information Library Service (SILS) network and annual software fees.
- The library would discontinue its Lakeland membership and join the SILS consortium. This would result in a potential decrease of \$78,750 in Lakeland membership fees assuming they would be pro-rated for 2024. There is a one-time \$50,000 fee to join the SILS consortium and annual on-going fees are \$60,000. Assuming membership would begin on October 1, the pro-rated fees would be \$15,000 in 2024. The LPL intends to negotiate with the Lakeland on the membership fees paid to date given an MOU is not executed and no funding was returned to support staffing. 50% of the annual fees of \$308,604 were paid to Lakeland on March 1, 2024, which is slightly higher than the budgeted amount of \$296,713.
- One-time costs of \$53,850 in legals fees necessary to support the transition to a municipal library plus the cost of incorporation. On-going costs of \$2,338 for software licenses and IT support for staff computers.
- \$40,000 estimated cost to replace the Lakeland books that are currently available in Lloydminster. Annual costs of \$100,000 are required to maintain the library's existing collection.

Appendix B - Year over Year Financial Impact Assessment

Lloydminster Public Library

Regional Library vs. Municipal Library - Financial Impact Assessment

Prepared: June 11, 2024

Year over Year Financial Impact Assessment

Operating Budget	2023 Actuals	2024 Budget	2025 Budget
	<i>per FS</i>	<i>Adjusted</i>	<i>Projection</i>
Revenues			
Grants	1,564,689	1,339,099	1,417,207
Other Revenue	30,821	12,000	12,000
Donations	6,488	10,000	10,000
Sales of Goods and Services	9,783	4,500	4,500
Fines	3,713	3,600	3,600
Total Revenues	1,615,494	1,369,199	1,447,307
Expenses			
Facility Operations	269,154	284,969	289,880
Labour	705,369	795,057	890,486
Library Materials	5,239	21,000	21,500
Library Services & Other	39,423	122,477	91,352
Library System Membership	299,050	282,963	60,000
Overhead Expenses	39,747	81,854	38,866
Transfers to Reserves	26,124	51,050	51,050
	1,384,106	1,639,369	1,443,134
Operating Surplus/(Deficit)	231,388	(270,170)	4,173
Capital Budget			
	2023 Actuals	2024 Budget	2025 Budget
	<i>per Budget</i>	<i>Adjusted</i>	<i>Projection</i>
Funding Sources			
Capital Reserves		85,000	
Total Funding Sources	-	85,000	-
Projects			
Furniture and Fixtures		85,000	
Library Materials		140,000	100,000
Total Projects	-	225,000	100,000
Capital Surplus/(Deficit)	-	(140,000)	(100,000)

Lloydminster Public Library
Regional Library vs. Municipal Library - Financial Impact Assessment
 Prepared: June 19, 2024

Historical and Projected Funding Contributions from the City of Lloydminster

	2019	2020	2021	2022	2023	2024	2025	2026	Notes
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Adjusted</i>	<i>Projection</i>	<i>Projection</i>	
Funding Contributions									
Operating Grant	853,000	874,320	945,684	1,102,656	1,102,656	1,203,587	1,239,695	1,276,885	1
Supplementary	-	-	52,081	91,375	104,692	-	-	-	2
Municipal Model - One-Time	-	-	-	-	-	194,950	-	-	3
Municipal Model - On-Going	-	-	-	-	-	265,225	100,000	100,000	4
Total Funding Contributions	853,000	874,320	997,765	1,194,031	1,207,348	1,663,762	1,339,695	1,376,885	
Year over Year Change		2.5%	14.1%	19.7%	1.1%	37.8%	-19.5%	2.8%	

Notes

1. The City has provided an annual operating grant which is subject to City Council approval during the annual budgeting process. The projections for 2025 and 2026 are based on a 3% increase annually.

	2019	2020	2021	2022	2023	2024	2025	2026
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>	<i>Projection</i>	<i>Projection</i>
Operating Grant	853,000	874,320	945,684	1,102,656	1,102,656	1,203,587	1,239,695	1,276,885
Year over Year Change		2.5%	8.2%	16.6%	0.0%	9.2%	3.0%	3.0%

2. Supplemental amounts were approved by separate Council motions in addition to the annual operating grant.
3. Based on the Current Year Financial Impact Assessment, one-time costs of \$194,950 are required for the purposes of transitioning from a regional to a municipal library. The costs necessary are split into two categories: the costs to apply and the costs to be incurred, if approved. The costs to apply for a boundary change are legislated. The remaining one-time costs are necessary to replace the services and resources provided by Lakeland, if approved.

One-Time Costs	2024 Budget		
	To Apply	If Approved	Total
Operating			
Library Services & Other	25,000	26,100	51,100
Library System Membership	-	50,000	50,000
Overhead Expenses	5,000	48,850	53,850
	30,000	124,950	154,950
Capital			
Library Materials	-	40,000	40,000
	-	40,000	40,000
Total One-Time Costs	30,000	164,950	194,950

4. Based on the Current Year Financial Impact Assessment, in 2024 on-going costs of \$265,225 are required as a result of the transition due to the impact on operations because the library will provide its own services and resources. The sharp decline in funding has the greatest impact, it is offset slightly by the cost savings in library membership. The on-going costs in 2024 are pro-rated assuming an effective date of Oct 1, 2024. In 2025 and 2026, the estimated cost savings from the Lakeland membership will offset the additional on-going costs to provide the operating services and resources. The only investment estimated at this point is the support to build the library's collection. Currently, the LPL's capital reserves are insufficient to maintain the collection necessary for the community. Refer to the Current Year Financial Impact Assessment for more information.

It is possible that the province of Alberta may withdraw its annual provincial grant in the amount of \$119,012 if the boundary change is approved. This potential decrease in funding is not included in these figures.

On-Going Costs	2024	2025	2026
	<i>Adjusted</i>	<i>Projection</i>	<i>Projection</i>
Operating			
Revenues	205,213	-	-
Expenses	(39,988)	-	-
	165,225	-	-
Capital			
Library Materials	100,000	100,000	100,000
	100,000	100,000	100,000
Total One-Time Costs	265,225	100,000	100,000

5. Given that the LPL intends to negotiate with Lakeland on the membership fees paid to date, it is possible that funds received back from Lakeland could offset some of the additional costs. The potential amount and timing are undetermined at this point and not included in these figures.