

Special Council Meeting

To:	Mayor and Council
Date:	December 8 th , 2022
From:	Library Finance Committee, Represented by Karla Buckborough and Earl McLeod
Subject	2023 Library Budget

Recommendations:

1. That Council receives the Cavan Monaghan Library 1st Draft 2022 Budget Presentation for discussion and education purposes

The Board members and staff of the Cavan Monaghan Library would like to extend a welcome to new and returning members of Council.

Overview

The Library Board created a long-range operating plan to see the Library from 2022-2028.

From the strategic plan, our vision states:

The Cavan Monaghan Library continues to be a trusted local partner committed to improving the economic, social and environmental vitality of our municipality. We do this by empowering members and residents through access to high-quality resources, safe and welcoming spaces, innovative programs and valuable services that connect them with their neighbours and the world.

The plan outlines the need for increased staffing, resources, and spaces to meet the needs of a growing community. While the Board is still working on the implementation of the plan, its costing and objectives, this budget is a start at aligning our finances with the plans we are building.

See Attachment #1 - 2023 Budget presentation.

Operating Budget (Attachment #2)

Wages and Benefits

Retaining and attracting great employees requires proper compensation. As with most public libraries in Ontario, remuneration represents the largest portion of the Library budget (88.3% of the operating budget). As a branch of a municipality, libraries are subject to provincial pay equity legislation, which means rates of pay and the resultant costs are determined outside of the budgeting process. The Board acknowledges that the cost of wages and benefits is also determined by the number of hours the library branches are open. However, the Board believes that concerns in this area can best be addressed by constructive dialog between the renewed Council and the renewed Library Board. The annual budget is not the place to negotiate over our objectives over the medium term.

The Board has stated that pay equity will be maintained by running the regression analysis (Library job rate: Township job rate) each year to set the rates of pay. Until informed otherwise by the Township, this budget uses 7% as the cost of living increase (COLI).

Other Operating Expenses

Operating expenses other than wages and benefits make up 11.7% of the operating costs of the Library. The total for the year is less than \$50,000 and it is important to keep this number in perspective. When the numbers are this small the concept of “holding the line” can be impractical.

For example, GL 01-4265-3500 Internet/Telephone: for 2023 the budget shows an increase of \$4,000 in the category of internet and telephone costs which creates an apparent increase of 10% over the 2022 total budget for Other Operating Expenses. However, what this represents is a switch from owning to leasing the high-speed internet equipment within the branches and will benefit those who use the Library computers and internet as well as help with collecting statistics required for the Ministry.

Operating Budget Levy request for 2023 is \$328,023** not including inter-departmental transfers.

Itemizing the operating budget changes 2023 over 2022:

Amount	GL	Reason
\$39,696	01-4245-XXXX	Salaries with 7% COLI (Strategic Direction #3, Goal 4 - Invest in staff and volunteers)
\$2,600	01-4275-3730	Community Engagement (Strategic Direction #2, Goal 6 - Rebranding and Marketing)
\$4,000	01-4265-3500	Internet/Telephone – managed WIFI at both locations
-\$400	01-4285-3340	Pools (DVD & LP) - CM Library no longer participating
\$2,375	01-4205-9088	Surplus/Rollover – currently not calculated, not anticipated
-\$1,200	01-4225-9182	Increase in fundraising (Strategic Direction #3, Goal 3 - Increase Funding)
\$47,071		Increase to Operating Levy

Operating Surplus/Rollover

While the 2022 budget may seem to be underspent, reductions of \$7290 were made to support the Pay Equity obligation. See chart on page 4 - regarding amounts used from the 2022 budget to cover the obligation.

Capital Budget (Attachment #3)

All of the elected Council members attended the final all candidates meeting on October 6th. At that meeting it was acknowledged that the Library had received no funding for book purchases from Council for either 2021 or 2022. The lending of hard copy books is still a critical function of the Library. Funding to purchase books is needed if the Library is to stay relevant.

After 2 years of \$0 Capital funds (other than Development Charges), the Library is requesting a full restitution of the Circulating Materials Budget as well as monies for replacement of IT devices that were postponed in 2021 and 2022. While phasing in computers may seem a less expensive option, having all matching equipment makes the experience easier for the users and for the Library staff to support.

Capital Budget Levy request for 2023 is \$56,559.

Itemizing the capital budget changes 2023 over 2022:

Amount	GL	Reason
\$43,559	02-4255-XXXX	Circulating Materials (Books and DVDs)
\$18,000	02-4270-XXXX	IT Hardware
-\$5,000	02-4205-9178	From Development Charges for Circulating Materials
\$56,559		Capital Levy

Capital Worksheet (Attachment #4)

The Library has been maintaining a long-range Capital Worksheet from 2019-2033. This worksheet projects the costs for the circulating materials, IT asset replacement and furniture.

This is a work in progress and needs to have the projects outlined in the Strategic Plan and those submitted as the Development Charge study added into the long- range forecast.

Reserves (attachment #5)

Due to the Pay Equity liability, the Library committed all reserves, with the exception of the Donation Reserve, to cover the obligation.

Attachments

1. 2023 Budget Presentation
2. 2023 Operating Budget Summary
3. 2023 Capital Budget Summary
4. Reserves
5. 10 year capital forecast

Respectfully Submitted by,
Karla Buckborough
CEO/Librarian

Reviewed by,
Earl McLeod
Board Trustee

Funds from these accounts were used to cover the PE obligation. Therefore the GLs are mostly underspent.

2022 Budget Category	Notes	
Mileage 01-4250-3065		500
Professional Development 01-4250-3070		450
Legislated Professional Development 01-4250-3075		300
Photocopier replacement 01-4270-3217		2,600
Janitorial 01-4275-3710		2,000
Contracted Services 01-4280-4100	Retaining \$600 to engage PE review consultant for budget 2023	440
Large Print Pool		400
Processing supplies 01-4285-3430		600
Total Operating Reductions		7,290
Working Fund Reserve	2021 Reserve Roll-over	13,823
IT Hardware – Public Computers	2021 IT Reserve Roll-over	6,000
Network Devices (Routers)	2021 IT Reserve Roll-over	3,135
WSIB Rebate	Rebate: Change from Schedule 2 to Schedule 1 Employer by WSIB	4,328
Temporary Wage Subsidy Employer (TWSE)	Re- assessment: <ul style="list-style-type: none"> Applied mid-2020 as eligible/approved CRA reassessed 2021 as ineligible – repaid with interest assessed again and approved – refund just received 	6,491
Operating Reductions		7,290
Total Library Funds Available		\$ 41,067
Obligation		\$ 67,067
Remainder	\$24,937 from Library ICIP application, losing access to \$68,563 in funding from Federal and Provincial sources. (Remaining \$1,063 to be found, with great difficulty, in current library budget)	\$ 26,000

General Ledger

Revenue and Expense Working Current Budget Report

Up To Period 1 Accounts: ?1-42??-???? by Type

Account	Description	2022 Total Budget	2022 Actual	Proposed Budget	Final Budget
01-4205	Township of CM Levy - Operating	-283,328.00	-283,328.00	-328,023.00	
01-4210	Province of Ontario	-15,184.00	0.00	-15,184.00	
01-4225	Donations, Fundraising, Book Sales	-2,800.00	-3,525.55	-4,000.00	
01-4235	User charges (Fines, Copies, Burn Permits...)	-2,600.00	-976.92	-2,600.00	
01-4245	Salaries and Benefits	262,770.00	213,723.41	302,465.00	
01-4250	Professional Development/Memberships	2,915.00	445.57	2,915.00	
01-4255	Periodicals	1,400.00	1,112.90	1,400.00	
01-4265	Telephone & Hydro	3,500.00	2,831.21	7,500.00	
01-4270	IT (Software, Support& Maintenance)	8,350.00	5,806.88	8,350.00	
01-4275	General Administration	9,700.00	7,170.88	12,300.00	
01-4280	Professional Fees & Honorarium	1,040.00	20.00	1,040.00	
01-4285	Program and service material	3,737.00	2,326.53	3,337.00	
01-4286	Virtual Branch (E-Resources)	10,500.00	6,198.35	10,500.00	
Total Revenues:		-314,276.00	-288,165.43	-360,171.00	
Total Expenses:		314,276.00	239,970.69	360,171.00	
Report Net:		0.00	-48,194.74		

General Ledger

Revenue and Expense Working Current Budget Report

Up To Period 1 Accounts: ??-????-???? by Type

Account	Description	2022 Total Budget	2022 Actual	Proposed Budget	Final Budget
02-4105	COVID-19 Capital	0.00	0.00		
02-4205	Township of CM funding for Capital	-34,823.00	-4,248.00	-61,559.00	
02-4240	Transfer / roll over (capital)	-6,126.00	-2,991.47		
02-4255	Circulating Materials	35,314.00	2,758.13	43,559.00	
02-4270	Infrastructure and Technology (IT)	5,635.00	1,193.59	18,000.00	
02-4275	Office Equipment/Furniture	0.00	0.00		
02-5000	ICIP Grant Application	0.00	0.00		
Total Revenues:		-65,885.00	-13,848.67	-61,559.00	
Total Expenses:		65,885.00	10,560.92	61,559.00	
Report Net:		0.00	-3,287.75		

CML Capital Requests - 2019 thru 2033

Priority	Category	Funding Source	Item	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
				12%	10%	10%	12%	12%	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%
1a	Collection	Levy/DC	Books	\$24,640	\$27,104	\$29,814	\$33,392	\$37,399	\$39,269	\$41,233	\$43,294	\$45,459	\$47,732	\$50,118	\$52,624	\$55,256	\$58,018	\$60,919
1b	Collection	Levy/DC	DVDs	\$7,280	\$8,008	\$8,809	\$5,500	\$6,160	\$6,468	\$6,791	\$7,131	\$7,488	\$7,862	\$8,255	\$8,668	\$9,101	\$9,556	\$10,034
			Material total	\$31,920	\$35,112	\$38,623	\$38,892	\$43,559	\$45,737	\$48,024	\$50,425	\$52,946	\$55,594	\$58,373	\$61,292	\$64,357	\$67,575	\$70,953
			Levy Requested	\$31,920	\$31,601	\$34,761	\$34,644	\$38,559	Restoration of Circulating Material budget.									
			Levy Received	\$31,920	\$31,601	\$0	\$0	?										
			DC Requested/Received	\$0	\$3,511	\$3,862	\$4,248	\$5,000	Increase of 12% to account for inflation									

Priority	Category	Funding Source	Item	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
3	Tech	Levy	Staff Computers	\$7,000		2+ iPads to replace old ones		\$2,100	\$5,250			\$7,718				\$8,103		
4	Tech	Levy	Public Service Computer	\$5,100				\$2,000	\$5,355	\$6,000		\$5,623				\$5,904		
5	Tech	Levy	Network Devices		\$5,900			\$2,000					\$2,100				\$2,205	
6	Tech	Levy	Public Use Computers					\$11,900					\$12,495					
7	Tech	Levy	ILS			Replacing computers used by the public. Focussing on ensuring AODA compliance.				\$15,750					\$16,538			\$17,364
8	Tech	Levy	IT asset replacement	\$6,000	\$0													
9	F&F	Levy	Furniture & Furnishings		\$18,400				\$5,250				\$5,513				\$5,788	
			Levy Requested	\$18,100	\$24,300	\$0	\$0	\$18,000	\$15,855	\$21,750	\$0	\$13,340	\$20,108	\$0	\$16,538	\$14,007	\$7,993	\$17,364
			Levy Received	\$18,100	\$24,300	\$0	\$0	?										
			Total Levy Requested	\$50,020.00	\$55,901.00	\$34,761.20	\$34,644.13	\$56,559.18										
			Total Levy Received	\$50,020.00	\$55,901.00	\$0.00	\$0.00	?										
			DC	\$0	\$3,511	\$3,862	\$4,248	\$5,000										
			Annual Total Received	\$50,020.00	\$59,412.00	\$3,862.00	\$4,248.00	?										

2023

- Staff Computers
- New laptops for CEO and Branch Librarian (Purchased 2018, 5+ year replacement cycle)
- Public Service Computers/iPads
- 2+ new iPads (replacing 2 or more of 7 devices purchased in 2010, depending on cost)
- Network devicies
- Switches, battery back-ups etc
- Public Use Computers
- 10-14 new computers for the public to use, with AODA compliance (Last replaced in 2018, 5+ year replacement cycle)
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- Originally scheduled for replacement in 2021, delayed due to pandemic
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- Reduction in IT costs by buying all at once, easier for staff to support without outside assistance

2024

- Staff Computers
- New laptops for remaining staff (Purchased in 2019, 5+ year replacement cycle)
- Public Service Computers/iPads
- New laptops for the front counters (Purchased in 2019, 5+ year replacement cycle)
- New furniture
- Shelves, desks, chairs as needed

2025

- Public Service Computers/iPads
- 6-8 new iPads (replace remaining iPads purchased in 2010 and 2012)
- ILS
- New ILS system, current system switch occurred in 2018

Reserves		2020 Audit			2021 Audit				2022 Budget		Estimated
		Withdrawals	Additions	12/31/2020	Withdrawals	Adjusting Entries	Additions	12/31/2021	Withdrawals	Additions	12/31/2022
01-0000-2710	General Surplus/Deficit	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0
01-0000-2726	Working Fund - operating	\$0	\$934	\$25,802	-\$13,463	-\$12,340	\$2,375	\$2,375	-\$2,375	\$0	-\$0
01-0000-2726	Working Fund - TWSE	\$0	\$6,491	\$6,491	-\$6,491	\$0	\$0	-\$0	\$0	\$0	-\$0
01-0000-2726	Working Fund - ICIP	\$0	\$0	\$0	-\$13,153	\$0	\$13,153	\$0	\$0	\$0	\$0
01-0000-2726	Working Fund - capital	\$0	\$569	\$789	-\$789	\$0	\$0	\$0	\$0	\$0	\$0
Working Fund total		\$0	\$7,994	\$33,082	-\$33,896	-\$12,340	\$15,528	\$2,374	-\$2,375	\$0	-\$1
01-0000-2728	Donation/Fundraising Reserve	\$0	\$1,804	\$7,660	-\$1,701	\$0	\$2,745	\$8,704	-\$6,000	\$0	\$2,704
02-0000-2728	IT Hardware Reserve	\$0	\$5,635	\$11,635	\$0	-\$9,135	\$0	\$2,500	-\$2,500	\$0	\$0
02-0000-2726	Future Capital Reserve-Office Equipment (\$0	\$11,213	\$11,213	-\$11,782	\$0	\$569	\$0	\$0	\$0	\$0
02-0000-2726	Future Capital Reserve-Books	\$0	\$3,211	\$3,211	-\$3,211	\$0	\$0	\$0	\$0	\$0	\$0
02-0000-2726	Future Capital Reserve-DVD	\$0	\$2,207	\$2,207	-\$2,207	\$0	\$491	\$491	-\$491	\$0	\$0
Future Captial Total		\$0	\$16,631	\$16,631	-\$17,200	\$0	\$1,060	\$491	-\$491	\$0	\$0
ICIP Reserve		\$0	\$0	\$0	Items in green Moved to ICIP reserve		\$0	\$24,935	\$24,935	-\$24,935	\$0
01-0001-2710	New Initiative Reserve	\$0	\$26	\$9,392	-\$9,389	\$0	\$9	\$12	\$0	\$0	\$12
Total Reserves		\$0	\$32,091	\$78,400	-\$62,186	-\$21,475	\$44,277	\$39,017	-\$36,301	\$0	\$2,716

Items in blue needed for PE Liability