

Special Council Meeting - 2nd Budget Submission

To:	Mayor and Council
Date:	January 25th, 2024
From:	Library Finance Committee, Represented by Karla Buckborough and Earl McLeod
Subject	2024 Library Budget

Recommendation

That Council receives the Cavan Monaghan Library Presentation and 2nd Draft Budget.

Operating Budget

The 2024 Operating Budget for the Library is \$365,175 compared to the 2023 budget of \$364,859 which was the original budget of \$340,215+\$24,664 in special projects. These amounts do not include inter-departmental transfers. The Special Projects are addressed further down this page.

The Operating Budget Levy request for 2024 is \$320,396. This is an increase of \$13,876 or 4.53% over the 2023 Operating levy amount of \$306,520. This is a \$1500 reduction over the Library's first submission.

Itemizing the operating budget changes 2024 over 2023:

Amount	GL	Description
\$15,887	01-4245-XXXX	Salaries
-\$1,950	01-42XX-XXXX	Decrease in non-wage portion of expenses, moving ebook purchases to be funded through Development Charges in the Capital Budget.
-\$61	01-42XX-9XXX	Net increase to non-levy portion of revenues
\$13,876		Increase to Operating Levy

Operating Surplus

As in our 1st draft, we are committing \$2068 as a roll forward which was marked as surplus in our 2022 audit. We aren't ready to commit 2023 surplus until we know how the adjusting entries from the auditor work through for payroll and other expenses.

Special Projects

- Supports Strategic Direction #3, Goal 3 - Seek New Revenue Sources

GL 01-4104-xxxx

In March, the Library applied for and received a large Seniors Community Grant which spans from July 2023-March 2024. Unspent revenue and applicable expenses have been moved forward to 2024. The grant items are captured in GL accounts beginning with 01-4104-xxxx at the top of the operating budget.

GL 02-4255-9140

The Library applied for and received two grants of money for collection building. Grant #1 for \$1500 was from the Kawartha Credit Union. Grant #2 for \$500 from the International Dyslexia Association of Ontario. The grant items are captured in GL account 02-4255-9140 at the top of the capital budget. This money was spent in 2023. It was originally entered as operating but has been moved to capital as all expenditures were on circulation materials (new books for the collection).

Capital Budget

The Library Capital Budget requests funding for two areas: Circulating Materials (Books and DVDs) and IT investment.

- Supports Strategic Direction #2, Goal 1 - Modernize Resources

Capital Budget Levy request for Circulating Materials:

GL		2023	2024	Difference
02-4255-XXXX	Circulating Materials (Books and DVDs)	\$25,000	\$27,000	\$2,000
02-4255-3306	E-books (spent \$1595 in operating in 2023 - see 01-4285-3306)	\$0	\$1,500	\$1,500
02-4270-9176	Capital Levy	\$20,000	\$22,000*	\$2,000
02-4205-9178	Development Charges for Circulating Materials	\$5,000	\$6,500*	\$1,500

*The Library Board is continuing to investigate how much of the collected Development Charges can be used for the circulating materials.

Capital Budget Levy request for IT Hardware:

GL		2023	2024	Difference
02-4270-XXXX	IT Investment	\$7,000	\$7,000*	\$0
02-4270-9176	Capital Levy	\$7,000	\$0*	-\$7,000
02-4270-9179	Roll Forward IT	\$0	\$7,000	\$7,000

*The Library Board has discussed the IT Investment request at length and has chosen to remove the request for \$7000 that was included in the Libraries' 1st budget submission. The Board is committed to creating a thorough IT plan and will use that as the basis for our 2025 budget.

Capital Surplus

The Library Board is recommending that the unspent capital funds of approximately \$3300, from our Circulating Materials budget, be allocated towards the proposed shade structure at the Old Millbrook School. If the structure is not constructed, then the funds may be redirected to lowering the Library's levy request

Summary of changes to 2024 Capital Budget

IT – Roll forward \$7000, no new money requested. Request to Township lowered by \$7000

Collections - \$22,000 from Levy, \$6500 from DCs

Unspent Collection - \$3300 (approx.) – be Library contribution to shade structure

Capital Worksheet

The Library had been maintaining a long-range Capital Worksheet from 2019-2033. This worksheet projects the costs for the circulating materials, IT asset replacement and furniture. Recent changes in budget, strategic plan and IT require it to be rewritten.

Development Charges

Still some discussion to be done on how best to calculate how much can be drawn.

Using the formula of the 1/10th of the forecasted growth multiplied by 90% (the actual growth rate for the year) then multiplied by the \$ per capita. (The cost per capita is based on a quality standard of 3.67 items @ \$32 per item=\$117)

$(2782/10*90%)*117=\$29,295$ – this would be the maximum amount based on population growth – based on 3.67 new items per new resident. For comparison, our request of \$6500 is less than 1 new item per new resident ($250*\$32=\8000).

Reserves

Due to the Pay Equity liability, the Library committed all reserves, with the exception of the Donation Reserve, to cover the obligation. The 2022 audit identified a surplus of \$3068. \$1000 was used as a rollover for the 2023 budget; the remaining \$2068 is being put towards the 2024 budget. Surplus from 2023 will be calculated and maybe used in later drafts to offset the Levy request.

Reserves		2022 Audit			2023 Budget			2024 Budget		Estimated
		Withdrawals	Adjusting Entries	2022-12-31	Withdrawals	Estimated Additions	2023-12-31	Withdrawals	Additions	2024-12-31
01-0000-2710	General Surplus/Deficit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
01-0000-2726	Working Fund - operating	-\$2,375	\$3,068	\$3,068	-\$1,000	\$0	\$2,068	-\$2,068	\$0	-\$0
01-0000-2728	Donation/Fundraising Reserve	\$0	\$2,022	\$10,726	-\$4,928	\$4,347	\$10,145	\$0	\$0	\$10,145
02-0000-2728	IT Hardware Reserve	-\$2,500	\$0	\$0	\$0	\$7,000	\$7,000	-\$7,000	\$0	\$0
02-0000-2726	Future Capital Reserve-Circulating	-\$491	\$0	\$0	\$0	\$3,372	\$3,372	-\$3,372	\$0	\$0
	ICIP Reserve, used for PE Liability	-\$24,935	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
01-0001-2710	New Initiative Reserve	\$0	\$0	\$12	\$0	\$0	\$12	\$0	\$0	\$12
Total Reserves		-\$30,301	\$5,090	\$13,806	-\$5,928	\$14,719	\$22,597	-\$12,440	\$0	\$10,157

Donations and book sale revenue above estimate are moved to the donation reserve.

Overages in the Virtual Branch are being covered from the donation reserve.

\$5509-\$1162=\$4347 to be transferred to reserve.

\$3300 (approximately) being offered from Circulating Materials towards sun shade at OMS

Attachments

1. CMLibraries - Presentation to Council for 25 01 2024
2. 2024 Budget - Operating Jan 11 2024
3. 2024 Budget - Capital Jan 11 2024

Respectfully Submitted by,
Karla Buckborough
CEO/Librarian

Reviewed by,
Earl McLeod
Board Trustee

General Ledger
Revenue and Expense Working Current Budget Report
Up To Period 1 Accounts: ?1-4???-???? by Type

Account	Description	2023 Total Budget	2023 Actual	Proposed Budget	Final Budget
01-4104	Miscellaneous Grant-Funded Projects	0.00	-6,094.19		
01-4205	Township of CM Levy - Operating	-307,520.00	-307,520.00	-322,464.00	
01-4210	Province of Ontario	-15,184.00	-13,690.00	-15,984.00	
01-4225	Donations, Fundraising, Book Sales	-4,000.00	-9,286.74	-4,000.00	
01-4235	User charges (Fines, Copies, Burn Permits...)	-2,600.00	-2,018.25	-1,340.00	
01-4245	Salaries and Benefits	282,122.00	285,757.90	298,556.00	
01-4250	Professional Development/Memberships	2,515.00	1,902.48	2,515.00	
01-4255	Periodicals	1,400.00	1,198.38	1,400.00	
01-4265	Telephone & Internet	7,500.00	7,015.62	6,420.00	
01-4270	IT (Software, Support& Maintenance)	9,100.00	4,633.48	7,100.00	
01-4275	General Administration	11,300.00	8,208.92	10,900.00	
01-4280	Professional Fees & Honorarium	1,640.00	1,017.60	1,640.00	
01-4285	Program and service material	3,227.00	3,568.20	3,257.00	
01-4286	Virtual Branch (E-Resources)	10,500.00	11,661.85	12,000.00	
Total Revenues:		-364,859.00	-359,987.46	-365,175.19	
Total Expenses:		364,859.00	346,342.71	365,175.19	
Report Net:		0.00	-13,644.75		

General Ledger
Revenue and Expense Working Current Budget Report
Up To Period 1 Accounts: ??-4???-???? by Department

Account	Description	2023 Total Budget	2023 Actual	Proposed Budget	Final Budget
02-4255	Circulating Materials	0.00	-3,372.12		
02-4270	Infrastructure and Technology (IT)	0.00	-7,000.00		
02-4275	Office Equipment/Furniture	0.00	0.00		
Total Revenues:		-36,928.03	-39,118.23	-35,500.00	
Total Expenses:		36,928.03	28,746.11	35,500.00	
Report Net:		0.00	-10,372.12		