

## 2022 Budget Report

In moving forward from the impact of COVID-19 in 2020 and 2021, there are a number of new factors to consider when creating a budget for the Cobourg Public Library in 2022. Increased expenses associated with cleaning, increased demands for online services, and a continued demand for traditional services. Balancing the aforementioned considerations with the financial realities of municipal funding levels, has been perhaps the biggest challenge when developing the upcoming budget.

### Budget Development

The Library has spent the past number of years paring back and trimming the budget to accommodate municipal funding levels, and the budget is now at a point where there is no more room to cut without directly impacting public service. The budget that is being developed represents what is necessary to continue to provide library services at a level and calibre that the community expects.

### Revenues

Over the past number of years, particularly in 2020 and 2021, the Library has anticipated unrealized income numbers for self-generated revenue lines.

These lines include:

- Fines – income generated from the late return of materials
- Memberships – income generated from residents outside of Cobourg, Hamilton Township, and Port Hope who purchase a membership
- Replacement Cards – income generated from the replacement of lost library cards
- Book Sales – income generated from book sales, as well as fees from lost or damaged items
- Meeting Room Rental – income generated from the rental of the Rotary Room
- Promotional Material – income generated from the sale of promotional items, such as bags
- Photocopier/Printer – income generated from members of the public printing and copying at the Library

Using information from 2018 and 2019, the most recent and accurate information for while the Library is open, we would like to reduce the anticipated income from these lines as trends indicate. By doing this the Library will have a more realistic expectation of revenue from these income sources.

In 2022 Hamilton Township has committed to giving the Library \$317,663, in addition to the municipality's allotment of provincial operating funding for libraries in the amount of \$19,180.

It is anticipated that the provincial funding for Cobourg will remain at the same level as it has for many years, at \$27,939, as well as \$3061 that is intended for pay equity purposes.

The Northumberland County Archives generally generates \$6,250 in income for the Library each year. This is generally in the form of \$6,000 for rent, and \$250 for internet service. As the Archives are anticipated to be leaving the space in late 2022, there is a question regarding how the funding for the space will be allocated. From the information that has been received so far, it seems that the Town of Cobourg will be moving their records management into the space. It stands to reason that the Town of Cobourg should fund this \$6,250 for the use of the space. The \$6,000 that has been deemed "rent" pays for the utilities for the space (electricity, heating, etc), as well as the alarm system fees and maintenance, while the \$250 represents a portion of the expense the Library pays to access internet each year.

There are a number of unknowns around the Archives moving out of the C. Gordon King Centre, but most immediately concerning is the timeline for the changeover for the space from the Archives to a space for the Town of Cobourg. More information is currently being pursued, and will be shared with the Board as soon as possible.

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Outside of the aforementioned sources of revenue, the largest source is funded by the Town of Cobourg. This figure will be determined by the needs of the Library in terms of expenses. A conservative approach is always foremost, however with the budget freeze in 2021 to match funding levels in 2020, requesting an increase in funding for 2022 is a guarantee.

### *Operating expenses*

#### *Materials Budget*

In order to accommodate a budgetary freeze in funding from the Town of Cobourg in 2021 a number of budgetary reductions were undertaken. Most notably the collections budget was reduced to \$44,000 from \$55,000. The previous funding level should be restored in order to accommodate the services the community has come to expect.

The materials budget encompasses not only physical items, like books, magazines, dvds, video games, etc, and the processing of those items, but also includes electronic resources. Electronic resources have seen a huge increase in usage during the pandemic in 2020 and 2021, a trend that is likely to continue.

Most electronic resources have been funded via development charges in the past few years, outside of the general operating budget. It is recommended that this trend continues for 2022.

#### *Facilities*

Now that there is a memorandum of understanding between the Town of Cobourg and the Cobourg Public Library, the allocation of expenses related to the facilities is much clearer than it has been in the past. The Town will maintain the grounds and building overall, and the Library will pay a monthly fee of \$1,250. The Library will continue to pay for the following facilities related expenses: utilities, elevator, cleaning services, consumable supplies for the building (paper towels, cleaning supplies, etc), security system and monitoring, insurance, and regular maintenance of the exterior doors. A line for “other maintenance” will be included in the budget, where the library pays for things like window cleaning, carpet cleaning, paint, disposal fees, supplies for the Garden of Reading, storage, fire inspections and testing, repairs to furniture, as well as incidental repairs and replacement of items, such as light switches.

Defining the role of the Town of Cobourg vs the role of the Library where facilities are concerned does not allow for a cost savings or increased expenses for the Library. However, it does eliminate the uncertainty that was present in past years regarding major repairs and replacements for the facility.

#### *Administrative Expenses*

Administrative expenses encompass a great deal of things, essentially everything other than materials, facilities, and direct staffing expenses. Many of these expenses have been whittled away over the past number of years, and little change other than those related to the direct increased expense has been made to these lines.

Below is a listing of administrative expenses, and suggested changes to these lines.

- Health & Safety – Recommend to increase to accommodate anticipated Personal Protective Equipment (PPE) and related accommodations.  
This budget line also pays for supplies related to first aid kits, as well as health and safety related supplies for staff and the public.
- Staff Recognition – no change recommended  
This budget line allows for the CEO to recognize staff service milestones, as well as a small annual staff recognition event.

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- **Staff Training – no change recommended**  
This budget line pays for tuition and fees related to professional development. Also pays for mandatory staff training, such as WHMIS and first aid/CPR.
- **Volunteer Recognition – no change recommended**  
This budget line not only pays for volunteer recognition, but expenses related specifically to volunteers, including PPE, name tags, refreshments, and items of a like manner.
- **Programming – Recommendation to combine Children and Young Adult budget lines and reduce combined total slightly. No change recommended for Adult programming.**  
The programming budget lines pay for supplies and related expenditures for providing and executing programs.
- **Office Supplies – no change recommended**  
This budget line pays for all associated office expenses, from copy paper, coloured print paper, toner, pens, receipt paper, labels, lamination supplies, envelopes, etc.
- **Technology Support – recommend small increase as expenses associated with licensing and IT support have continued to increase**  
This budget line pays for the yearly fees for the Integrated Library System, software licences for staff and public use, virus and malware screening, and internet access at all three library locations.
- **Photocopier – recommend increase budget to accommodate anticipated service charge increases. The Library went down to one copier from two in 2020, and the service contract on the existing copier is being extended on a month-to-month basis. The Library will be using 2022 to pursue a new copier contract for 2023.**
- **Postage – no change recommended**  
This budget line pays for postage for sending out notices and payments, as well as sending items to be imaged onto microfilm.
- **Telephone – An increase directly related to rising costs is recommended. All avenues to decrease this expense have been explored, and are undertaken regularly.**  
This budget line pays for telephone service at Gores Landing and Cobourg locations.
- **Accounting – no change recommended**  
This budget line pays for the expenses associated with the payroll system administration.
- **Audit – Recommending an increase to this budget line as it has exceeded the budget for the past two years.**  
This budget line pays for the yearly audit.
- **Legal – no change recommended**  
This budget line would pay for legal fees.
- **Branch Delivery – recommending an increase to cover the expenses associated with delivery of materials to the Hamilton Township branches.**  
This budget line pays staff a courier fee to take items from the main branch to the Hamilton Township branches. Staff are paid on a per trip basis, as is outlined in their collective agreement.
- **Advertising & Promotions – no change recommended**  
This budget line pays for advertising, as well as the expenses associated with outreach activities.
- **Bank Charges – no change recommended**  
This budget line pays for bank fees.
- **Collection Agency Charges – no change recommended**  
This budget line pays for the services of a collection agency. After an account has been delinquent for a period of time, and all efforts have been made on the Library's part to collect the balance, the account would be sent to the collection agency.

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- Travel – no change recommended  
This budget line pays for travel and associated expenses.
- Research/Consulting – no change recommended  
This budget line pays for research and consulting – primarily expenses associated with surveying members of the community on an annual basis.
- Memberships – no change recommended  
This budget line pays for the Library's membership to professional organizations, such as the Federation of Ontario Public Libraries, Northumberland Chamber of Commerce, Human Resources Network of Ontario Libraries, and AMPLO (Administrators of Medium-sized Public Libraries of Ontario)
- Meeting Room Supplies – no change recommended  
This budget line pays for supplies for the Rotary Room, such as projector bulbs, chart paper, replacement extension and computer cords, etc.
- Board Expenses – no change recommended  
This budget line pays for expenses associated with board meetings, as well as board training and networking opportunities.
- Gores Landing Rent – no change recommended  
This budget line pays for rent for the Gores Landing branch on a per session basis.

### Staffing Budget

Expenses associated with staffing are the largest share of the Library's operating budget. For 2022 the staffing budget will be created considering the following factors:

- Negotiation of Collective Agreement with union for new contract beginning January 1, 2022.
- Staffing levels to maintain the level of public service community has come to expect. The intent is to return to pre-pandemic service levels.
- Changes that were undertaken in 2021 to staffing model to better meet the needs of the library.
- Budgeting appropriately for meetings, training, and time associated with regular events such as health and safety inspections, and labour/management interactions.
- Allocating funds for the hiring of grant students.
- Approximately 85% of the staff who work for the Library have worked in excess of three years. This means that the majority of staff will receive increased vacation time and other benefits, including participating in the OMERS pension plan. Of this 85% of staff, 47% have worked for the Library in excess of 10 years – the increases in benefits must be considered in the budgetary process.

Considering all of these factors, a reasonable increase to the staffing budget that allots for two years of cost-of-living increases is achievable. Budgeting for staffing ensures that public service commitments will be honoured by providing open hours, and the support necessary to continue to provide stellar library service to the Town of Cobourg.

### Goals

The main goal in developing the 2022 budget is to provide support to the community from its Library, as well as support the Library in doing so. The Library continues to see increased demand for our books and resources, it is critical that there are resources to meet that need, both online and in our buildings. The budget will reflect the needs of the Library to do what it has committed to – being an exceptional community resource for information, exploration, inspiration and enjoyment.