

Date: September 4, 2024
To: Port Colborne Public Library Board
From: Rachel Tkachuk, Chief Executive Officer
Subject: 2025 Library Draft Operating Budget Submission

Recommendation:

That the Port Colborne Public Library Board receives the Draft 2025 Operating Budget submission, as presented.

Attached:

- Appendix A: Port Colborne Public Library Draft 2025 Operating Budget
 - Appendix B: Port Colborne Public Library Operating Budget Year-to-Year
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Purpose:

The purpose of this report is to present the Draft 2025 Operating Budget for the Board's consideration.

The budgeting process acknowledges that needs, opportunities, and challenges change as the Library strives to meet the needs of its user communities year by year. Library operating expenses are calculated by Library Staff. Estimates for personnel costs are calculated by the City.

The 2025 operating budget allows reasonable flexibility to adapt and optimize activities with restraint, responsible planning, and accountability. While finalizing the budget submission, staff have been cognizant that the City provides over 90% of the Library's operating revenue, and of the Board's role as a supportive partner of the City.

The 2025 operating budget is also informed by the Board's 2023-2027 strategic plan and looks forward to the implementation of services and strategies which started in 2023 and will move forward incrementally throughout the life of the Board's strategic plan.

The proposed budget supports the goals of the strategic plan by:

- Ensuring cost-effective and operational efficiencies
- Focusing on expanding quality library service and enhancing the user experience
- Modernizing and investing in leading-edge technology
- Meeting the needs of an energized City with a rising population and changing demographics
- Supporting the Board and City's visions and missions
- Ensuring that library staff are equipped, supported, and ready for the future

The 2025 operating budget ensures sufficient funding to meet the needs of the Library's user communities while being mindful of inflation, fiscal restraints, and operational costs. The budget supports the library's operations, expansion of quality services, and optimized customer-focused service levels to ensure accessible, diverse and affordable programs that align with both the Board's and the City's strategic plans. The budget takes into consideration staffing costs due to upcoming contract negotiations.

The proposed 2025 budget will allow the Library to move forward, build toward the future, and support the Board's goals in the third year of the strategic plan during a time of increased inflation.

Background:

1. The *Public Libraries Act*, the Board's Authority, and Financial Stewardship

Ontario Library Service (OLS) summarizes the Board's role under the *Public Libraries Act* as follows:

- a. The *Public Libraries Act*, RSO 1990, c. P.44 (the Act) governs the operation of public libraries in Ontario and is specific legislation that can override certain sections of other more general acts such as the Municipal Act.
- b. A library board is an independent body and cannot become a committee of council without legislation being passed that enables this.
- c. A board's duty is to provide comprehensive and efficient public library service that reflects its community's unique needs.

- d. A board oversees the library's finances and has financial oversight which involves understanding the implications of a budget and a financial report; recognizes the allocation of monies with board priorities; and, ensures that financial policies are in place.
- e. The *Act and Regulation 976* specify that most library services must be offered to residents free of charge. This requirement makes the library different from other community services which are often expected to generate revenue from user fees. Access to library service must remain free because universal access to information is a fundamental human right and a cornerstone of democracy.
- f. While the library board is an independent corporation, it does get the majority of its funding from municipal tax dollars. Sustaining a collaborative mindset and a strong working relationship between the library and the municipality is, therefore, important work.

2. Funding Sources

- a. Municipal funding accounts for approximately 90% of the Library's operating budget.
- b. Provincial funding has remained unchanged since the mid-1990s. The Library does not anticipate any increase to the provincial Public Library Operating Grant (PLOG) of \$38,300 (which includes a pay equity component) in 2025.
- c. Other grants, including federal grants, are generally dependent on applications based on programming and other needs identified during the operating budget year. For example: In 2021, the Library applied for and received a \$121,200.00 Ontario Trillium Foundation grant to revitalize the library's interior spaces

3. Alignment with the Strategic Plan

The proposed 2025 operating budget supports the Library's priority goals, vision and mission, and supports the City's strategic pillars.

2023-2027 Port Colborne Public Library Strategic Plan Goals:

Mission Statement	Vision Statement
<p>The Port Colborne Public Library is committed to providing the services necessary to meet the needs of its user communities.</p>	<p>Empower. Enrich. Educate.</p>

Goal 1	To maintain and develop high-quality, inclusive programming and services for our user communities
Goal 2	Retaining, recruiting and innovating in human capital
Goal 3	Strengthening accessibility and sustainability of library spaces / Developing the Cultural Block
Goal 4	To exercise financial stewardship by leveraging all funding sources and partnership opportunities
Goal 5	Trailblazing library trends while maintaining core library services / Developing methods to deliver and strengthen innovative user experiences
Goal 6	Engaging our external stakeholders and user communities to ensure good decision-making for the benefit of all

2023-2026 City of Port Colborne Strategic Pillars:

Mission Statement	Vision Statement
<p>To provide an exceptional small-town experience in a big way.</p>	<p>A healthy and vibrant waterfront community embracing growth for future generations.</p>

Pillar 1	Environment and Climate Change
Pillar 2	Welcoming, Livable, Healthy Community
Pillar 3	Economic Prosperity
Pillar 4	Increased Housing Options
Pillar 5	Sustainable and Resilient Infrastructure

Discussion:

1. To support the strategic plan and be fiscally responsible, staff identified areas for improved efficiencies and resulting cost-savings, areas that target modernization and streamlining of services, and the need to deepen the strategic partnership with the City by using the expertise and services of City departments to reduce costs. These areas include:

- Financial services (e.g., implementing City's new financial software to avoid duplication of services and repetitive manual input of data between departments.)
- Information technology (e.g., partnering with City IT to modernize technology and improve efficiencies for both library staff and the public)
- Human resources (e.g, implementing City's new Human Resources software for streamlined staff development and scheduling)
- Communications and website (e.g., creating an internal communications and marketing program, including an updated integrated website)

Cost-savings and efficiencies are also realized through the library's partnership in the Libraries in Niagara Cooperative (LiNC) and the expansion of LiNC services. These services include resource-sharing, cooperative working groups, and courier delivery of items throughout the Niagara Region.

2. Areas of Focus and Budget Pressures

a. Self-Generated Revenue

Self-generated revenue has increased. Grant revenue from the province is not guaranteed year to year. Although programming and fundraising revenue is increasing, staff recommend a cautious approach to projecting revenue for 2025. The draft budget anticipates an increase of 1.37% for revenue during the fiscal year.

Fines – The Board [eliminated fines for overdue materials](#) in 2021, joining

hundreds of other libraries across North America that have chosen to go fine-free to ensure equity of access. The library continues to charge for damaged and lost books, and for the replacement of lost library cards.

Fees and Sales – The Library charges fees for some services including print and fax services, room rental, and sign rental.

Fundraising – The Library’s ongoing book sale generates revenue year-round. In 2024, the Library expanded its fundraising efforts.

Donations and Other Grants – Donations and grants are cyclical in nature and depend on certain programs and events planned during the operating budget year. Staff will continue to explore new funding opportunities in 2025, in tandem with enhanced donor engagement strategies. For example: key donations from Port Colborne Lions Club and the Erwin Taylor Charitable Foundation.

b. Technology

Spending in 2025 will support the strategic plan in the area of technology through:

- Continued investment in modernization and innovation to enhance the user experience and to give ease of access to library collections and services
- Updating staff-facing software and equipment to streamline workflows and reduce repetitive tasks
- Updating customer-facing technology to meet the public’s need to connect, work and learn in an accessible, welcoming space
- Responding to the increased demand for staff with technical and digital technology expertise (for both staff-use and customer-use) and rising expectations from customers for staff to solve their technology needs in an increasingly digital environment
- Building and maintaining a leading-edge information infrastructure that understands customer requirements, supports technological innovation, integrates multiple information systems, connects to global information sources, and provides self-service access to core library services remotely

The budget allows for an increased investment in digital and community-based services that support vulnerable populations.

c. Library Collections

The collections budget includes print materials, digital materials, audiovisual and electronic materials (all of which are expensed in the operating budget and then capitalized as assets and amortized). The collections budget has been divided into traditional and non-traditional collections (physical materials), and digital resources.

Spending in 2025 will support the strategic plan in the development of the library collections through:

- Responding to the increased demand for digital resources such as downloadable audiobooks, eBooks, and digital magazines
- Responding to the increased demand for online learning resources for the public
- Responding to the increased demand for free lendable technology (e.g., hotspots) to help break down the digital divide for vulnerable populations
- Responding to increased demand for free lendable objects to help patrons explore items that they may not otherwise be able to afford including musical instruments, board games, sports equipment, and more

d. Resource Delivery

Expenses for resource delivery are primarily associated with the integrated library software system (ILS), Libraries in Niagara Cooperative (LiNC) consortium fees, resource-sharing, training, and delivery service.

e. Staff Development

Spending in 2025 will support the strategic plan to ensure the continued empowerment, enrichment, and education of library staff at all levels through training, and to support mastery of technology that supports their ability to best perform their jobs.

f. Modernization and Innovation

Spending in 2025 will support the strategic plan to continue modernization and innovation efforts in telecommunications, computer and software upgrades, and

further digital innovations in media spaces.

Connectivity, telephone, and networking expenses fall under this category. The Board's capital project to upgrade fibre and voice services was completed in 2023, with the phone and equipment installations completed in early 2024. The connectivity upgrade has significantly improved the delivery of reliable internet service for staff and the library's ability to meet user demands.

g. Facilities Maintenance, Utilities, Cleaning and Associated Contract Services

Spending in 2025 will support the strategic plan to focus on preventative maintenance to increase the life of the building, the prudent management of a sustainable facility, and energy conservation strategies to reduce utilities costs. Facility cleaning and security monitoring contracts are in place.

The facilities budget estimates are set in collaboration with the City of Port Colborne.

h. Supplies and Services

Spending in 2025 will support the strategic plan through the continued prudent procurement of supplies and equipment.

i. Personnel

Salaries and benefits are the key cost driver for the Port Colborne Public Library. The Board identifies staff as its most important resource in the delivery of library services. Accordingly, the Board added "People" as a goal in its strategic plan. The Board is committed to ensuring that the operating budget focuses on retaining, recruiting, and innovating in human capital.

A review of job descriptions will be conducted with recommendations on revising job descriptions. A Library Services Manager has been added to the staff complement to strengthen the library's organizational structure.

Increases in personnel costs in 2025 will be based on:

- Wage rates negotiated through union-management relations
- Wage increases due to job description revisions

Internal Consultations:

This report has been prepared by:
Rachel Tkachuk, Chief Executive Officer

Consultation and financial data provided by:
Bryan Boles, Director of Corporate Services/Treasurer

Estimates for salaries and benefits provided by:
Mary Murray, Chief Human Resources Officer

Conclusion:

The draft 2025 Operating Budget supports the Board's goals, vision, and strategic plan, and the City's strategic pillars to ensure continued quality and vibrant services to meet the needs of the library's user communities.

The budget is informed by and supports the Board's Strategic Plan and forms the foundation of a multi-year plan to achieve the Board's strategic goals.

Respectfully submitted,



Rachel Tkachuk
Chief Executive Officer
(905) 834-6512
Rachel.Tkachuk@portcolborne.ca



PORT COLBORNE

**Appendix A:
PORT COLBORNE PUBLIC LIBRARY
DRAFT 2024 OPERATING BUDGET**

2025 OPERATING BUDGET ESTIMATES	2023 BUDGET	2023 ESTIMATE	2024 BUDGET	% VARIANCE 2024 to 2023	2025 ESTIMATE	VARIANCE 2025 to 2024
REVENUE						
Donations	4,600.00	4,800.00	4,800.00	4.35%	5,000.00	4.17%
-- General donations 1,000.00						
-- Capital donations 3,000.00						
-- Fundraising (Items purchased for resale) 1,000.00						
Rentals	300.00	400.00	650.00	116.67%	650.00	0.00%
-- Room rental 550.00						
-- Sign rental 100.00						
Other Revenue	0.00	0.00	0.00	0.00%	0.00	0.00%
Fees	2,900.00	3,500.00	3,500.00	20.69%	4,000.00	14.29%
-- Adult programs 0.00						
-- Children's programs 0.00						
-- Fax 0.00						
-- Receipts (lost books, replacements) 1,000.00						
-- Printing 2,000.00						
-- Copier 1,000.00						
Grants - Other	0.00	0.00	0.00	0.00%	0.00	0.00%
-- Connectivity reimbursement (not guaranteed)		2,352.00				
-- Postage reimbursement (not guaranteed)						
-- CVITP (not guaranteed)						
Grant - Provincial Operating Grant (PLOC) 38,300.00	38,300.00	38,300.00	38,300.00	0.00%	38,300.00	0.00%
Book Sales	0.00	0.00	50.00	0.00%	0.00	0.00%
TOTAL REVENUE	46,100.00	49,352.00	47,300.00	2.60%	47,950.00	1.37%
EXPENSE						
Salaries and Wages - Full Time	442,300.00	442,300.00	451,207.00	2.01%	\$500,400.00	10.90%
Salaries and Wages - Part Time	68,400.00	68,400.00	69,829.00	2.09%	\$74,000.00	5.97%
Overtime Pay	0.00	0.00	0.00	0.00%	\$4,400.00	#DIV/0!
Employee Benefits	192,300.00	192,300.00	185,639.00	-3.46%	\$172,000.00	-7.35%
Total Wages and Benefits	703,000.00	703,000.00	706,675.00	0.52%	\$750,800.00	6.24%
Association/Membership Fees	1,500.00	1,500.00	1,500.00	0.00%	1,500.00	0.00%
-- FOPL 900.00						
-- HRNOL 50.00						
-- AMPLO 100.00						
-- OLA 190.00						
-- OLBA 250.00						
Library Collection (see breakdown below) 77,000.00						
-- Non-Digital, Digital & Resource Delivery						
Library Collection (Non-Digital)	42,800.00	42,800.00	44,800.00	4.67%	46,250.00	3.24%
-- DVDs 4,500.00						
-- Repairs & Processing 1,500.00						
-- Talking Books 0.00						
-- Adult Fiction 11,000.00						
-- Adult Non-Fiction 8,000.00						
-- Children Fiction 3,000.00						
-- Children Non-Fiction 3,000.00						
-- Young People 1,500.00						
-- Adult Large Print 5,500.00						
-- MARC Records 1,000.00						
-- Microfilm 2,500.00						

-- Video Games	1,750.00						
-- Periodicals	1,500.00						
-- NEW - Non-Traditional Items	1,500.00						
Library Collection (Digital)		17,000.00	17,000.00	17,000.00	0.00%	17,250.00	1.47%
-- Electronic Resources	17,000.00						
Resource Delivery		11,500.00	11,500.00	13,000.00	13.04%	13,500.00	3.85%
--- LINC costs, training, courier, ILS software	13,500.00						
Comm and Public Relations		500.00	500.00	500.00	0.00%	500.00	0.00%
-- Advertising, website, domain							
Computer Software		1,000.00	1,000.00	1,000.00	0.00%	1,000.00	0.00%
-- Includes licensing, public workstations							
Contract Services		3,500.00	3,500.00	4,000.00	14.29%	4,000.00	0.00%
-- Contract services (security system etc.)	1,000.00						
-- Copier lease/supplies	3,000.00						
Equipment - Purchase		6,000.00	6,000.00	7,000.00	16.67%	7,000.00	0.00%
--Computers, peripherals, other equipment							
Hospitality Expense		500.00	500.00	750.00	50.00%	775.00	3.33%
--Events, staff recognition							
Office Supplies		3,000.00	3,000.00	3,000.00	0.00%	3,000.00	0.00%
--Stationery, etc.							
Postage & Courier		700.00	700.00	700.00	0.00%	700.00	0.00%
-- Postage (includes inter-library loans)							
Program Supplies		3,000.00	3,000.00	3,500.00	16.67%	3,500.00	0.00%
--Craft supplies, events							
Protective & Uniform Clothing		1,200.00	1,200.00	1,320.00	10.00%	1,320.00	0.00%
--As per Collective Agreement (\$120 per employee)							
Staff Training & Development		7,000.00	7,000.00	7,000.00	0.00%	7,200.00	2.86%
--Training includes health & safety							
SME - Audit and Actuary		12,800.00	7,000.00	7,200.00	-43.75%	7,200.00	0.00%
--Annual audit	7,200.00						
Telephone/Internet		16,660.00	16,660.00	17,100.00	2.64%	17,100.00	0.00%
--Telephone	7,100.00						
-- Internet	10,000.00						
Travel		2,600.00	2,600.00	500.00	-80.77%	500.00	0.00%
--Conferences, staff development							
New Fundraiser Items		0.00	0.00	0.00	0.00%	1,000.00	#DIV/0!
--Library Items to sell							

TOTAL EXPENSE 2023 to 2025 with wages	834,260.00	828,460.00	836,545.00	0.27%	883,095.00	5.56%
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Appendix B:
Port Colborne Public Library
2025 Draft Operating Budget - Year-to-Year

	2021	2021	2022	2022	2023	2024	2025	
	Actual	Budget	Actual	Budget	Budget	Budget	Proposed Budget	Notes
Revenue								
Donations	\$2,444.70	\$400.00	\$5,753.03	\$4,600.00	\$4,600.00	\$ 4,800.00	\$ 5,000.00	
Fines		500.00		200.00				Fines free
Rentals	50.00	300.00	239.12	300.00	300.00	650.00	650.00	No increase
Other Revenue	60.41		190.73					
Fees	1,627.84	1,400.00	4,001.96	2,900.00	2,900.00	3,500.00	4,000.00	Receipts, photocopies, print jobs.
Grants - Other	2,376.00	38,300.00	292.00	38,300.00				CVITP, Connectivity Grant previously (not guaranteed)
Grant - Provincial	38,328.00		38,328.00		38,300.00	38,300.00	38,300.00	PLOG
Sales	957.50		1,021.11			50.00		
Total Revenue	45,844.45	40,900.00	49,825.95	46,300.00	46,100.00	47,300.00	47950.00	
Expense								
Salaries and Wages - Full Time	424,481.00	407,000.00	416,315.14	423,100.00	442,300.00	451,207.00	500400.00	Calculated by City Treasurer
Salaries and Wages - Part Time	49,842.66	42,000.00	66,992.78	66,600.00	68,400.00	69,829.00	74000.00	Calculated by City Treasurer
Overtime Pay	563.02		774.49				4400.00	Calculated by City Treasurer
Employee Benefits	145,617.82	150,100.00	155,062.50	165,700.00	192,300.00	185,639.00	172000.00	Calculated by City Treasurer
Association/Membership Fees	150.00	800.00	900.00	1,500.00	1,500.00	1,500.00	1500.00	No increase
Library Collection	66,460.23	72,800.00	60,561.25	72,700.00	71,300.00	74,800.00	77000.00	Total of physical, digital & resource delivery
Comm and Public Relations	732.16	1,000.00	292.51	1,000.00	500.00	500.00	500.00	No increase
Computer Software	22.39	1,000.00	640.96	1,000.00	1,000.00	1,000.00	1000.00	No increase
Contract Services	6,064.04	3,200.00	4,673.19	3,200.00	3,500.00	4,000.00	4000.00	Increase in costs -- see actual 2022; Photocopier
Equipment - Purchase	15,092.02	7,300.00	5,627.24	7,300.00	6,000.00	7,000.00	7000.00	Workstations/equipment required
Financial Expenses	45.27		31.64					
Fundraising							1000.00	New -- Library fundraising items to sell
Hospitality Expense	462.39	1,100.00	814.31	1,100.00	500.00	750.00	775.00	Decreased during pandemic; bring level up slowly
Office Supplies	2,217.54	3,500.00	3,600.61	3,500.00	3,000.00	3,000.00	3000.00	No increase
Postage & Courier	31.27	400.00	456.37	400.00	700.00	700.00	700.00	No increase
Program Supplies	2,727.07	3,000.00	3,693.78	3,000.00	3,000.00	3,500.00	3500.00	No increase
Protective & Uniform Clothing		1,200.00		1,200.00	1,200.00	1,320.00	1320.00	Adusted \$120/employee as per Collective Agreement
Staff Training & Development	5,049.77	7,100.00	4,191.62	7,100.00	7,000.00	7,000.00	7200.00	3% increase
SME - Audit and Actuary	6,913.08	6,500.00	2,455.76	6,500.00	12,800.00	7,200.00	7200.00	Calculated by City Treasurer
Subscriptions and Publications	-556.71							
Telephone/Internet	7,514.92	7,500.00	11,119.47	12,500.00	16,660.00	17,100.00	17100.00	Calculated by City Treasurer
Travel	474.43	500.00	6.00	500.00	2,600.00	500.00	500.00	No increase
Total Expense	733,904.37	716,000.00	738,209.62	777,900.00	834,260.00	836,545.00	884,095.00	
Surplus/(Deficit) Before Allocation	-688,059.92	-675,100.00	-688,383.67	-731,600.00	-788,160.00	-789,245.00	-836,145.00	
Surplus/(Deficit) After Allocations	-688,059.92	-675,100.00	-688,383.67	-731,600.00	-788,160.00	-789,245.00	-836,145.00	
Transfer to/ (from) Reserves	-27,187.52		9,068.68		-39,500.00			
Transfer Between Funds	-669,781.41	-675,100.00	-697,452.35	-731,600.00	-748,660.00			
Total Transfers	-696,968.93	-675,100.00	-688,383.67	-731,600.00	-788,160.00			
Surplus / (Deficit)	8,909.01	0.00	0.00	0.00	0.00			