



## MEMORANDUM

**To:** Newmarket Public Library Board

**From:** Todd Kyle

**Date:** June 17, 2015

**Re:** **2016 Budget**

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The Library is expected to submit draft 2016 budget figures to the Town of Newmarket Finance Dept. by mid-August 2015. As there is no Library Board meeting scheduled in the summer, preliminary figures would typically be submitted by Library staff with the explicit understanding that they are as yet unapproved by the Board. When the draft is presented to the Board at its September meeting, any resulting adjustments can be made immediately.

In order to prepare for the budget submission by staff, the Board typically gives overall input and direction at the June meeting. This report will attempt to present some decision points for the Board in order to guide that input.

### **2016 operating budget drivers:**

The following outlines some drivers affecting the status-quo 2016 budget:

- Economic adjustments for staff. This is unknown at this time, but the CPI increase (inflation rate) was 1.0% for the Toronto CMA in April 2015. Any 2016 increase for unionized staff would have to be negotiated as part of a new Collective Agreement; however, there will at the very least be a need to annualize the 2015 union cost of living increase of 1.9% as it was budgeted only for April-December. For non-unionized staff, an economic adjustment pegged to the Toronto CPI in September is usually applied in January.
- Other inflationary increases. It is unknown as yet whether there will be any inflationary increases to costs such as employee benefits, electronic subscriptions, etc.
- Increases to electronic resource subscription costs due to the loss of provincial subsidies. Staff are currently researching which subscriptions need to be continued and are working with our provincial consortium partners on the associated costs.
- Growth, which a previous report has set at 1.5% of total expenditure. It is predicted that both collections and staff budgets may need to rise by up to 1.5% to maintain service levels.
- Fine revenues continue to decline, with this revenue line being gradually decreased by 3% each year.
- There is scope for increasing revenues, notably in the areas of book sales (including the Green Reads machine) and the net revenue for selling transit tickets.
- There is also the possibility of adding a staff gapping revenue line to capture the savings that may occur should there be a gap between a resignation and the hiring of a replacement employee.

In addition, suggested enhancements to increase service levels are:

- Continuing year-round Sunday opening, costing \$19,248 for 2016. The intention was to consider this in September, using usage figures from this summer.
- Monday opening, estimated at \$164,591 for full-day (9:30am – 9:00pm) service.

### **2016 capital budget drivers:**

According to the 5-year capital forecast presented in 2014, the Asset Replacement Fund (ARF) schedule would indicate requests in three categories: building maintenance (\$26,350), computer hardware/software (\$112,500), and furniture and equipment (\$19,000). However, a review of actual needs is still to be completed and the final numbers may vary from these estimates.

**The following motion is recommended:**

**THAT the Library Board receive the report on the 2016 budget.**