



**Report to:** Stratford Public Library Board  
**Meeting Date:** September 1, 2020  
**From:** Julia Merritt, CEO  
**Subject:** DRAFT 2021 Operating Budget

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**This report is brought to the Board for decision.**

The 2021 budget process is being planned on a similar timeline to previous years. Individual departments are preparing their estimates through August and September, with corporate review in October. City Council will begin deliberating in December and formal approval is anticipated for January 2021.

The Library has not currently been provided with a target increase or direction set by City Council.

**SPL DRAFT 2021 Operating Budget**

Staff have identified a number of scenarios that could result in budget increase requests ranging from 0.89% - 2.76%. The differences result from inclusion of multiple variables. In order of most to least expensive, these are:

- *Cost-of-Living-Adjustment* for staff. Absent specific direction from City Council, departments have been instructed to use a placeholder of 2.0%; library staff have also examined the potential for a 1.0% scenario.
- *Going fine-free*. The SPL Board has previously indicated interest in removing fines from all materials. One of the impacts of the COVID-19 pandemic has been that many more libraries are removing fines as a way of removing barriers to library use during what is anticipated to be an extended period of economic hardship. This could, therefore, be an opportunity for the SPL Board to test this service model change. Assuming that fines were no longer charged, but that people were still responsible for replacing lost or damaged items, the Library's annual revenue would be reduced by roughly \$16,000
- *Hotspot funding*. The Community Foundation grant covers all expenses for 2020, and through Q1 of 2021. Library staff can continue to seek sponsorship and/or donations, however given the additional pressures of the COVID-19 pandemic it would be prudent to work towards reliable funding.



- *2% increase for collections*, based on market report from Library Services Centre
- *Adjusting operational lines* (hydro, insurance, etc) to reflect actual spending patterns in 2019/2020.

**Scenarios:**

1. 0.89%: inflationary increase for materials/operating expenses, 1% COLA
2. 1.76%: inflationary increase for materials/operating expenses, 2% COLA
3. 1.89%: no fines, 1% COLA, plus hotspots
4. 2.12%: 2% COLA, plus hotspots
5. 2.76%: no fines, 2% COLA, plus hotspots

**Staff Recommendation**

In an ordinary year, 2.76% would be a below-average ask for the Library.

SPL staff recommend that the SPL Board approve the draft 2021 operating budget at 2.76%, authorizing staff to adjust as needed based on further direction from the City.

STRATFORD PUBLIC LIBRARY		
2021 Operating Budget - preliminary draft August 20, 2020		
	2020	DRAFT
	Budget	2021
	Budget	Budget
<b><u>ADMINISTRATION</u></b>		
REVENUE TOTAL	-234,260	-222,613
EXPENDITURES TOTAL	2,687,070	2,738,601
NET TOTAL	2,452,810	2,515,988
<b><u>LIBRARY BOARD EXPENSES</u></b>		
REVENUE TOTAL	0	0
EXPENDITURES TOTAL	6,000	6,000
NET TOTAL	6,000	6,000
<b><u>Program</u></b>		
REVENUE TOTAL		
EXPENDITURES TOTAL	12,000	12,000
NET TOTAL	12,000	12,000
<b><u>LIBRARY BUILDING &amp; PROPERTY</u></b>		
REVENUE TOTAL	0	0
EXPENDITURES TOTAL	25,200	23,500
NET TOTAL	25,200	23,500
<b><u>PCIN</u></b>		
REVENUE TOTAL	-212,120	-214,902
EXPENDITURES TOTAL	212,120	214,902
NET TOTAL	0	0
TOTAL G411 REVENUE	-446,380	-437,515
TOTAL G411 EXPENDITURES	2,942,390	2,995,003
TOTAL G411 NET EXPENSES	2,496,010	2,557,488
LESS ADJUSTMENT TO DEPRECIATION EXPENSE		
LESS TRANSFER FROM RESERVES	0	0
PLUS TRANSFER TO RESERVES		
PLUS TRANSFER TO RESERVES	5,000	5,000
PLUS TRANSFER TO RESERVES	4,690	4,771
TAX LEVY	2,505,700	2,567,260