

August 29 2020

TO: Councils and Special Areas Board
FROM: Michelle Toombs, CEO, Marigold Library System
RE: Marigold Library System – 2021 Budget Estimates

Enclosed are budget estimates to operate and manage Marigold Library System in 2021. These estimates are provided to member municipal councils annually in September as per the Marigold Agreement. There are more steps to finalize the 2021 budget for Marigold Board approval in January, including comparison with YTD expenditures, population updates and contract confirmations throughout the fall. Our regular services and operations continued throughout the COVID shutdown without interruption, and we anticipate that travel and contract services will also resume as normal in 2021.

Therefore, Marigold's estimated budget for 2021 with flat revenue projections and several cost savings is \$5,372,597, marginally below the Board-approved 2020 budget. Revenue and expenditures are based on current population defined by Municipal Affairs. Cost savings and efficiencies are achieved with volume discounts, by consolidating work and by providing expert consultation and IT infrastructure.

Marigold is a not-for-profit municipal membership collaborative that provides affordable, state-of-the-art public library services for 44 member municipalities, 36 public libraries, Siksika and Stoney Nakoda Nations, 11 book deposits in small communities, two installations of book lockers and patrons who receive library materials by mail. With 320,000 residents in the Marigold service area, Marigold Library System is the third largest library system in Alberta based on population. Marigold is a member of TRAC (The Regional Automation Consortium) along with Yellowhead, Northern Lights and Peace Library Systems. TRAC's 180 libraries share one catalogue database to enable convenient sharing of materials.

Marigold's goals and objectives for *Vision 2020 Strategic Plan* are fully supported in this budget estimate.

- Marigold will invest in its operational assets and capacity to allow for service expansion
- Marigold will increase its services to member libraries, as space at Headquarters and staff time permit
- The Marigold Community will better understand the purpose and value of Marigold
- Marigold will capitalize upon and nurture the knowledge, skills, and abilities of its community

REVENUE

Revenue is pooled so that all member libraries and Marigold residents receive high quality library service.

Municipal and Library Board Levies:

Per capita levy rates for 2021 remain unchanged from 2020. The total levy requisition for each municipality will be confirmed when the official 2020 population figures for Alberta municipalities are released by Municipal Affairs.

Estimated 2020 Population	<u>POPULATION</u>	<u>PER CAPITA</u>	<u>LEVY</u>
Municipalities with library boards	231,771	\$6.24	\$1,446,251
Library Boards	231,771	\$4.50	\$1,042,970
Municipalities without Library Boards	85,118	\$10.74	\$914,167

Provincial Grants:

Municipal Affairs announces which year's official population will apply to the grant formula as part of the Provincial budget.

Based on 2016 population as determined by Provincial Government Budget:	<u>POPULATION</u>	<u>PER CAPITA</u>	<u>OPERATING GRANT</u>
System Operating Grant	296,672	\$4.70	\$1,394,358
*Library Services (rural) Grant	82,203	\$5.55	\$456,227
Indigenous Project Grant			\$93,264

*Paid to Marigold on behalf of municipalities without library boards

EXPENDITURES

Both Marigold's service population and patron use of Marigold services have steadily increased; therefore, there are also increased costs for materials, resource sharing, van deliveries, supplies and more. Some contract costs are based on current population (e.g., electronic resource subscriptions; TRAC levy; TAL membership; licenses). Most of the budgeted expenditures are the same or slightly less in anticipation of tighter budgets going forward. Utilities are trending higher; however, there have been savings through the AUMA energy retail program.

- **Salaries and Benefits**

Includes salary grid step increases for eligible staff. Marigold's staff costs are partially paid with Indigenous Project Grant funding and government grants for summer students. Marigold's staff complement totals 30 people.

- **Materials, Delivery, Supplies**

Includes print, AV, eBook and digital purchases. Annual eBook and eResource subscription costs set by US vendors are increasing faster than inflation. Delivery costs are expected to increase because of the increased fuel and vehicle costs, as well as more delivery trips to libraries with high lending volumes and to new service destinations.

- **Transfer Payments:**

Service grants are paid to all Marigold libraries to offset the costs of sharing collections, which is a huge benefit to patrons located throughout Alberta.

- **Admin/Finance, Board, Building, Vendor Services, Contracts**

Contracts are reviewed and compared regularly to ensure best market value.

- **Computers, peripherals, licenses, and network**

Marigold professionals, IT staff and program staff connect with member library staff to deliver programs, do consultations, and support and install IT equipment.

- **Consultation, Marketing and Programs**

Marigold professionals provide consultation services, and Marigold staff travel to member libraries to deliver service, such as IT installations and programs. Marigold has a library of programming kits, supplies and games for libraries to borrow for their programs.

- **Capital and project expenditure**

A small operational surplus will be combined with the Vehicle reserve to replace a delivery van in 2021.

If you have any questions about these budget estimates, please contact me.



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Marigold Library System

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Enclosures: Marigold Expenditures Estimate / Budget 2021 chart
Marigold VISION 2020

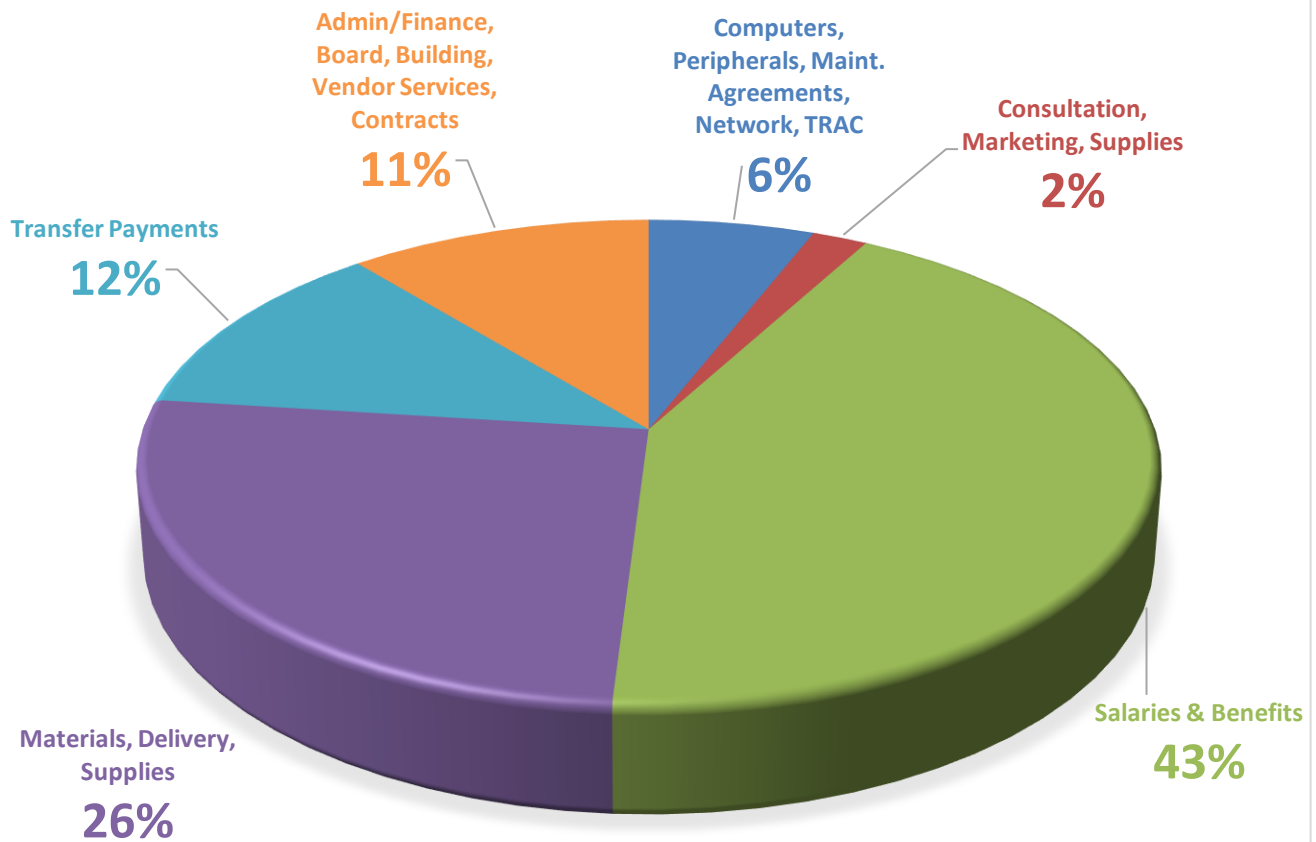
SUMMARY

MARIGOLD LIBRARY SYSTEM BUDGET ESTIMATES 2021

	2020 BUDGET	2021 BUDGET
REVENUE		
Municipal and Board Levies	\$ 3,403,388	\$ 3,403,388
Provincial Grants	\$ 1,944,209	\$ 1,944,209
Other (Interest, Donations & Contract Sales)	\$ 80,500	\$ 25,000
TOTAL REVENUE	\$ 5,428,097	\$ 5,372,597
EXPENDITURES		
Salaries & Benefits	\$ 2,329,500	\$ 2,325,500
Materials, Delivery, Supplies	\$ 1,356,970	\$ 1,379,570
Transfer Payments	\$ 672,490	\$ 672,490
Admin/finance, Board, Building, Vendor Services, Contracts	\$ 571,100	\$ 568,400
Computers, Peripherals, Maint. Agreements, Network Costs, TRAC	\$ 297,000	\$ 302,000
Consultation, Marketing, Programs	\$ 124,600	\$ 121,100
TOTAL OPERATING EXPENDITURES	\$ 5,351,660	\$5,369,060
Capital & Project Expenditures	\$ 76,437	\$ 3,537
TOTAL OPERATING EXPENDITURES & PROJECTS	\$ 5,428,097	\$5,372,597

Note: 2020 Budget numbers as passed by the Marigold Board on January 25, 2020

MARIGOLD OPERATING EXPENDITURES ESTIMATE- 2021



MARIGOLD REVENUE ESTIMATE 2021

