



October 15, 2024

Ron Taylor, Chief Administrative Officer  
City of Kawartha Lakes  
26 Francis St.  
Lindsay ON, K9V 5R8

Dear Ron:

Thank you for your letter dated October 8 asking the Library Board to reconsider and support the transfer from the library reserves of up to \$295,517 to maintain a 3% budget increase for 2025.

After a fulsome discussion by the Library Board, the motion to support this request was defeated at a Special Library Board meeting on October 9.

The Board acknowledges and appreciates the excellent working relationship with the City and Memorandum of Understanding, establishing the relationship between the City and the Library. Additionally, the Board understands and appreciates the challenges faced by the City as a result of inflation.

The Library Board believes the continued use of current library reserve funds to offset annual budget changes is no longer sustainable. Since 2021, the Library has authorized the accessing of reserve funds to offset increases to the annual operating budget. In past years this has excluded contractual wage increases. Each year the gap between the Library's true operating budget and the requested budget grows. Accessing a further \$295,517 from current reserves to meet the 3% target for the Library's 2025 net budget request puts planning for library services in 2026 in serious jeopardy.

Accessing these reserve funds to meet budgetary targets for 2025 would then require the Library to request a net budget increase of over \$400,000 to the 2026 budget to continue to meet the 3% growth target.

After thoroughly reviewing the Library's draft 2025 net budget request, as presented on September 17 to the Budget Committee, the Library Board believes this budget continues to be a realistic request. Through sound financial planning and fiscal management, the Board continues to expand library services and resources, all while working within the budget amounts set by Council.



Between 2019 and 2023, the Library has increased attendance at events and classes by almost 120%. Post-Covid, the demand for library materials and resources continues to increase, as we continue to welcome growing numbers of visitors to our library branches.

The 2025 Library expenditures budget is expected to increase by \$235,337, of which \$213,137 are tied to salaries and benefits. This is a 10% increase in wages over 2024 which is entirely outside the Library's control. With the 2025 draft budget, wages are now 73% of our expenditures.

As presented to the Budget Committee, the Library's net budget request for 2025 is \$2,706,186. This is an increase of \$365,730 over the 2024 request. The 2024 request included a draw of \$130,393 on library reserves to keep the overall request for last year artificially low.

In reaction to the large budget increase that just maintains library services at 2024 levels, the Library Board voluntarily withdrew a new position request for 2025. Continually drawing on library reserves for general operating expenditures puts future planning for library services in serious jeopardy.

The Memorandum of Understanding between the City and the Library established a reserve fund under the control of the Library Board, in accordance with the Public Libraries Act. This reserve has allowed the Library to address capital opportunities, improve access, and cover one-time funding projects without requiring the Board to request additional funds from Council.

With the continued support of this, and previous Councils and through sound fiscal management the Library has been able to access approximately \$350,000, between 2022 and 2024, for a variety of projects that have been self-funded from reserves. Additionally, in 2025 the Library expects to draw on upwards of \$200,000 from reserves for various projects.

Adequate reserves must be kept under the control of the Library Board and available for emergencies, one-time expenses, and for future small capital projects. This improves access to library branches, and protects the health and welfare of library users, all while reducing pressure on the City to meet these additional funding requirements.

The Library Board asks Council and the City to reconsider its ongoing annual 3% inflationary operating budget increases. While this is a laudable goal, the Library Board feels that in light of continued, growing demand for all City resources, this target limits what services the Library can offer residents.



KAWARTHA LAKES  
PUBLIC LIBRARY

We appreciate being part of the ongoing discussions around the Library's and the City's budget for 2025.

Sincerely,

Jamie Anderson BA, MLIS  
CEO/Library Director

CC: **Mayor D. Elmslie and Council**  
S. Beukeboom, Director of Corporate Services  
S. Ferguson, Kawartha Lakes Public Library Board Chair