



2026-27 Budget Request

To: The Town of Annapolis Royal
The County of Annapolis
The Town of Middleton
The Town of Berwick
The County of Kings
The Town of Kentville
The Town of Wolfville
West Hants Regional Municipality

From: Julia Merritt, Chief Executive Officer, Annapolis Valley Regional Library

Date: January 5, 2026

Re: 2026-27 Operating Budget Request

The AVRL respectfully submits this budget request for consideration and decision.

Background

At its September 18, 2025 meeting, the Annapolis Valley Regional Library Board passed the following motion:

WHEREAS the Library Funding Formula has expired as of March 31, 2025, and;
WHEREAS the AVRL has made significant cost-savings measures, and;
WHEREAS the AVRL is facing severe budgetary pressure that could lead to major loss of service, and;
WHEREAS it is the hope of the AVRL that both Provincial and Municipal orders of government will increase their financial commitments to retain library service in their communities;
BE IT RESOLVED THAT the AVRL Board request the funding municipalities to increase their annual operating contribution by 50% for the 2026-27 fiscal year.

This report outlines the AVRL's current financial situation and request for additional funding in the 2026-27 fiscal year.

Library Funding Formula and Municipalities

The Provincial Library Funding Formula expired on March 31, 2025.

In 2024, the municipalities were provided notice by the Province that the Library Funding Formula was under review and that changes to their contributions could be forthcoming. No further requests or requirements for additional funds have been sent.

The Library Funding Formula represents the minimum level of financial contribution that a contracting municipality must provide to its regional library board. A municipality has the option to provide more funding to its regional library board.

Prior to 2025, several regional library systems regularly received additional funding: Eastern Counties, Halifax, and Pictou-Antigonish.

In the 2024-25 or the 2025-26 fiscal years, additional regional libraries have asked for and received supplementary funding, including: Cumberland, Pictou-Antigonish, and Western Counties.

AVRL has not previously asked its funding municipalities for additional contributions.

Current Funding Formula and Risks to Service

Since 2009, AVRL's budget has increased by 10% while the Bank of Canada estimates that inflation has increased by 43% during that same time period.

In order to mitigate the ongoing budget limitations, AVRL has implemented the following cost-savings measures:

- 2015-2024, reduction of 25% of the total permanent staff body
- Elimination of the bookmobile service in 2021
- As of 2024, 50% reduction in programming and the elimination of partnerships

The AVRL's 2025-26 budget represents a deficit position that will be funded by operational reserves. Without additional funding support, the Library Board will need to make significant reductions in service in 2026.

AVRL's 2026-27 Budget Overview

This budget represents an interim position for the AVRL prior to the beginning of the fiscal year, pending more information regarding the Provincial Library Funding Formula, Provincial "Bridge" funding, or additional contributions from funding municipalities.

AVRL is on track to realize the full amount of its budgeted deficit in 2025-26. This will deplete the operational reserve fund by approximately \$250,000 and leave roughly \$400,000 available to use in 2026-27.

The attached budget represents an interim deficit of \$528,280.

Changes from 2025-26

1. All wage rates adjusted for the rates negotiated in the 2025-2028 Collective Bargaining Agreement; staff list adjusted for changes made during that time. All benefits categories have been updated to include current data (CPP, EI, etc).
2. Collections budget held at existing levels to prioritize this core service.
3. Loss of Provincial Same Page postage grant; in 2024-25 this was over \$14,000 in revenue.
4. Reduction to Payroll Processing Fees line; AVRL has re-developed in-house competencies to perform the payroll function and has cancelled the contract for managed payroll services.
5. All other lines adjusted to reflect changes to actual expenses, or held at 2025-26 levels where possible.

Remaining to Include

1. Any changes to the Library funding formula.
2. Any additional Bridge/Emergency funding amounts.
3. Any additional contributions from the municipal units.

Expenses are expected to remain as estimated unless service levels change.

2026-27 Budget Request

Below is a chart outlining the requested increase to each municipality's contribution to AVRL for 2026-26, representing a total increase of \$351,450. This amount would allow the AVRL to continue to provide service at the current level for one full additional year (2026-27) prior to making additional service reductions. If a reduced amount is provided, in combination with potential future Bridge funding from the Province, this could still provide significant or full relief for the 2026-27 year.

Municipality	2020-2025 Contribution	2026-27 Contribution
Annapolis County	\$130,700	\$196,050
Kings County	\$331,600	\$497,400
West Hants County	\$134,400	\$201,600
Annapolis Royal	\$3,400	\$5,100
Middleton	\$12,300	\$18,450
Berwick	\$17,400	\$26,100
Kentville	\$42,800	\$64,200
Wolfville	\$30,300	\$45,450
Total Contributions:	\$702,900	\$1,054,350

Annapolis Valley Regional Library (AVRL)

Budget Overview

Overview - Budget compare: F2027 vs F2026

	Fiscal 2026/2027	Fiscal 2025/2026
INCOME		
4020 Revenue - Province	1,919,600.00	2,115,800.00
4030 Revenue - Municipal	-	-
4031 Annapolis County	130,700.00	130,700.00
4032 Annapolis Royal	3,400.00	3,400.00
4033 Berwick	17,400.00	17,400.00
4034 Kentville	42,800.00	42,800.00
4035 Kings County	331,600.00	331,600.00
4036 Middleton	12,300.00	12,300.00
4037 West Hants	134,400.00	134,400.00
4039 Wolfville	30,300.00	30,300.00
Total 4030 Revenue - Municipal	702,900.00	702,900.00
4105 Revenue - Printing	27,000.00	27,000.00
4700 Revenue - Deferred Write down		48,155.00
4702 Revenue - Donations	8,000.00	8,000.00
4703 Revenue - Grants	98,000.00	
4800 HST Rebate (OLD)	50,000.00	50,000.00
4901 Revenue - Interest	20,000.00	40,000.00
Total Income	2,825,500.00	2,991,855.00
COST OF GOODS SOLD		
5000 COS - Books, Periodicals & related costs	340,000.00	340,000.00
5020 Equipment Purchases	5,500.00	5,500.00
5025 Furniture Purchases	3,000.00	3,000.00
5026 Capital Purchases - Other	\$ -	\$ 54,155.00
Total Cost of Goods Sold	348,500.00	402,655.00
EXPENSES		
6005 Advertising & Promotion		6,000.00
6010 Bank Charges	2,500.00	2,500.00
6015 Communication & Internet Expenses	5,500.00	5,500.00
6025 HST Rebate - Books (OLD)	50,000.00	45,000.00
6040 Insurance	19,000.00	19,000.00
6050 Miscellaneous Expenses		500.00
6055 Office Expenses	35,000.00	35,000.00
6060 Postage	30,000.00	30,000.00
6065 Professional Fees	80,000.00	80,000.00
6200 Program Costs	-	11,000.00
6201 Advertising & Marketing	\$ 6,000.00	
6209 Supplies	11,000.00	
Total 6200 Program Costs	17,000.00	-
6300 Rent	70,550.00	69,507.00
6350 Service Contracts	-	-

Annapolis Valley Regional Library (AVRL)

Budget Overview

Overview - Budget compare: F2027 vs F2026

	Fiscal 2026/2027		Fiscal 2025/2026	
6351 Alliance	\$	63,155.00	\$	62,795.00
6352 Photocopying		35,000.00		35,000.00
Total 6350 Service Contracts		98,155.00		97,795.00
6400 Salaries & Wages	\$	2,520,625.00	\$	2,360,695.00
6406 Payroll Service Chrg		12,000.00		28,000.00
Total 6400 Salaries & Wages		2,532,625.00		2,388,695.00
6600 Vehicle Expenses		22,000.00		22,000.00
6650 Board Expenses		1,700.00		1,700.00
6700 Staff Expenses		40,000.00		40,000.00
6455 Staff Training/Conferences	\$	750.00	\$	750.00
6703 Misc	\$	500.00		
Total 6700 Staff Expenses	\$	41,250.00	\$	40,750.00
Total Expenses	\$	3,005,280.00	\$	2,854,947.00
OTHER INCOME				
PROFIT	\$	(528,280.00)	\$	(265,747.00)