

**REVISED**  
**(See Page 15)**

# 11.2

**Report to / Rapport au:**

**Ottawa Public Library Board  
Conseil d'administration de la Bibliothèque publique d'Ottawa**

**January 31, 2023 / 31 janvier 2023**

**Submitted by / Soumis par:  
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**File Number: OPLB-2023-0131-11.2**

**SUBJECT: 2023 Draft Operating and Capital Budget Estimates and Four-Year  
Capital Forecast**

**OBJET: Prévisions des budgets provisoires de fonctionnement et  
d'immobilisation de 2023, y inclus les prévisions d'immobilisations  
sur quatre ans**

## **REPORT RECOMMENDATIONS**

**That, at its meeting of January 31, 2023, the Ottawa Public Library Board:**

- 1. Receive and table the 2023 Draft Budget for Ottawa Public Library, and the four-year capital forecast; and,**
- 2. Direct staff to forward the 2023 Draft Budget for Ottawa Public Library to Ottawa City Council on February 1, 2023 as part of City Council's tabling of the City of Ottawa 2023 Draft Operating and Capital budget; and,**

**That, at its meeting of February 23, 2023, the Ottawa Public Library Board:**

3. Approve the 2023 Draft Budget for Ottawa Public Library; and,
4. Upon the Ottawa Public Library Board's approval of the 2023 Draft Budget for the Ottawa Public Library, direct staff to forward the report to Ottawa City Council, for consideration on March 1, 2023 as part of the City Council's approval of the City of Ottawa 2023 Draft Operating and Capital budget.

### RECOMMANDATIONS DU RAPPORT

Que, lors de sa réunion du 31 janvier 2023, le Conseil d'administration (C.A.) de la Bibliothèque publique d'Ottawa (BPO):

1. Examine et dépose le budget provisoire 2023 de la BPO et une prévision budgétaire quadriennal d'immobilisations;
2. Charge le personnel de transmettre le budget provisoire 2023 de la BPO au Conseil municipal d'Ottawa à sa réunion du 1 février 2023, au moment du dépôt du budget provisoire de fonctionnement et d'immobilisations 2023 de la Ville d'Ottawa;

Que, lors de sa réunion du 23 février 2023, le C.A. de la BPO :

3. Approuve le budget provisoire 2023 de la Bibliothèque publique d'Ottawa;
4. Après approbation par le C.A. du budget provisoire 2023 de la BPO, charge le personnel de transmettre le rapport au Conseil municipal d'Ottawa, aux fins d'examen le 1<sup>er</sup> mars 2023, au moment de l'approbation par le Conseil municipal du budget provisoire de fonctionnement et d'immobilisations 2023 de la Ville d'Ottawa.

### BACKGROUND

As per the *Public Libraries Act*, Ottawa Public Library (OPL or the Library) is required to submit annually, on or before the date and in the form specified by Ottawa City Council (Council), operating and capital budget estimates. The OPL Board (Board) receives

and approves the budget and recommends the budget to Council, which grants final budget approval.

Annual budget deliberations include funding decisions to support operational pressures and capital programs including growth projects and strategic initiatives. Increased funding for operations and capital projects is provided through city-wide tax levies. Once the draft budget is approved, increases are applied to base operating and capital budgets as shown in Table 1. At its meeting of December 14, 2022, Council approved budget directions and timelines to guide City of Ottawa (City) staff, local boards, and commissions in the development of the 2023 budget. In 2023, OPL will receive its budget allocation based on the individual pro-rated share of the tax target and any assessment growth. The budget direction estimates taxation revenues generated from new properties at between 2 and 2.5 percent of current taxation for 2023, and Council requested that the Board develop the draft budget within this allocation. As a result, the OPL share of these revenues for 2023 is between \$2.3M to a maximum of \$2.7M. This brings the total 2023 budget envelope to a potential maximum of \$59.181M. This includes funding for both operating and capital activities. This increase will be applied to OPL's budget as per the process approved by Council on December 5, 2018.

Once directions are provided, OPL staff work with City staff in various departments to prepare the draft budget, ensuring alignment as required. The purpose of this report is to table the 2023 draft budget with the Board, for deliberation and final consideration at the February 23, 2023 meeting.

## **DISCUSSION**

The development of the 2023 draft budget is the result of a process through which financial requirements and corporate initiatives are considered in a cohesive corporate planning process. The OPL 2023 Draft Budget supports the final year of the Board-approved strategic plan for 2020-2023, Board policies, the Financial Framework, other approved frameworks, and decisions taken throughout the previous year, and aligns with the proposed Council strategic plan initiative to create thriving communities across the municipality.

The following priorities (in order) were considered by staff when developing the draft budget:

- Requirements to address mandatory, contractual, and legislated increases;
- Requirements to address non-discretionary costs associated with maintaining existing services;
- Asset maintenance;
- Projects identified in the Growth Planning Study, as well as addressing immediate facilities concerns; and,
- Initiatives that support the strategic direction to redesign the library experience through the assessment and removal of barriers to library services.

OPL has been allocated a maximum increase of \$2.700M in the draft 2023 budget to respond to both operating and capital pressures. Table 1 below outlines the recommended changes in operating and capital budgets from 2022 to 2023, based on actual pressures, in alignment with the 2023 budget direction from Council.

<b>OPL's 2023 proposed draft budget compared to 2022 is summarized in Table 1:</b>					
<b>2023 OPL Draft Budget</b>	<b>2022</b>	<b>2022 Adj. to Base</b>	<b>2023 Adj. to Base</b>	<b>2023</b>	<b>Net Changes</b>
<b>Operating Expenditures</b>	56,546	-820	1,670	57,396	850
<b>Capital Budget</b>	1,539	790	770	3,099	1,560
<b>Planned Revenue</b>	-1,750	0	0	-1,750	0
<b>Total Net Budget Requirement</b>	<b>56,335</b>	<b>-30</b>	<b>2,440</b>	<b>58,745</b>	<b>2,410</b>
<b>Full Time Equivalent (FTE)</b>	472.96		9	481.96	9
<b>Lifecycle OPL Program – City Allocated</b>	1,821			2,225	404
<b>Accessibility - Facilities - City Allocated</b>	60			310	250
<b>Total 2022 Budget Including City Allocations</b>	<b>58,216</b>			<b>61,280</b>	<b>3,064</b>

**Proposed 2023 Operating Budget**

The priority in annual budget development is to ensure sufficient funds are available to address all legislated and mandatory contractual agreements and Board directions, and then to best address strategic and growth-related needs and services within the prescribed funding envelope as approved by City Council.

If approved, the following initiatives would be supported within the \$2.410M increase. In all cases, costs identified in brackets in the text of this report refer to 2023 pressures and will appear in the corresponding operational and capital tables.

It should be noted that each year, the first financial transactions required for budgetary purposes are to reverse the one-time funding initiatives approved by the OPL Board in the previous budget cycle. The reversal approach may also be used to correct accounting or miscalculation issues from the previous year. A detailed listing of reversals totaling **\$-50K** required for the 2023 draft budget is available in Table 2.

The balance of 2023 operational pressures are also itemized in Table 2 and detailed below.

#### **Mandatory, Legislated, and Contractual requirements:**

- **Compensation Adjustments - OPL Employees, (\$900K):**  
An increase to compensation budgets is required to adjust for actual and potential 2023 cost of living, increments, and benefit adjustments.
- **Facility Operations Services (FOS), (\$215K):**  
FOS is a City department that provides daily maintenance and upkeep for all permanent OPL facilities. This funding will provide for OPL's share of compensation adjustments and increased material costs for FOS staff and the services they provide.
- **Insurance Premiums Adjustment, (\$105K)**  
The Library is covered under the City's overarching liability insurance policy. Commercial property and general liability insurance costs are increasing across Canada due, in-part, to increased claims from extreme weather events, natural disasters, and current actuarial and predictive modelling. This funding represents OPL's pro-rated portion of the overall increase for the City of Ottawa.

#### **Strategic Plans:**

- **Community Development Base Funding - (OPL Board Motion #20221011/3), (\$50K):**

As per Board direction in October 2022, base operating funds will be allocated on an ongoing basis to support continued efforts related to community development in 2023 and beyond. This investment will allow staff to increase initiatives in vulnerable communities.

- **Human Resources for Current and Future Operational Requirements – (\$980K, 9 FTE)**

Staff are requesting nine (9) FTE positions be added permanently to the staffing complement.

With the planned addition of two new library branches between 2026 and 2028 (Central and Riverside South), staff are working to manage the financial pressure associated with the ongoing operational costs related to staffing. In the 2018 report to the Board regarding the Ottawa Central Library (OPLB-2018-0601) staff anticipated an operating pressure of \$1.865M that would be required for that facility, which included an estimated 11.9 FTE; and, in a 2022 report (OPLB-2022-0602), staff identified a requirement of 11.54 FTE to operate Riverside South. Given the elapsed time, the FTE requirements for Central will need to be re-validated by 2024. Staff have committed to finding internal efficiencies to reduce the overall requirement; however, with a minimum of 23 FTE required it will not be possible to attain all positions through efficiencies alone. Recognizing the financial pressure this will place on the organization, staff are requesting permanent positions in 2023 that will be utilized for either Central (beginning in 2025) or Riverside South (beginning in 2027).

Of the nine (9) FTE requested, five (5) are proposed to be used in a permanent capacity, and four (4) in a temporary capacity, until such time as they are required for branch operations.

- The five (5) permanent positions will be used as follows:
  - Branch Services (1 FTE) – This managerial position will allow OPL to rebalance oversight of the current branch clusters (groupings of multiple branches), considering community demographics and geography, adding capacity more equitably throughout the system to better respond to client

needs. In addition, it will add capacity for managerial input on service aspects of new facilities and transition management.

- Community Development and Client Experience (4 FTE) – The Board's 2020-2023 Strategic Directions and Priorities identified a key direction to redesign the Library experience by defining the ideal experience across physical and virtual channels. Given the pandemic situation, the organization postponed action on these areas designed to provide more meaningful, intuitive, and accessible client experiences across both virtual and in-person services. These human resources will be used to support this work, as well as advance community-development and support to vulnerable communities (in alignment with the Board's direction to increase base operating funds for these areas), to oversee digital / virtual content creation including considerations of client experience and accessibility, and to dedicate one position to furthering OPL's relationship with the Anishinābe Algonquin Host Nation and urban Indigenous communities, with an initial focus on developing the Indigenous spaces and services at the Central branch at Ādisōke.
- The remaining four (4) permanent positions will be used on a temporary basis as follows:
  - Service Delivery Framework (1 FTE): At its meeting of May 2022, the Board approved the new Service Delivery Framework (SDF) (OPLB-2022-0503), including the need to establish a service planning and design team, charged with ongoing service planning and design. At its meeting of October 2022, the Board further approved that the Frameworks and Strategies incorporate public engagement, where applicable, and be returned to the Board for approval. The SDF service strategies are required to be completed to support several dependent initiatives and projects including planning for Ādisōke and the development of OPL's legislated Asset Management Plan. OPL has three positions which are currently assigned to planning and service design specifically for the new Central branch. Staff are requesting one additional permanent position to be filled on a temporary basis focused on system-wide implementation of the SDF, aligned with the work on

service design for Central, and to lead the finalization of the service frameworks and strategies.

- Automated Staff Scheduling (1 FTE): The requirement for an automated scheduling system was approved by the Board in the 2018 budget (OPLB-2017-1102). The automated system is required to eliminate current scheduling procedures that are labour intensive. OPL requires operational resources to design and implement. This funding has been requested in previous years; however, the project was paused during the pandemic. The project is scheduled to restart in March 2023 and continue through to 2025. As such, this is the first of a two-year requirement for a temporarily funded position.
- Facilities project support (2 FTE): At its meeting of June 2022, the Board approved new public library branches to serve South Nepean (OPLB-2022-0602). The scope and timing of work to be undertaken for the two new facilities, coupled with other facilities-related commitments including Ādisōke planning and move planning, next steps in the development of a Facilities Master Plan, the legislative requirement to produce a Council-approved Asset Management Plan for submission to the provincial government by July 1, 2024, and climate resiliency deep retrofits, far exceeds the capacity of existing staff. As such, the addition of temporary staff will be required through 2026.

- **2023 One-Time Funding:**

In each budget year funds may be drawn on a one-time basis for key projects or initiatives that will not be ongoing past the end of the fiscal year. These funds will be reversed at the beginning of 2024 to re-establish the base envelope.

- **Corporate Branding Initiative, (\$140K)**  
OPL has engaged experts to support a brand review in line with the strategic statement (to increase the number of active OPL cardholders) and the strategic direction (promote the value of the Library). The branding initiative has three phases over approximately 18 months.



Phase One – Research and Discovery – is focused on data collection, including consultation via surveys, interviews and focus groups with clients, lapsed clients, and non-clients; OPL Trustees and employees, First Nations and community partners, and other stakeholders. Phase Two, Strategy and Development, is the development of the approach, and Phase Three - Design and Visual Identity - will see the creation of a full suite of visual elements for the brand identity.

- **Service Delivery Framework Development, (\$50K):**  
 Funding is required for consulting and public engagement services to support the development of service strategies for Collections, Expertise, Programs, Spaces and Tools. These service strategies are related to the implementation of the Board-approved Service Delivery Framework, which, as noted earlier, is required to be completed in 2023 to support several dependent initiatives.
  
- **One-Time Capital Budget Increase, (\$20K):**  
 The one-time increase of funding for capital projects in 2023 will be used to supplement funding for key capital priorities as noted above. Significant investment in lifecycle facility projects allocated by the City is planned for 2023. This investment allows for the allocation of the latest capital investment required for the new Riverside South branch, the initial investment for the new Barrhaven branch, as well as increased staff focus on small maintenance projects. Further details are noted in the Capital Budget section below. This one-time funding will be reversed in the 2023 budget process.

**Table 2 – 2023 Draft Operating Budget**

*Table 2 summarizes the operational pressures for the draft 2023 OPL budget.*

<b>Table 2 – 2023 Draft Operating and Capital Budget</b>	<b>\$,000</b>	<b>Full Time Equiv.</b>
<b>2022 Net Operating and Capital Budget</b>	<b>56,666</b>	<b>472.96</b>
<b>Description:</b>		
<b>One-Time Reversals</b>	<b>-50</b>	

2022 Capital PAYG Reduction	770	
Automated Materials Handling System Update	-300	
Community Development Funding	-40	
Reversal of One-Time Library Reserve Installment	-430	
Temporary Automated Scheduling Position	-50	
<b>Mandatory, Legislated, and Contractual requirements</b>	<b>1,220</b>	
Compensation Adjustments - Cost of Living	900	
Facilities Operations	215	
Insurance Premiums Adjustment	105	
<b>Strategic Plans</b>	<b>1,030</b>	
Community Development Base Funding	50	
Human Resources for Future Operations	980	9
<b>2023 One-Time Funding</b>	<b>210</b>	
Corporate Branding initiative	140	
Service Delivery Framework Development	50	
Reduction to Capital for 2023	20	
<b>Total 2022 Pressures</b>	<b>2,410</b>	<b>9</b>
<b>Total 2022 Net Operating Base</b>	<b>59,076</b>	<b>481.96</b>

### Proposed 2023 Draft Capital Budget

OPL's capital budget is comprised of OPL-funded capital projects as well as City-funded lifecycle and accessibility projects. In 2023, staff recommend that \$2.35M be allocated to capital initiatives from OPL's funding envelope, with a further \$2.535M allocated from the City, for a total 2023 capital program of \$4.885M.

OPL's Capital requirements fall into one of four categories: 1) renewal of assets, 2) strategic initiatives, 3) growth, and 4) lifecycle and accessibility programs. In 2023 investment in renewal of City assets is the primary focus while maintaining the planning of growth initiatives and investigating new facility opportunities.

#### 1) Renewal of (City) Assets

The renewal of assets is funded through the OPL capital envelope to repair, replace, or upgrade existing capital assets.

- **Facilities and Branch Improvements: (\$700K);**  
 This funding will be utilized to re-configure internal spaces at library facilities to address operational needs, including improved customer flow,

wayfinding, and sightlines. The funding will also support requirements to update customer service points, to improve internal and external aesthetics, and to improve functional properties of library service operations.

- **Technology Lifecycle: (\$200K);**  
RFID technology was first deployed at OPL in 2012 and was completed in 2017. In 2023, original equipment will continue to reach lifecycle replacement thresholds. This funding is required to replace RFID checkout units which will have upgraded software, designed to enhance the customer experience.

## 2) Strategic Initiatives

- **Technology – Community Access: (\$250K);**  
This funding will be used to implement a pilot project related to the use of technology to allow for increased community access to the Metcalfe village branch. The technology is a comprehensive system that can be utilized in a flexible way to make libraries or specific sections of libraries available for community activities, on a self-serve basis, after regular hours of opening.

## 3) Growth

- **Riverside South Library: (\$1.2M)**  
The 2016 Library Facilities Investment and Growth Planning Study identified a new facility at approximately 15,000 square foot to serve the Riverside South area. This branch is to be co-located with a community center on City-owned land in the Riverside South community core as defined by the Riverside South Community Design Plan. In addition to previously approved authorities of \$11.5M, in 2022 the OPL Board reaffirmed its commitment to the Riverside South project recognizing the requirement to invest an additional \$1.2M in capital funding in 2023 to reflect updated costs. \$970K of this funding will come from Development Charges (DC) and \$230K from library capital. This will account for a share of increased construction costs for this OPL growth project.

- **Barrhaven New Branch Construction: (\$5M)**

The 2016 Library Facilities Investment and Growth Planning Study identified the need for an additional 10,000 square foot branch in the Barrhaven area. In 2022, the OPL Board approved establishing a library branch to serve the growing Barrhaven community, in conjunction with City's Recreation and Culture team. The new library branch is estimated to be 30,000 square feet, with funding contributions from upper levels of government. The funding for this request is \$4.050M from DC's and \$950K from library capital.

#### **4) Lifecycle and Accessibility Programs (City)**

Lifecycle Programs are funded through City budgets. Lifecycle projects are included in the OPL budget book to provide more detail on the projects that are scheduled for completion in the coming year. Although the planned monetary allocations for projects in this category are included in the OPL total capital program (Document 2), source funding does not come from OPL directly.

- **OPL Lifecycle Program (\$2.225M):**

City funding is provided on an annual basis for facility-related asset management. Although the City provides the funding for this work, funds are identified in OPL's budget to represent a total Capital requirement. In 2023, there are large-scale infrastructure projects planned for the Nepean Centrepointe, Carlingwood, and Rideau branches.

- **Accessibility – Library (\$310K):**

The Accessibility program provides for the removal of barriers to existing buildings based on ongoing condition assessments. The detailed scope of work for specific projects may extend to a wide assortment of planned or un-planned / emergency work, such as: installation of ramps, elevators, power door operators, signage, handrails, removal of barriers in exterior and interior paths of travels, and remedial work in washrooms, change rooms, and kitchens.

**Table 3 – 2023 Draft Capital Budget**

*Table 3 categorizes and summarizes the capital requests in the OPL Draft 2023 budget.*

<b>Table 3 - 2023 Draft Capital Budget (\$,000)</b>	<b>OPL</b>	<b>Other Funding</b>
<b>Renewal of City Assets</b>	<b>900</b>	
Facilities and Branch Improvements	700	
Technology Lifecycle 2023	200	
<b>Strategic Initiatives</b>	<b>250</b>	
Technology – Community Access	250	
<b>Growth</b>	<b>1,180</b>	<b>5,020</b>
Riverside South Library	230	970
Barrhaven New Branch Construction	950	4,050
<b>Other Funding Sources</b>		<b>2,535</b>
Lifecycle OPL Program - City Allocated		2,225
Accessibility - City Allocated		310
<b>2023 Total Capital by funding source</b>	<b>2,330</b>	<b>7,555</b>
<b>2023 Total Capital Program</b>	<b>9,885</b>	

**Draft Four-Year Capital Forecast**

In keeping with financial planning principles, staff annually forecast funding requirements on multi-year cycles taking into consideration foreseeable internal and external pressures. This budget contains a revised four-year capital forecast, tabled for information, that serves to:

- Provide for longer-term planning and development for facilities, technology, and service delivery requirements;
- Estimate timelines to support the OPL Board’s facilities priorities and new facilities in response to growth, as identified in the 2016 LFIGPS, until such time as a Facilities Master Plan is adopted; and,
- Allow for funds to be invested in various lines of business based on the changing environment in which library services are delivered.

The four-year capital forecast is for planning purposes only, and the capital budget is subject to annual budget directions and approval by the Board and Council.

**Table 4 – Draft Four-Year Capital Forecast (2023-2026)**

*Table 4 summarizes forecasted capital expenditures from 2023 to 2026.*

<b>Draft Four-Year Capital Forecast (2023-2026) (\$,000)</b>					
<b>Capital Initiatives</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>Total</b>
<b>Renewal of City Assets</b>					
Technology Lifecycle-2021	200	525	450	300	1,475
Facilities and Branch Improvements	700		220	750	1,670
Vehicle Replacement (Materials Delivery)				110	110
Vehicle Replacement (Alternative Services)				1000	1,000
<b>Total Renewal of City Assets</b>	<b>900</b>	<b>525</b>	<b>670</b>	<b>2,160</b>	<b>4,255</b>
<b>Strategic Initiatives</b>					
Creation Strategy (OPL-LAC JF)		450		500	950
Branding Implementation - Signage		250			250
Technology - Community Access	250				
<b>Total Strategic Initiatives</b>	<b>250</b>	<b>700</b>	<b>-</b>	<b>500</b>	<b>1,200</b>
<b>Growth - OPL Funding</b>					
Library Materials (Content Services)			-	-	0
Riverside South Library - DC	230				230
Barrhaven New Branch Construction	950	285			1,235
<b>Total Growth - OPL Funding</b>	<b>1,180</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>1,465</b>
<b>Total OPL Capital Pay-As-You-Go</b>	<b>2,330</b>	<b>1,510</b>	<b>670</b>	<b>2,660</b>	<b>6,920</b>
<b>Growth - DC Funding</b>					
Library Materials (Content Services)			2,000	2,000	4,000
Riverside South Library - DC	970				970
Barrhaven New Branch Construction	4050	1,215			5,265
<b>Total Growth - DC Funding</b>	<b>5,020</b>	<b>1,215</b>	<b>2,000</b>	<b>2,000</b>	<b>10,235</b>
<b>Total Growth</b>	<b>6,200</b>	<b>1,500</b>	<b>2,000</b>	<b>2,000</b>	<b>11,700</b>
<b>Total Capital Requirement</b>	<b>7,350</b>	<b>2,725</b>	<b>2,670</b>	<b>4,660</b>	<b>17,155</b>

### User Fees

OPL collects user fees on various items including lost items, abandoned holds (items requested but not picked up), meeting room rentals, the sale of goods and consumable materials (e.g. materials in the IMAGINE space), and membership fees for library clients residing outside of the City of Ottawa municipal boundaries. Fees are in keeping with the client experience and market conditions. In fairness to City of Ottawa residents and in accordance with OPL's charitable organization classification, it is incumbent upon

OPL to levy user fees that are based on a cost recovery model so as not to profit from goods and services consumed by library users.

In 2022, staff reviewed all user fees which resulted in the following recommended changes for 2023:

- A review of commercial meeting room rental rates resulted in a proposed increase of two percent, a fraction of the actual consumer-price index and the rate of inflation but in line with the increase in the tax-levy. This is the same increase rate that will be implemented by other City departments for their services.
- Other changes to the user fee schedule include the addition of new, and removal of discontinued, consumable materials in the Imagine Space **as well as an adjustment to express collection museum, ski, and park pass replacement costs.**

The complete 2023 User Fee Schedule can be found in Document 2.

### **Status and Impact on Reserve Accounts**

Each fiscal year the Board is updated on the status of the Library Reserve account during the annual budget process, as part of the year-end financial reporting, and at the end of the second quarter. At tabling of this report, the estimated impact of the 2022 fiscal year upon the Library Reserve account is \$4.4M. The estimated balance of the reserve after applying this impact and 2023 draft budget items is \$10.665M as summarized in Table 5. The reserve calculation below is an estimate and does not account for any withdrawals as may be necessary to address outstanding, unplanned, or unforeseen expenses. The allocation of any surplus to the Library Reserves is subject to annual approval of transfer by City Council, typically occurring in Q2 of each year.

**Table 5 – Library Reserve Status and Impact**

*Table 5 indicates the current status of, and estimated impacts on, the Library reserve.*

<b>Library Reserve Fund</b>	<b>\$,000</b>
Reserve Balance (December 1, 2022)	6265
Forecasted 2022 Operating (Deficit)/Surplus	4644
Approximated Reserve Balance – Jan 2023	10909

In addition to the Library Reserve, the revenues collected through the implementation of the City of Ottawa Development Charges By-Law are also held in a reserve account. This account is specific to fees collected for Library growth and sits in reserve until drawn to fund specific growth projects as listed in Library’s DC projects list. The 2023 Draft Budget impact on the Library Development Charges Reserve is summarized in Table 6.

**Table 6 – Development Charges Library Specific Reserve Fund**

*Table 6 indicates the current status of, and estimated impacts on, the Library Development Charges reserve.*

<b>Table 6 - Library Development Charges Reserve Fund</b>	<b>\$,000</b>
DC Reserve Balance (December 1, 2022)	4337
Proposed 2023 Project funding - Riverside South	970
DC Reserve Available Balance (March 31, 2023)	3367

**Summary**

The OPL 2023 Draft Operating and Capital Budget is within the funding range as directed by Council, supports the OPL Board Strategic Plan by enhancing services, and increases the accessibility of Library services to all citizens of Ottawa. The budget also:

- Fulfills OPL’s mandatory requirements and maintains current operations;
- Provides funding for initiatives to improve services, pilot new technologies, and promote services in order to increase cardholders;



- Builds on Board's desire to see increased focus on community development;
- Responds to immediate human capital needs, and positions the organization for future human resource requirements;
- Fulfills maintenance obligations for Library assets, and provides funding for facilities growth initiatives;
- Revises user fees in a manner that is equitable and fair to taxpayers and in accordance with cost recovery principles.

Once tabled with the Board, staff will forward the 2023 Draft Operating and Capital Budget estimates to Council for tabling and public consultation.

## **CONSULTATION**

There was no public consultation during the development of this report, independently of any consultation conducted for specific initiatives as may have been provided to the Board via other reports leading up to this budget.

Consultation was performed with City of Ottawa Finance Services and Corporate Finance Services including the Planning and Budget Branch, and the Financial Services Branch. Other City departments such as Infrastructure Services and Planning were consulted as required for various projects and initiatives related to growth and facilities planning. In addition, as part of the City process, members of Council have had the opportunity to seek public input prior to budget tabling through Councillor-led engagement sessions or other means as determined by the individual Councillor.

Public consultation will be available via the regularly scheduled monthly Board meeting on February 23, 2023, as well as through OPL's regular print and electronic feedback channels. Following the tabling of the budget, all public feedback will be shared with the Board prior to the February 23 meeting, in order to aid in deliberations and decisions.

## **ACCESSIBILITY IMPACTS**

Accessibility to Library services will be increased if the recommendations of this report are approved. Accessibility barriers will be reduced as a result of the adoption of community development and outreach, as well as via accessibility lifecycle activities.

## **BOARD PRIORITIES**

The Board is fulfilling its fiduciary responsibilities as defined in the *Ontario Public Libraries Act*. Additionally, the recommendations in this report align with the Board's 2020 – 2023 Strategic Plan, specifically the:

- Strategic Statement to increase cardholders; and,
- Strategic Direction to build organizational capacity.

This report also fulfills Board-approved directions given in previous 2022 Board reports.

## **BUSINESS ANALYSIS IMPLICATIONS**

There are no business analysis considerations associated with this report.

## **FINANCIAL IMPLICATIONS**

The financial implications are as noted throughout the report.

## **LEGAL IMPLICATIONS**

There are no legal implications of the recommendations in this report.

## **RISK MANAGEMENT IMPLICATIONS**

The risks inherent in adopting requests in this report would have an adverse impact on the following:

- Funding for the further development of Library Services in Riverside South and Barrhaven areas responds to growth within the city and capitalizes on available DC funding collected within the regulations of the *DC Act*. The use of DC funding, to the extent that it can be afforded, is advisable in shifting financial burden away from tax-based funding.

- An investment for the provision of additional staff to plan for service provision at future locations, as well as to support the ability to deliver those services. Starting the process to address staff capacity in 2023 reduces operational and financial risk to the organization in future years and allows for the immediate use of additional resources to benefit planning for all OPL's service lines and three new facilities.
- Continued funding for the renewal of Library assets is necessary to maintain existing library services. Small scale facility and technology upgrades and lifecycle replacements ensure quality customer service and help to reduce the risk of closures or other interruptions in service.
- Revised user fees ensure that a cost recovery approach to fees remains accurate and consistent and that resident and non-resident fees for Library services are comparatively fair and reflective of current tax rate contributions to Library services by taxpayers in the City of Ottawa.

## **TECHNOLOGY IMPLICATIONS**

Technology implications are as identified in this report. The upgrade of technology assets such as the AMH and self-check unit replacements will become possible upon the approval of the recommendations of this report.

## **SUPPORTING DOCUMENTATION**

Document 1 – Ottawa Public Library: 2023 Draft Budget Estimates, Transmittal Report

Document 2 – OPL 2023 Draft Operating and Capital Budget Book

## **DISPOSITION**

Staff will forward the Draft 2023 Operating and Capital Budget, to Ottawa City Council for tabling at its meeting of February 1, 2023.

Upon OPL Board approval on February 23, 2023, budget estimates for Ottawa Public Library will be forwarded to Ottawa City Council for consideration and final approval by Committee of the Whole on March 1, 2023.