



# 11.1

**Report to / Rapport au:**

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

**November 7, 2023 / 7 novembre 2023**

**Submitted by / Soumis par:**

**Sonia Bebbington, Chief Librarian and Chief Executive Officer / Bibliothécaire en chef et Directrice générale**

*Contact Person / Personne ressource:*

*Anna Basile, Division Manager, Corporate Services / Directrice, Services organisationnels*

*(613) 580-2424 x32335, [Anna.Basile@BiblioOttawaLibrary.ca](mailto:Anna.Basile@BiblioOttawaLibrary.ca)*

**File Number: OPLB-2023-1107-11.1**

**SUBJECT: 2024 Draft Operating and Capital Budget Estimates and Four-Year Capital Forecast**

**OBJET: Prévisions des budgets provisoires de fonctionnement et d'immobilisation de 2024, y inclus les prévisions d'immobilisations sur quatre ans**

## **REPORT RECOMMENDATIONS**

**That, at its meeting of November 7, 2023, the Ottawa Public Library Board:**

- 1. Receive and table the 2024 Draft Budget for Ottawa Public Library, and the four-year capital forecast; and,**
- 2. Direct staff to forward the 2024 Draft Budget for Ottawa Public Library to Ottawa City Council on November 8, 2023 as part of Ottawa City Council's tabling of the City of Ottawa 2024 Draft Operating and Capital budget; and,**

**That, at its meeting of December 5, 2023, the Ottawa Public Library Board:**

- 1. Approve the 2024 Draft Budget for Ottawa Public Library; and,**
- 2. Upon the Ottawa Public Library Board's approval of the 2024 Draft Budget, direct staff to forward the report to Ottawa City Council, for consideration on December 6, 2023 as part of the City Council's approval of the City of Ottawa 2024 Draft Operating and Capital budget.**

## **RECOMMANDATIONS DU RAPPORT**

**Que, lors de sa réunion du 7 novembre 2023, le Conseil d'administration (C.A.):**

- 1. Examine et dépose le budget provisoire 2024 de la Bibliothèque publique d'Ottawa et une prévision budgétaire triennale d'immobilisations;**
- 2. Charge le personnel de transmettre le budget provisoire 2024 de la Bibliothèque publique d'Ottawa au Conseil municipal d'Ottawa à sa réunion du 8 novembre 2023, au moment du dépôt du budget provisoire de fonctionnement et d'immobilisations 2024 de la Ville d'Ottawa;**

**Que, lors de sa réunion du 5 décembre 2023, le C.A. :**

- 1. Approuve le budget provisoire 2024 de la Bibliothèque publique d'Ottawa;**
- 2. Après approbation par le C.A. du budget provisoire 2024 de la Bibliothèque publique d'Ottawa, charge le personnel de transmettre le rapport au Conseil municipal d'Ottawa, aux fins d'examen le 6 décembre 2023, au moment de l'approbation par le Conseil municipal du budget provisoire de fonctionnement et d'immobilisations 2024 de la Ville d'Ottawa.**

## **BACKGROUND**

In keeping with the *Public Libraries Act, RSO 1990, c.P.44* (the *PLA*), and other relevant statutes, laws, and good governance practices, the Ottawa Public Library (OPL) Board (the Board) holds accountability for the full range of decisions affecting the organization. Furthermore, as per the Act Section 24, the Board is required to submit annually, on or before the date and in the form specified by Ottawa City Council (Council), budget estimates. The Board receives and approves the budget and recommends the budget to Council, which grants final budget approval.

Annual budget deliberations include funding decisions that 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 September 13, 2023, Council approved budget directions and timelines to guide City of Ottawa (City) departments, local boards, and commissions in the development of the 2024 budget. In 2024, 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 from City-wide tax levies at 2.5 percent of current taxation for 2024, and Council requested that the Board develop the draft budget within this allocation. As a result, the OPL share of these revenues for 2024 is \$2.37M. This brings the total 2024 budget envelope to a potential maximum of \$61.115M. This includes funding for both operating and capital activities.

The purpose of this report is to table the 2024 draft budget with the Board in line with the City Council approved directions, for deliberation and final consideration at the December 5, 2023 meeting.

## DISCUSSION

In Ontario, all public libraries are required to provide “a comprehensive and efficient public library service...that reflects the community’s unique needs.” Specifically, public libraries are required under the *PLA* to provide residents of the intended community with access to borrowing materials and information services free of charge.

A recent report by the Canadian Urban Institute highlighted the need to invest in public libraries stating that “Libraries are essential to Canada’s value proposition of an inclusive and prosperous country. They are the heart of every community, open to everyone, providing connections and experiences essential to our economic opportunities, equity, and democracy. They are essential to social cohesion and the healthy functioning of modern life.”<sup>1</sup> The report explains how investment in public libraries is critical to Canada’s post-pandemic recovery, competitiveness, and resilience.

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<sup>1</sup> Canadian Urban Institute (CUI). “Overdue: The Case for Canada’s Public Libraries.” [https://canurb.org/wp-content/uploads/CUI\\_Overdue\\_report\\_10.04.23.pdf](https://canurb.org/wp-content/uploads/CUI_Overdue_report_10.04.23.pdf)

Ottawa Public Library recognizes the responsibility and honour of fulfilling this role for residents of Ottawa, and is committed to building community and transforming lives. This is done every day as employees live out the OPL mission to inspire learning, spark curiosity, and connect people. Serving a national capital city of more than one million residents, OPL is the largest bilingual (English/French) public library system in North America offering access to information and services through 33 physical branches, a robust virtual channel (BiblioOttawaLibrary.ca) as well as three bookmobiles (two full-sized and one mini), a home delivery service for clients unable to visit in person, and a vending machine-style lending library service at one location. OPL is the second largest public library system in Ontario, Canada's most populous province.

OPL's Service Delivery Framework includes three service channels: Virtual, Facility, and Mobile, through which OPL delivers five categories of service: Collections, Expertise, Programs, Spaces, and Tools. The Collections and Expertise categories are foundational services mandated by the *PLA*. In decision-making, these are the two services that OPL is committed to continuing under any and all circumstances. The remaining three categories (Programs, Spaces, and Tools) reflect modern service expectations of public libraries and have been identified as priority services that OPL will offer to the community. It is within this structure that OPL plans its operations and identifies the funding required to sustain and grow service provision.

The development of the 2024 draft budget is the result of a process through which financial requirements and corporate initiatives are considered in a cohesive corporate planning process. Building on the work initiated in the 2023 budget, the OPL 2024 Draft Budget is reflective of a period of continued preparation for future growth. The draft budget supports next steps emanating from the approval of frameworks identifying core facility and service guidelines and pathways into the future; it supports the 2023-2028 OPL Strategic Directions and Priorities, and aligns with the 2023 – 2026 Term of Council priorities at the City, while also addressing mandatory operating pressures that will help ensure that library services remain a part of the ecosystem of learning and literacy for the citizens of Ottawa.

OPL's Central branch at Ādisōke is the largest project ever undertaken by OPL. Building construction is well underway and is continuing its progression toward completion and an opening date in 2026. In addition to standard library services being planned to meet the needs of the local community, the Central branch at Ādisōke will serve all residents of Ottawa and be a destination for visitors to the nation's capital. OPL's plans for this

facility include an expanded suite of services including new creative spaces, exhibitions, in-residence programming, retail spaces, and shared spaces where OPL and Library and Archives Canada (LAC) will collaborate. In recognition of the increased size of the facility as compared with the existing Main branch, there will also be a requirement for additional human resources for the provision of traditional library services. As Ādisōke operational readiness is further developed, expanded core/traditional and new/emerging services will require additional human resources.

Staff have built a solid financial plan that seeks to secure funding for new positions incrementally over four years (as initiated in 2023, and recommended for 2024, 2025, and 2026). The draft 2024 budget builds on the 2023 plan and proposes new positions for current requirements as well as sets aside incremental funding for positions for future operational roles for the Central branch at Ādisōke. This approach supports operational readiness for the new facilities in line with anticipated budget directions and demonstrates prudent fiscal management of taxpayer funds.

In this spirit, the capital allocations are recommended to be directed to existing approved projects, including funding for facility and technology lifecycle. Growth within the OPL system, in its current context, is primarily derived from the expansion of physical spaces with guidance from the Facilities Framework. In 2024, funding is requested to further advance the Barrhaven facility project, in conjunction with the City of Ottawa.

As in the past, OPL continues to identify and implement efficiencies that help to support expanded library services and complementary services, without the need for increased funding. For example, historical projects funded through internal efficiencies include the Materials Recovery Model (2021), which removed all late fees and related barriers to service at a cost of \$1.1M, and Radio Frequency Identification (RFID) technology, the system through which all circulating items are tracked and lending of materials to clients is managed, at a cost of more than \$8M. In addition, 2024 will be the third consecutive year in which pressures related to licensing and maintenance for technology-related software, networks, and equipment have been absorbed within existing budgets. Finally, internal restructuring has allowed for increased service provision in a variety of areas including new positions in the newly created Client Experience and Community Development team to support Community Development specifically.

**Proposed 2024 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.

The following priorities were considered by staff when developing the 2024 draft budget and align with the guidelines provided in the Financial Framework:

- Requirements to address mandatory, contractual, and legislated increases;
- Requirements to address non-discretionary costs associated with maintaining existing services;
- Asset maintenance;
- Previously approved projects related to facilities;
- Initiatives that support the strategic plan.

OPL has been allocated a maximum increase of \$2.370M in 2024 to respond to both operating and capital pressures. Table 1 below provides details on the recommended allocation to operating and capital elements based on actual pressures, in alignment with the 2024 budget direction from Council. The table also provides details on the increase relative to the final approved 2023 budget (current budget).

**Table 1 – 2024 Draft Budget compared to 2023**

*Table 1 summarizes and compares the base amounts and adjustments recommended between the 2024 and 2023 budgets.*

<b>OPL's 2024 proposed draft budget compared to 2023 is summarized in Table 1:</b>					
<b>2024 OPL Draft Budget</b>	<b>2023</b>	<b>2023 Adj. to Base</b>	<b>2024 Adj. to Base</b>	<b>2024</b>	<b>Net Changes</b>
<b>Operating Expenditures</b>	58,16	-190	3,330	61,305	3,140
<b>Capital Budget</b>	2,330	-770	0	1,560	-770
<b>Planned Revenue</b>	-1,75	0	0	-1,750	0
<b>Total Net Budget Requirement</b>	<b>58,74</b>	<b>-960</b>	<b>3,330</b>	<b>61,115</b>	<b>2,370</b>
<b>Full Time Equivalent (FTE)</b>	481.96		8	489.96	8

<b>Lifecycle OPL Program – City Allocated</b>	2,225			2,000	-225
<b>Accessibility - Facilities - City Allocated</b>	310			505	195
<b>Total 2024 Budget Including City Allocations</b>	<b>61,28</b>			<b>63,620</b>	<b>2,340</b>

If approved, the following initiatives would be supported within the \$2.370M increase. In all cases, costs identified in brackets in the text of this report refer to 2024 pressures and will appear in the corresponding operational and capital tables.

Each year, the first financial transactions required for budgetary and accounting 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 **\$-210K** required for the 2024 draft budget is available in Table 2. The balance of 2024 operational pressures are also itemized in Table 2 and detailed below.

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

- **Compensation Adjustments - OPL Employees: (\$1150K):**  
 An increase to compensation budgets is required to adjust for actual and potential 2024 cost of living, increments, and benefit adjustments.
- **Facility Operations Services (FOS): (\$220K):**  
 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 for FOS staff and increased material and service costs.

**Strategic Plans:**

- **Sunday Hours Incremental Funding Adjustment: (\$90K)**  
 In 2021, the OPL Board approved the expansion of Sunday hours at existing locations throughout the city in report OPLB-2021-0902. In that report the cost to move to full-day Sundays was estimated at \$600K. This additional funding represents the incremental cost to provide full-day services and programming at

10 branches and InfoService on Sundays based on a review of incurred costs following the first year of implementation.

- **Security Services: (\$150K)**

Security services at the Main branch have been contracted to a third party since amalgamation, and at Rideau branch since 2019. Security personnel use an empathy-driven, community focused approach that requires an elevated level of training and a more diverse skill set for security services. Security personnel are an integral part of providing a welcoming and supportive environment for both clients and employees, which allows employees to focus on delivering the library services that the community expects of them, and that employees were hired to deliver. In June 2023, the Board received report (OPLB-2023-0613) regarding safety and security services at OPL. In the report, staff committed to exploring the expansion of security to other branches. This funding will see the addition of mobile security personnel to provide services to up to four (4) additional branches, as well as estimated inflationary costs for security personnel at existing locations.

- **Human Resources for Central branch operations: (\$870K, 8 FTE)**

Staff are requesting eight (8) new FTE positions be added permanently to the staffing complement. Of these, six (6) are proposed to be used in a permanent capacity starting 2024, and two (2) in a temporary capacity until such time as they are required for branch operations at the Central branch at Ādisōke. The FTE breakdown is as follows:

- **Exhibition Program (1 FTE)** – A unique feature of the Central branch at Ādisōke will be the addition of an exhibition space designed to enrich the visitor experience in the new building, contribute to OPL's desire to build meaningful and lasting community relations, and support the central idea of Ādisōke as a place of storytelling. The exhibition program will be managed by a program head responsible for program planning, project management, and exhibition curation.
- **In-Residence Programs (1 FTE)** – A new program that will be offered at Ādisōke will be in-residence programs, where local experts and leaders provide programming, services, and mentorship on a variety of topics (e.g., a Writer In-Residence, an Indigenous Elder In-Residence, or Artist In-

Residence). This position will be responsible for planning and coordinating the in-residence programs, including building lasting relationships with the various residency holders.

- **Retail Manager (1 FTE)** – Ādisōke will feature a number of retail spaces, including food services (catering kitchen, café, and restaurant) and a gift shop. The Retail Manager will be responsible for the facilitation and coordination of all retail operations at Ādisōke.
  - **Librarian, Program Development (2 FTE) and Coordinator, Program Development (1 FTE)** – The types of programs and events that will be held at the Central branch at Ādisōke need to be high-caliber, aligned with increasing public expectations and standards. As programming expands in preparation for the opening of this new facility, OPL requires a new Coordinator and two new Librarian positions to ensure the system-wide delivery of programs and activities that align with those planned for delivery at the Central branch.
  - **Security Advisor (1 FTE)** – OPL requires a dedicated position to oversee security operations at both the Central branch and across the entire OPL system. Organizationally, this temporary position will be assigned to the City's Corporate Security Branch, who will lead the development of all security-related protocols for the new facility starting in 2024, as well as across the entire OPL system. This position will be permanently funded starting in 2025 as part of the City's overall new FTE requirement for the Central branch; this OPL FTE will then be reutilized towards OPL's overall new FTE requirements for the Central branch.
  - **Other Service Areas - Peer Support Network (1 FTE)** – The June 2023 Board report (OPLB-2023-0613) regarding safety and security highlighted the need for expanded employee support services. This position will be used to coordinate an internal Peer Support Network, as part of a pilot project. Staff will report back on the outcome of the pilot and advise if the position should continue in a permanent capacity.
- **Transfer to Library Reserve for Future Human Resource Requirements - \$850K**

Funding of \$850K is recommended to be transferred to the Library Reserve for future operations. Recognizing the need to secure positions in advance of new facility opening while ensuring OPL remains fiscally responsible and operates within the financial guidelines of the City, staff are securing funds for new positions incrementally over four years (as previously requested in 2023, and future requests in 2024, 2025, and 2026). The City of Ottawa By-Law No. 219-205 establishes the Library Reserve Fund and governs the use of the Library Reserve to assist the Board in long-term planning and resource requirements. The By-Law is explicit that increases to the Reserve can be made using contributions from the library operating budget (item 4a) and that expenditures for purposes beyond those explicitly identified in the By-Law can be made upon the recommendation of the Board and with Council approval. OPL staff are recommending that, in order to adequately support Board-approved expansion, a portion of the 2024 budget envelope be moved to the Library Reserve representing incremental funding for future operational positions at the Central Branch at Ādisōke. This approach supports operational readiness for the new facilities in line with anticipated budget directions and demonstrates prudent fiscal management of taxpayer funds.

**2024 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.

- **One-Time Capital Budget Decrease from base Capital: (\$-750K):**  
 The one-time decrease of funding for capital projects in 2024 provides affordability for the operational pressures noted above, and given current priorities is reflective of organizational capacity to deliver results.

**Table 2 – 2024 Draft Operating Budget**

*Table 2 summarizes the operational pressures for the draft 2024 OPL budget.*

<b>Table 2 – 2024 Draft Operating Budget</b>	<b>\$,000</b>	<b>Full Time Equiv.</b>
<b>2023 Net Operating and Capital Budget</b>	<b>58,745</b>	<b>473</b>

<b>Description:</b>		
<b>One-Time Reversals</b>	<b>-210</b>	
2023 Capital PAYG Reduction	-20	
Corporate Branding Initiative	-140	
Professional Services - Service Delivery Framework	-50	
<b>Mandatory, Legislated, and Contractual requirements</b>	<b>1,370</b>	
Compensation Adjustments - Cost of Living	1,150	
Facilities Operations	220	
<b>Strategic Plans</b>	<b>1,960</b>	
Sunday Hours	90	
Security Services	150	
Human Resources for Central branch operations	870	8
Transfer to Library Reserve for Future Human Resource Requirements	850	
<b>2024 One-Time Funding</b>	<b>-750</b>	
2024 Decrease to Capital Program	-750	
<b>Total 2024 Pressures</b>	<b>2,370</b>	<b>8</b>
<b>Total 2024 Net Operating Base</b>	<b>61,115</b>	<b>481</b>

### Proposed 2024 Draft Capital Budget

OPL's capital budget is comprised of OPL-funded capital projects as well as City-funded lifecycle and accessibility projects. In 2024, staff recommend that \$1.560M be allocated to capital initiatives from OPL's capital funding envelope, \$1.215M be allocated from Development Charges, and a further \$2.505M allocated from the City, for a total 2024 capital program of \$5.280M.

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 2024 funding for Renewal of City Assets is the largest capital investment.

#### 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: (\$450K)**

This funding will be utilized to re-configure internal spaces at library facilities to address operational needs, including improved client flow, wayfinding, and sightlines. The funding will also support requirements to update client service points, to improve internal and external aesthetics, and to improve functional properties of library service operations.

- **Technology Lifecycle: (\$525K)**

RFID technology was first deployed at OPL in 2012 with implementation completed in 2017. In 2024, equipment originally installed at the beginning of the technology changeover will begin to reach its lifecycle replacement threshold. This funding is required to replace RFID checkout units which will have upgraded software, designed to enhance the client experience and to replace outdated operating systems and client interfaces.

- **Library Materials Transit Bins: (\$300K)**

Transit bins are standardized equipment required for facilitating the movement of materials through the Library's 34 locations in an ergonomic and efficient manner. The bins are interoperable with OPL's RFID collection and sorting systems. In order to maintain the productivity levels of Automated Materials Handling (AMH) and to support staff at branches as well as the materials sorting production floor, funding will be used to replace up to 50 transit bins that have reached the end of their serviceable lifecycle.

## 2. Strategic Initiatives

Strategic initiatives are projects undertaken to enhance, expand, or introduce new client services, or to achieve advancement in technology, or to create efficiencies that benefit the organization or further the progress toward achieving a strategic goal. In 2024, there are no capital requests categorized as strategic initiatives given current priorities are reflective of augmenting organizational capacity to deliver results.

## 3. Growth

In alignment with the overall principle that "growth pays for growth," OPL's growth projects are primarily funded through the use of Development Charges (DCs). In 2022, the Province of Ontario updated Development Charge legislation through the

More Homes Built Faster Act. The Act eliminated the 10% contribution generally applied to the capital costs of soft services (e.g., libraries) as well as the introduction of other discounts and rate adjustments over the next five-year period. The City of Ottawa By-Law has not been updated to reflect this amendment (will be completed in 2024). Until such time, OPL must continue to contribute in order to access available DCs.

- **New Barrhaven Branch Construction: (\$1.5M)**

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 the City 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 \$1.215M from DCs and \$285K 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: (\$2.0M)**

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 2024, there are large-scale infrastructure projects planned for the Alta Vista, Carlingwood, Nepean CentrepoinTE, and Rideau branches.

- **Accessibility – Library: (\$505K)**

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 and kitchens.

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**Table 3 – 2024 Draft Capital Budget**

*Table 3 categorizes and summarizes the capital requests in the OPL Draft 2024 budget.*

<b>Table 3 - 2024 Draft Capital Budget (\$,000)</b>	<b>OPL</b>	<b>Other Funding</b>
<b>Renewal of City Assets</b>	<b>1,275</b>	
Facilities and Branch Improvements 2024	450	
Technology Lifecycle 2024	525	
Materials Transit Bins 2024	300	
<b>Strategic Initiatives</b>	<b>0</b>	
	0	
<b>Growth</b>	<b>285</b>	<b>1,215</b>
Barrhaven Library - DC	285	1,215
<b>Other Funding Sources</b>		<b>2,505</b>
Lifecycle OPL Program - City Allocated		2,000
Accessibility - City Allocated		505
<b>2024 Total Capital by funding source</b>	<b>1,560</b>	<b>3,720</b>
<b>2024 Total Capital Program</b>	<b>5,280</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. 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. 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 Library Facilities Investment and Growth Planning Study and 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.

**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 (2024-2027) (\$,000)</b>					
<b>Capital Initiatives</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
<b>Renewal of City Assets</b>					
Technology Lifecycle-2021	525	450	300	375	1,650
Facilities and Branch Improvements	450	220	750	500	1,920
Vehicle Replacement (Materials Delivery)			150		150
Vehicle Replacement (Alternative Services Dept)				1,000	1,000
Library Materials Transit Bins	300	300			600
<b>Total Renewal of City Assets</b>	<b>1,275</b>	<b>970</b>	<b>1,200</b>	<b>1,875</b>	<b>5,320</b>
<b>Strategic Initiatives</b>					
Creation Strategy (OPL-LAC JF)		500			500
Branding Implementation – Signage		250			250
<b>Total Strategic Initiatives</b>	<b>-</b>	<b>750</b>	<b>-</b>	<b>-</b>	<b>750</b>
<b>Growth - OPL Funding</b>					
Barrhaven New Branch Construction	285				285
<b>Total Growth - OPL Funding</b>	<b>285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285</b>
<b>Total OPL Capital Pay-As-You-Go</b>	<b>1,560</b>	<b>1,720</b>	<b>1,200</b>	<b>1,875</b>	<b>6,355</b>
<b>Growth - DC Funding</b>					
Library Materials (Content Services)		1,500	1,500		3,000
Riverside South Library – DC					0
Barrhaven New Branch Construction	1,215				1,215
<b>Total Growth - DC Funding</b>	<b>1,215</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>4,215</b>
<b>Total Growth</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>4,500</b>
<b>Total Capital Requirement</b>	<b>2,775</b>	<b>3,220</b>	<b>2,700</b>	<b>1,875</b>	<b>10,570</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 boundary. 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 clients.

In 2023, staff reviewed all user fees which resulted in the following recommended changes to be implemented in 2024:

- A review of commercial meeting room rental rates resulted in a proposed increase of 2.5 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 various City departments for their services.
- Other changes to the user fee schedule include the removal of discontinued circulating items and an increase in pricing for consumable materials in the Imagine Space. The increase in the Imagine Space materials fees is in accordance with library policy to adhere to cost recovery pricing.

The complete 2024 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 2023 fiscal year upon the Library Reserve account is \$598K.

The estimated balance of the Reserve after applying capital closures approved in 2023, anticipated 2023 year-end surplus, and 2024 draft budget items is \$6.111M as summarized in Table 5. The reserve calculation 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 and the closing of capital accounts and subsequent transfers to the Library Reserves are 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>Table 5 - Library Reserve Fund</b>	<b>\$,000</b>
Reserve Balance (December 1, 2023)	4,463

Forecasted 2024 Operating (Deficit)/Surplus	598
Capital closures	200
Future Human Resource Requirements Transfer	850
Approximated Reserve Balance – Jan 2024	6,111

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 2024 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 Funds</b>	<b>Balance Sept, 2023</b>	<b>Previous Authorities (Not already expended)</b>	<b>Unencumbered Balance</b>
City Wide DC – Library	<b>11851</b>	-1032	10819
Outside Greenbelt – DC	<b>13743</b>	-12771	972
Legacy Reserves – DC	<b>5522</b>	-244	5278
Inside Greenbelt – DC	<b>2573</b>	-26	2547
Rural	<b>1628</b>	-1578	50
Future Collection	<b>0</b>	-970	-970
<b>Total DC Funding</b>	<b>35317</b>	<b>-16378</b>	<b>18939</b>

**Summary**

The OPL 2024 Draft Budget is within the maximum allowable increase as directed by Council, supports the OPL Board Strategic Plan by enhancing services and increasing

their accessibility to all citizens of Ottawa, is aligned with the City of Ottawa Term of Council Priorities, and demonstrates fiscal prudence. The budget also:

- Fulfills OPL's mandatory requirements, and maintains current operations;
- Fulfills maintenance obligations for Library assets via internal efficiencies;
- Enhances the client experience;
- Provides staff capacity for both current needs and future growth; and,
- 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 2024 Draft Budget estimates to Council for tabling and public consultation.

## **CONSULTATION**

There was no public consultation during the development of this report, independent 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 undertaken with City of Ottawa 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 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 December 5 meeting, in order to aid in deliberations and decisions.

## **ACCESSIBILITY IMPACTS**

Ottawa Public Library supports and considers the *Accessibility for Ontarians with Disabilities Act, (2005)* in its operations. Accessibility to Library services will be increased if the recommendations of this report are approved.

## 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 2023 – 2028 Strategic Plan, specifically the:

- Strategic Direction to build organizational capacity;
- Strategic Direction to redesign the library experience; and,
- Strategic Priority to identify and address barriers to service.

In addition, as an agency of the City of Ottawa, the budget presented in this report is aligned with the City of Ottawa strategic priorities for the 2023-2026 Term of Council, including supporting a city that is “more liveable for all” and “has a diversified and prosperous economy.”<sup>2</sup> The Library's services and partnerships support access to resources for wellbeing and recreation, reduce social isolation, and contribute to poverty reduction by promoting literacy.

## 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 this report, should the recommendations not be adopted, would have an adverse impact on the following:

- Funding for the further development of Library Services in the Barrhaven area responds to growth within the city and capitalizes on available DC funding collected

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<sup>2</sup> City of Ottawa. “Council ratifies its priorities for 2023 to 2026.” <https://ottawa.ca/en/city-hall/city-news/newsroom/council-ratifies-its-priorities-2023-2026>

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 in preparation for service provision at future locations, as well as to support the ability to deliver those services. The proposed funding strategy for future human resource requirements in 2024 reduces operational and financial risk to the organization in future years.
- 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 self-check unit replacements will become possible upon the approval of the recommendations of this report. A proactive life cycle plan helps reduce unexpected downtime, keep software and hardware current as well as forecast yearly budget needs. By comparison, a reactive strategy would require a larger investment as system performance gradually deteriorates and/or parts can no longer be sourced.

## **SUPPORTING DOCUMENTATION**

Document 1 – Ottawa Public Library: 2024 Draft Budget Estimates, Transmittal Report

Document 2 – OPL 2024 Draft Operating and Capital Budget Book

## **DISPOSITION**

Staff will forward the Draft 2024 Operating and Capital Budget, to Ottawa City Council for tabling at its meeting of November 8, 2023.

Upon OPL Board approval on December 5, 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 December 6, 2023.