

Report to / Rapport au:

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

October 13, 2015 / 13 octobre 2015

Submitted by / Soumis par:

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File Number: OPLB-2015-0082

SUBJECT: OPL Budget Process and Timelines 2016

OBJET: Processus et calendrier budgétaires 2016 de la BPO

REPORT RECOMMENDATION

That the Ottawa Public Library Board approve the timetable and the process for developing and approving the 2016 budget and 2-year forecast, as outlined in this report.

RECOMMANDATION DU RAPPORT

Que le Conseil d'administration de la Bibliothèque publique d'Ottawa approuve le calendrier et le processus d'élaboration et d'approbation du budget de 2016, décrit brièvement dans le présent rapport.

BACKGROUND

As per the Public Libraries Act, the Board is required to submit its operating and capital budgets to Ottawa City Council on an annual basis, in the form specified by Council and on or before the date directed by Council.

The City's approved budget process is described in the City's 2015-2018 Council Governance Review report (ACS2014-CMR-CCB-0062). The budget process included a renewed approach to consult the public on the 2016 budget prior to the development and tabling of the draft budget. The Governance Review report also called for the City Treasurer to present a budget directions report to the Finance and Economic Development Committee and Council (FEDCO), prior to the development of the draft budgets. That report was reviewed by FEDCO at its meeting of October 6, 2015.

The FEDCO report provides both the timelines for the City's budget process as well as the library's proposed budget increases for the years 2016, 2017, and 2018.

In order to align the Board's deliberation of the library's draft 2016 budget with meetings of Ottawa City Council, it is recommended that the regular meeting of the Board in December be held December 1st rather than December 8th.

Table 1 summarizes the key dates for approval and consultation regarding the adoption of the 2016 budget.

Table 1 – City/Library Proposed Budget Timelines

#	Key Meetings	Date
1.	Public Consultation <ul style="list-style-type: none"> • Mayor's Electronic Town Hall • Councillor-led public meetings 	June 25 – October 8, 2015
2.	Tabling of OPL's Draft 2016 Budget for Library Board's consideration	November 10, 2015
3.	Tabling of OPL's Draft 2016 Budget at City Council <ul style="list-style-type: none"> • Presentation by Board Chair and CEO 	November 12, 2015
4.	Review and Approval of OPL's 2016 Operating and Capital Budgets <ul style="list-style-type: none"> • Public delegations and consideration of the draft budget 	December 1, 2015 (NEW)
5.	Review and adoption of OPL's 2016 Budget at City Council	December 9, 2015

DISCUSSION

2016 Budget Development and Two-Year Forecast

The adoption of the FEDCO report recommendations directly impacts the funding envelope available to OPL in 2016, 2017, and 2018. In 2016, the library would receive its proportional share of the projected increase in tax revenues, that is, an increase of \$1.041M. See Table 2 for a listing of the tax target envelopes for City Departments, Board and Commissions.

Table 2 – Taxation Targets 2016-2018

	2016	2017	2018
<u>City-Wide Tax Levy</u>			
Tax Increase 1.75%	(20,598)	(21,226)	(21,873)
Assessment Growth 1.3%	(15,371)	(15,750)	(16,010)
	(35,969)	(36,975)	(37,883)
<u>Target Allocation</u>			
Police Services	(7,178)	(7,549)	(7,999)
Public Health	(307)	(363)	(384)
Public Library	(1,041)	(1,231)	(1,305)
Auditor General	(41)	(49)	(52)
	(8,567)	(9,192)	(9,740)
Target Balance for City Services	(27,402)	(27,784)	(28,143)
<u>Transit Tax Levy</u>			
Tax Increase 2.5%	(5,948)	(6,174)	(6,409)
Assessment Growth 1.3%	(3,023)	(3,229)	(3,571)
Transit Target	(8,971)	(9,403)	(9,980)

2016 Budget Development Guiding Principles

Given the proposed funding envelope, management recommends the following guiding principles be used in the development of the 2016 operating draft budget.

- a) Mandatory costs associated with the maintenance of existing library services will be considered first in terms of funding priorities.

- b) The budget will not include any one-time sources of revenue unless they are to fund expenditures that are also of a one-time nature.
- c) The draft budget will be developed in such a way as to align with the Board's strategic priorities, approved earlier this year.
- d) Any adjustments to programs, service standards or user fees will be identified in the draft budget document.

Staff will follow the following parameters in developing the capital budget.

- a) Mandatory costs associated with the maintenance and renewal of existing library assets (e.g. facilities, technology, fleet, etc.) will be considered first in terms of funding priorities.
- b) Strategic initiatives aligned with the Board's strategic priorities will also inform the budget process (e.g. Central Library Project, continued roll-out of RFID technology).
- c) No projects funded by growth (i.e. development charges) will be included for 2016.

CONSULTATION

The Mayor held an electronic town-hall meeting in June. Councillor-led public consultation meetings are being held from September 9 through October 7 at various locations across the city. See the City's website for details on these sessions(<http://ottawa.ca/en/city-hall/budget-and-taxes/budget/have-your-say-2016-budget-consultations>). The input provided from the public during these sessions will be forwarded to the Mayor and staff for consideration.

The library will begin gathering input on the draft budget through the library's website and dedicated email box (BudgetOPLBPO@BiblioOttawaLibrary.ca). Feedback received will be incorporated into the library's draft budget.

LEGAL IMPLICATIONS

The budget process and timelines are in keeping with the “Public Libraries Act”, which states: *A public library board, county library board or county library co-operative board shall submit to the appointing council, annually on or before the date and in the form specified by the council, estimates of all sums required during the year for the purposes of the board. R.S.O. 1990, c. P.44, s. 24 (1).*

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

BOARD PRIORITIES

This report is in keeping with Board Policy 2. Delegation of Authority, article 3: Review and recommend annual Budget Estimates to City Council.

DISPOSITION

Subject to Board approval, staff will develop the draft 2016 operating and capital budget and 2-year forecast for the Board’s consideration in keeping with the direction provided by Ottawa City Council and in line with the Board’s strategic priorities. The draft budget will be tabled for consideration at the regular meeting of the Board in November.