

**Report to / Rapport au:**

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

**November 3, 2021 / 3 novembre 2021**

**Submitted by / Soumis par:**

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**File Number: OPLB-2021-1101**

**SUBJECT: 2022 Draft Operating and Capital Budget Estimates and Four-Year  
Capital Forecast**

**OBJET: Prévisions des budgets provisoires de fonctionnement et  
d'immobilisation de 2022, y inclus les prévisions d'immobilisations  
sur quatre ans**

#### **REPORT RECOMMENDATIONS**

**That, at its meeting of November 2, 2021, the Board:**

- 1. Receive and table the 2022 Draft Budget for Ottawa Public Library and four-year capital forecast; and,**
- 2. Direct staff to forward the 2022 Draft Budget for Ottawa Public Library to Ottawa City Council on November 3, 2021 as part of City Council's tabling of the City of Ottawa 2022 Draft Operating and Capital budget; and,**

**That, at its meeting of November 30, 2021, the Board:**

3. Approve the 2022 Draft Budget for Ottawa Public Library; and,
4. Upon the Ottawa Public Library Board's approval of the 2022 Draft Budget, direct staff to forward the report to Ottawa City Council, for consideration on December 8, 2021 as part of the City Council's approval of the City of Ottawa 2022 Draft Operating and Capital budget.

### RECOMMANDATIONS DU RAPPORT

Que le Conseil d'administration (C.A.) de la Bibliothèque publique d'Ottawa (BPO):Que, lors de sa réunion du 2 novembre 2021, le C.A. :

1. Examine et dépose le budget provisoire 2022 de la Bibliothèque publique d'Ottawa et une prévision budgétaire triennale d'immobilisations;
2. Charge le personnel de transmettre le budget provisoire 2022 de la Bibliothèque publique d'Ottawa au Conseil municipal d'Ottawa à sa réunion du 3 novembre 2021, au moment du dépôt du budget provisoire de fonctionnement et d'immobilisations 2022 de la Ville d'Ottawa;

Que, lors de sa réunion du 30 novembre 2021, le C.A. :

3. Approuve le budget provisoire 2022 de la Bibliothèque publique d'Ottawa;
4. Après approbation par le C.A. du budget provisoire 2022 de la Bibliothèque publique d'Ottawa, charge le personnel de transmettre le rapport au Conseil municipal d'Ottawa, aux fins d'examen le 8 décembre 2021, au moment de l'approbation par le Conseil municipal du budget provisoire de fonctionnement et d'immobilisations 2022 de la Ville d'Ottawa.

### BACKGROUND

As per the *Public Libraries Act*, Ottawa Public Library (OPL) 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 July 21, 2021, Ottawa City Council approved budget directions and timelines to guide City staff, local boards, and commissions in the development of the 2022 budget. In 2022, OPL will receive its budget allocation based on the individual pro-rated share of the tax target and any assessment growth. As the tax bill is comprised of several different levies, and to achieve a three percent increase overall, the city-wide levy increased by two-point-six (2.6) percent. This increase will be applied to OPL's budget as per the process approved by Council on December 5, 2018. This represents an increase of \$2.335M to OPL's funding envelope. As a result, OPL's total 2022 budget envelope is \$56.666M. This includes funding for both operating and capital activities.

Once directions are provided, OPL staff work with City of Ottawa (City) staff in various departments to prepare the draft budget, ensuring alignment as required. The purpose of this report is to table the 2022 draft operating and capital budget with the Board, for deliberation and final consideration at the November 30, 2021 meeting.

## **DISCUSSION**

The development of the 2022 draft budget is the result of a collaborative process through which financial requirements and corporate initiatives are considered in a cohesive corporate planning process. The OPL 2022 Draft Operating and Capital Budget supports the Board-approved strategic plan for 2020-2023, Board policies, the Financial Framework, other approved frameworks, and decisions taken throughout the year, and aligns with the proposed Ottawa City Council strategic plan initiative to create thriving communities across the municipality.

The long-term impacts of the COVID-19 pandemic are subject to changing conditions and as such, the 2022 draft operating and capital budget is focused on further reducing barriers to library services by increasing access, maintaining existing services and

assets, and addressing needs to deliver services – both physically and virtually. 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 and lifecycle replacement requirements;
- Projects identified in the Growth Planning Study, as well as addressing immediate facilities concerns; and,
- Initiatives that support and embody the strategic direction to redesign the library experience through the assessment and removal of barriers to library services.

OPL has been allocated an increase of \$2.335M in the draft 2022 budget to respond to both operating and capital pressures. Table 1 below outlines the recommended changes in operating and capital budgets from 2021 to 2022, in alignment with the 2022 budget direction from Council.

**Table 1 – 2022 Draft Budget Overview**

OPL's 2022 recommended draft budget compared to 2021 is summarized in Table 1:

2021 OPL Draft Budget	2021	2021 Adj. to Base	2022 Adj.	2022	Net Changes
Operating Expenditures	54,677	-700	2,900	56,877	2,200
Capital Budget	1,404	905	-770	1,539	135
Planned Revenue	-1,750	0	0	-1,750	0
<b>Total Net Budget</b>	<b>54,331</b>	<b>205</b>	<b>2,130</b>	<b>56,666</b>	<b>2,335</b>
Full Time Equivalent	463.96		9.00	472.96	9
Lifecycle OPL Prog	2,225			1,821	-404
Accessibility Facilities	60			60	0
<b>Total 2022 Budget Including City Allocations</b>	<b>56,616</b>			<b>58,547</b>	<b>1,931</b>

### **Proposed 2022 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 \$2.335M increase. In all cases, costs identified in brackets in the text of this report refer to 2022 pressures and will appear in the corresponding operational and capital tables.

In 2022 there are no licensing and maintenance costs that will impact the operating budget. Cost effective alternative solutions for web-based and other virtual tools to manage technology and related equipment generated budget efficiencies that offset any increases in licensing and maintenance costs.

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 **\$305K** required for the 2022 draft budget is available in Table 1.

The balance of 2022 operational pressures are also itemized in Table 1 and detailed below.

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

- **Compensation Adjustments - OPL Employees, (\$1.3M):**  
An increase to compensation budgets is required to adjust for potential 2022 cost of living, increments, and benefit adjustments.
- **Facility Operations Services (FOS), (\$45K):**  
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.

#### **Strategic Plans:**

- **Expansion of Sunday Hours, (\$600K, 8 Full-Time Equivalent):**

In September 2021, the Board received and approved report OPLB-2021-0902 Hours of Operation – Next Steps. The report recommended the expansion of public hours on Sundays at ten (10) current branches with Sunday hours of opening and at InfoService, the Library customer service, help, and information line. This initiative will reduce barriers to service by directly responding to customer requests for access to facilities for longer hours on Sundays, align Sunday hours with Saturday hours, and provide library services on Sunday mornings from September through the month of June each year.

- **Service Delivery – National Day of Truth and Reconciliation (NDTR), (\$45K):**

In September 2021, the Board received and approved report OPLB-2021-0903 Public Holidays – National Day for Truth and Reconciliation (NDTR). The document recommended the provision of public services on the NDTR effective September 2022. Providing public library services on this new holiday “is an opportunity to create meaningful discussion about the effects of Residential Schools and the legacy they have left behind. This funding will be utilized to support time plus one-half wages for staff working on this holiday.

- **Virtual Services**

In 2020, observations from the COVID-19 pandemic made apparent the increased popularity of items, services, and programs that are available in an online format. In 2021 funding of \$100K was specifically approved as a base budget increase for virtual enhancements. The development and delivery of additional virtual programs and services occurred in 2021 and as such, the funding is no longer required.

- **Virtual Enhancements, (\$-100K):**

This funding was used in 2021 to develop and deliver enhanced virtual services and programs. These enhancements enabled additional Library access to customers in response to increasing demand for services that did not require a physical presence. Among the expenditures for this funding were virtual content development and delivery, improvements to Virtual Board meetings, and the procurement of tools for e-chat and

online registration. In 2022, this funding will be reversed and redirected to a full-time position.

- **Virtual Programming Position, (\$90K, 1 Full-Time Equivalent)**

An investment of \$90K from 2021 virtual enhancement funding will be made towards one new full-time position to focus on continued development, coordination, and delivery of new and innovative virtual programming.

- **2022 One-Time Funding:**

As previously described, any one-time funding added to the operational budget in any given year must be reversed at the end of the same year and requested once again in the following year to re-establish the funding. The following two proposed budget items are one-time authorities which have been reversed from the 2021 base budget and are being requested for 2022.

- **Automated Materials Handling System (AMH) Lifecycle, (\$300K):**

The AMH is the core sorting system located at the James Bartleman Central Archive and OPL Materials Management building. The AMH processes nearly four million books per year and is the keystone in the materials handling process which supports the fulfillment of customer holds and books returned to branch shelves. The current system became operational in 2011 and has reached its lifecycle expectation. Rather than replacing the entire system, an extensive upgrade to all functional components will extend the life of the asset by seven years at a fraction of the estimated cost of replacement. The funding for this upgrade was originally approved in the 2021 budget but was not possible to complete during the following year due to travel restrictions related to international borders.

- **Temporary Automated Scheduling Position, (\$50K):**

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. The implementation is being completed as part of an

overall modernization project of the City's financial and human resources management system, SAP. OPL requires operational resources to collaborate in the design, support integration efforts, and implement the scheduling module. In 2020, the project was put on hold in response to COVID-19, and in the development of the 2021 budget staff anticipated that the project would resume. Ongoing COVID-19 recovery efforts further delayed the restart of the project, which is now estimated to begin in Q3 2022. As the estimated restart of the project is half-way through the fiscal year, the funding for the temporary position is being reduced to \$50K, down from the previously approved \$100K. It should be noted that the project implementation is multi-year and additional funding will be required in 2023 to continue support.

- **Community Development Funding - (Board Motion # OPL 20211130/6), (\$40K):**  
As a result of Board deliberation, additional funds to support increased community development efforts city-wide to address the needs of vulnerable communities and others. This will be achieved by re-allocating \$40,000 in the draft budget from "Transfer to Reserves" to operating. This one-time funding will allow staff to increase community development work across the city, and to ascertain the need for a permanent operating budget change in future years.
- **Transfer to Library Reserve – Future Growth Funding, (\$430K):**  
The Library Reserve serves as a savings account. Maintained properly, the Reserve is a valuable way to fund opportunities or to pay for unforeseen financial pressures such as legislative decree, legal decision or settlements, changes in social factors, political environment, and economic factors. The investment in, and maintenance of, a healthy Reserve also enables the Library to fund capital infrastructure projects not related to growth.

As approved by the Board in October 2021 report *Ādisōke* – Project Update and Funding Strategy - OPLB-2021-1001, to mitigate the risk associated with the fundraising target related to *Ādisōke*, a four-year



distributed plan is forecasted. Staff have committed to allocating up to \$3.5M over the 2022 – 2025 period to Reserves; this transfer to reserves is the initial contribution.

- **One-Time Capital Budget Reduction from base Capital, (\$-770K):**  
The one-time reduction of funding for capital projects in 2022 will be used to supplement funding for key priorities as noted above. Significant investment in lifecycle facility projects allocated by the City is planned for 2022. This investment allows for a reduced capital expenditure in favour of operating initiatives, as well as increased staff focus on furthering the development of the Facilities Master Plan to guide capital decision-making and expenditures. Further details are noted in the Capital Budget section below. This one-time funding will be reversed in the 2023 budget process.

**Table 2 – 2022 Draft Operating Budget**

*Table 2 summarizes the operational pressures for the draft 2022 OPL budget.*

<b>Table 2 – 2022 Draft Operating and Capital Budget</b>	<b>\$,000</b>	<b>Full Time Equiv.</b>
<b>2021 Net Operating and Capital Budget</b>	<b>54,331</b>	<b>463.96</b>
<b>Description:</b>		
<b>One-Time Reversals</b>	<b>305</b>	
Capital PAYG Reduction	905	
Automated Materials Handling System Update	-300	
Materials and Equipment for Facilities in response to COVID-19	-100	
Self-Protective Materials in response to COVID-19	-100	
Temporary Automated Scheduling Position	-100	
<b>Mandatory, Legislated, and Contractual requirements</b>	<b>1,345</b>	
Compensation Adjustments - Cost of Living	1,300	
Facilities Operations	45	

<b>Strategic Plans</b>	<b>635</b>	
Increased Sunday Hours	600	<b>8</b>
Service Delivery - NDTR	45	
Reduction of Virtual Services Development funding	-100	
Virtual Programming Position	90	<b>1</b>
<b>2022 One-Time Funding</b>	<b>50</b>	
Automated Materials Handling System Update	300	
Temporary Automated Scheduling Position	50	
Board Motion – Community Development Funding	40	
Transfer to Library Reserve - Future Growth Funding	430	
Reduction to Capital for 2022	-770	
<b>Total 2022 Pressures</b>	<b>2,335</b>	<b>9</b>
<b>Total 2022 Net Operating Base</b>	<b>56,666</b>	<b>472.96</b>

### Proposed 2022 Draft Capital Budget

OPL's capital budget is comprised of OPL-funded capital projects as well as City-funded lifecycle and accessibility projects. In 2022, staff recommend that \$1.54M be allocated to capital initiatives, with a further \$1.88M allocated from the City. In addition, 2022 capital funding will see a draw on the Riverside South Development Charge (DC) fund of \$3.56M, for a total 2022 capital program of \$6.98M.

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 2022 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: (\$350K);**

This funding will be utilized to re-configure internal spaces at 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. Funding is used for both planning and implementation purposes.

- **Technology Lifecycle: (\$150K);**  
RFID technology was first deployed at OPL in 2012 and was completed in 2017. In 2022, equipment originally installed at the beginning of the technology changeover will reach lifecycle replacement thresholds. This funding is required to replace 24 RFID self-checkout units which will have upgraded software, designed to enhance the customer experience.
- **Lifecycle Vehicle Replacement – Alternative Services: (\$100K);**  
For operational continuity and contingency management, OPL requires the lifecycle replacement of one delivery van. The existing asset was purchased in 2014 and has reached the end of its serviceable life span. The new hybrid-technology delivery van will support daily operations collecting and delivering library materials to customers who are homebound due to age, illness or disability. It may also be used to transit other material between library facilities.
- **Library Materials Transit Bins: (\$100K);**  
Transit bins are standardized equipment used to move materials around OPL's 34 facilities in an ergonomic and efficient manner. The bins work effectively with OPL's RFID collection and sorting systems. To maintain the productivity levels of Automated Materials Handling (AMH) and to support materials sorting in branches and on the Materials Delivery production floor, up to 20 transit bins that have reached the end of their serviceable lifecycle must be replaced.

## 2) Growth

- **Riverside South Branch Design: \$4.401M, (\$840K)**

The 2016 Library Facilities Investment and Growth Planning Study identified a 15,000 square foot branch in the Riverside South area. As per the October 2021 Facilities Framework and Facilities Master Plan status update report to the Board (OPLB-2021-1001), this project is progressing. In addition to previously approved authorities of \$7.1M, OPL will use the remaining \$3.561M from DC accounts plus the Library contribution of \$840K. A report to the Board in Q2 2022 will seek full authority to proceed with the new facility design and ultimately construction.

### 3) 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 (\$1.821M):** City funding is provided on an annual basis for the replacement and repair of key components of OPL facility infrastructure. Although the City provides the funding for this work, funds are identified in OPL's budget to represent a total Capital requirement. In 2022, there are large-scale infrastructure projects planned for the Nepean CentrepoinTE, Carlingwood, and Rideau branches.
- **Accessibility – Library (\$60K):** The Accessibility program provides for barrier removals 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 – 2022 Draft Capital Budget

*Table 3 categorizes and summarizes the capital requests in the OPL Draft 2022 budget.*

<b>Table 3 - 2022 Draft Capital Budget (\$,000)</b>	<b>OPL</b>	<b>Other Funding</b>
<b>Renewal of City Assets</b>	<b>700</b>	
Facilities and Branch Improvements	350	
Technology Lifecycle 2022	150	
Lifecycle Vehicle Replacement - Alternative Services 2022	100	
Library Materials Transit Bins	100	
<b>Growth</b>	<b>840</b>	<b>3,561</b>
Riverside South Branch Design	840	3,561
<b>Other Funding Sources</b>		<b>1,881</b>
Lifecycle OPL Program - City Allocated		1,821
Accessibility - City Allocated		60
<b>2022 Total Capital by funding source</b>	<b>1,540</b>	<b>5,442</b>
<b>2022 Total Capital</b>	<b>6,982</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 City Council.

**Table 4 – Draft Four-Year Capital Forecast (2022-2025)**

*Table 4 summarizes forecasted capital expenditures from 2022 to 2025.*

<b>Draft Four-Year Capital Forecast (2022-2025) (\$,000)</b>					
<b>Capital Initiatives</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
<b>Renewal of City Assets</b>					
Technology Lifecycle-2021	150	200	525	450	<b>1,325</b>
Facilities and Branch Improvements	350	400		220	<b>970</b>
Vehicle Replacement (Alternative Services Dept)	100				<b>100</b>
Library Materials Transit Bins	100			50	<b>150</b>
<b>Total Renewal of City Assets</b>	<b>700</b>	<b>600</b>	<b>525</b>	<b>720</b>	<b>2,545</b>
<b>Strategic Initiatives</b>					
Creation Strategy (OPL-LAC JF)		350	450		<b>800</b>
Automated Staff Scheduling		250			<b>250</b>
<b>Total Strategic Initiatives</b>	<b>-</b>	<b>600</b>	<b>450</b>	<b>-</b>	<b>1,050</b>
<b>Growth - OPL Funding</b>					
Library Materials (Content Services)				200	<b>200</b>
Riverside South - New Branch Construction	840				<b>840</b>
<b>Total Growth - OPL Funding</b>	<b>840</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>1,040</b>
<b>Total OPL Capital Pay-As-You-Go</b>	<b>1,540</b>	<b>1,200</b>	<b>975</b>	<b>920</b>	<b>4,635</b>
<b>Growth - DC Funding</b>					
Library Materials (Content Services)				1800	<b>1,800</b>
Riverside South - New Branch Construction	3561				<b>3,561</b>
<b>Total Growth - DC Funding</b>	<b>3,561</b>	<b>-</b>	<b>-</b>	<b>1,800</b>	<b>5,361</b>
<b>Total Growth</b>	<b>4,401</b>	<b>-</b>	<b>-</b>	<b>2,000</b>	<b>6,401</b>
<b>Net Capital Requirement</b>	<b>5,101</b>	<b>1,200</b>	<b>975</b>	<b>2,720</b>	<b>9,996</b>

The Draft Four-Year Capital Forecast (2022-2025) is further summarized in Table 5 with specific totals for OPL Capital funding or Pay-As-You-Go (PAYG).

**Table 5 – Draft 4-Year OPL Pay-As-You-Go Forecast**

<b>2022 - 2025 Pay-As-You-Go (PAYG) Forecast</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>4-Year Total</b>
<b>Planned Capital Target</b>	2,309	2,309	2,309	2,309	<b>9,236</b>
<b>Actual Planned Capital Budget</b>	1,540	1,200	975	920	<b>4,635</b>
<b>Annual Variance</b>	769	1,109	1,334	1,389	<b>4,601</b>

In October 2021, the Board approved report OPLB-2021-1001 Ādisōke – Project Update and Funding Strategy which provided direction to staff to plan for an additional \$7 million for Furniture, Fixtures and Equipment (FF&E) to be funded from OPL’s reserves, and that a fundraising target of \$7 million be established to address that pressure. The total surplus of unplanned capital expenditures over the four-year period in Table 5 is \$4.6M. This surplus is planned intentionally to mitigate the risk associated with a fundraising target of \$7M. These funds would flow through the Library Reserve on an as-needed annual basis based on Board-directed semi-annual updates on Fundraising.

**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 fees for library customers residing outside of the City of Ottawa municipal boundaries. Fees are in keeping with the customer 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 2021, staff reviewed all user fees which resulted in the following recommended changes for 2022:

- A review of commercial meeting room rental rates in Board report OPL-2021-0904 Commercial Meeting Room Rates made comparison to City rates and external private industry rates and resulted in no changes.

- A 2.5 percent COVID-19 surcharge for all OPL meeting room rental rates to coincide with similar City of Ottawa charges.
- Other changes to the user fee schedule include the addition of new, and removal of discontinued, consumable materials in the Imagine Space.

The complete 2022 User Fee Schedule can be found in Document 2.

### Status and Impact on Library Reserve

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 2021 fiscal year upon the Library Reserve account is \$4.541M. The estimated balance of the reserve after applying this impact and 2022 draft budget items is \$9.793M as summarized in Table 6. 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 6 – Library Reserve Status and Impact

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

Library Reserve Fund	\$,000
Reserve Balance (December 1, 2021)	4952
Forecasted 2021 Operating (Deficit)/Surplus	4541
Ādisōke Funding Strategy (2022 reduction)	-4000
Draft 2022 Operating and Capital Budget Impact	430
Approximated Reserve Balance – Jan 2022	5923

In October 2021, the Board approved report OPLB-2021-1001 Ādisōke – Project Update and Funding Strategy providing for the allocation of \$4M from Reserves to Ādisōke. The timing of that withdrawal will be completed after January 2022.



## **Summary**

The OPL 2022 Draft Operating and Capital Budget meets the funding target as requested by Council, supports the OPL Board Strategic Plan by enhancing services and increasing the accessibility of Library services to all citizens of Ottawa. The budget also:

- Fulfills OPL's mandatory requirements, and maintains current operations;
- Fulfills maintenance obligations for Library assets;
- Removes accessibility barriers to Library services;
- Enhances the Customer Experience;
- Responds to immediate facility requirements, including addressing the Board's number one facility project, Ādisōke, 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 2022 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 November 30, 2021, 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 November 30 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 removed as a result of the adoption of extended Sunday hours of opening, 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 (By 2023, OPL will increase the number of active cardholders by 25 percent by improving OPL's community relevance);
- Strategic Direction to redesign library services; and,
- Strategic Priority to reduce barriers to access.

## **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:

- Removal of barriers to Library services through the adoption of extended Sunday hours supports the principles of inclusion and accessibility and is in direct support of the Board Strategic Statement that "By 2023, we will increase the number of active cardholders 25% by improving OPL's community relevance."

- Funding for the further development of Library Services in the Riverside South area 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.
- Continued funding for the renewal of Library assets is necessary to maintain existing library services. Small scale facility, technology, and fleet 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: 2022 Draft Budget Estimates, Transmittal Report

Document 2 – OPL 2022 Draft Operating and Capital Budget Book

## **DISPOSITION**

Staff will forward the Draft 2022 Operating and Capital Budget, to Ottawa City Council for tabling at its meeting of November 3, 2021.

Upon OPL Board approval on November 30, 2021, 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 8, 2021.