

Report to/Rapport au :
and Council / et au Conseil

November 12, 2015
12 novembre 2015

Submitted by/Soumis par :
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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: .

SUBJECT: OTTAWA PUBLIC LIBRARY: 2016 DRAFT BUDGET ESTIMATES

OBJET : BIBLIOTHÈQUE PUBLIQUE D'OTTAWA : PRÉVISIONS
BUDGÉTAIRES DE 2016

REPORT RECOMMENDATIONS

That City Council receive and table the Draft 2016 Ottawa Public Library Board Operating and Capital Budget for consideration by Council in Committee of the Whole on December 9, 2015;

That City Council receive the draft funding request for \$3.9M to further the work required for the Central Library Development Project. That in addition to OPL funds of \$1M for the project, OPL request that Ottawa City Council fund the balance of \$2.9M from city reserves; and,

That City Council receive the Ottawa Public Library Three-Year Capital Forecast for information.

RECOMMANDATIONS DU RAPPORT

Que le Conseil municipal reçoive et dépose des prévisions budgétaires de fonctionnement et des immobilisations de 2016 de la Bibliothèque publique

d'Ottawa, en vue de son étude en comité plénier par le Conseil le 9 décembre 2015.

Que le Conseil municipal prenne connaissance d'une demande de fonds de 3,9 millions de dollars afin de poursuivre les travaux nécessaires dans le cadre du projet d'aménagement de la Bibliothèque centrale et que, outre les fonds d'un million de dollars consacrés par la BPO à ce projet, la BPO demande au Conseil municipal d'Ottawa de financer le solde, soit 2,9 millions de dollars, à partir des réserves de la ville;

Que le Conseil municipal prenne connaissance des prévisions d'immobilisation triennales de la Bibliothèque publique d'Ottawa, à titre d'information.

BACKGROUND

As per the *Public Libraries Act*, the Library Board is required to submit annually, on or before the date and in the form specified by Council, operating and capital budget estimates. Final budget approval is granted by Ottawa City Council. At its meeting of October 14, 2015, Ottawa City Council approved budget directions to guide City staff, boards and agencies in the development of the 2016 budget. This represented an increase to Ottawa Public Library's funding envelope of \$1.041M.

In developing the 2016 draft budget, the Library used a balanced approach, ensuring alignment with Board/Council priorities, focusing on long term stability all the while providing day-to-day stewardship of accounts.

DISCUSSION

The Ottawa Public Library (OPL) Board is responsible for the preparation and recommendation of a draft budget to be presented to Council. Council is responsible for the review and approval of the OPL draft budget estimates.

1. Proposed 2016 Draft Operating Budget

The 2016 Draft Operating Budget request represents an increase of \$1.041 million over the 2015 net requirement. Table A, Document 1 summarizes the Library's proposed 2016 draft operating budget.

2. Proposed 2016 Draft Capital Budget

The 2016 Capital Budget total program request is \$3.325 million (including lifecycle requirements) and is balanced to the Library's Pay-As-You-Go (PAYG) allocation. Table B, Document 1 summarizes the Library's proposed 2016 draft capital budget.

3. Central Library Development Project

On July 8, 2015, Central Library Development was approved as a strategic initiative in the 2015-2018 Term of Council Priorities (Report No: ACS2015-CMR-OCM-0016). With this designation, the Ottawa Central Library became an official project and the project planning phase commenced. To further the planning for the Central Library Development Project, capital funding of \$3.9M is required in 2016. OPL cannot fund this requirement through existing budgets and reserve funds. Although funding to advance the Central Library Development Project to this point has been managed internally, the 2016 requirement exceeds OPL's capacity to self-fund. OPL has been working with the City's Finance Department to develop a funding solution. Staff recommend that OPL self-fund \$1M of the 2016 requirement with the balance of \$2.9M funded by the City through the use of City reserves. Table C, Document 1 summarizes the proposed 2016 draft Central Library Development budget.

4. Next Steps

Staff will be coming forward at Library Board meeting in December to seek approval on the draft budget along with the following items:

- I. That the Board approve the 2016 Operating and Capital Budgets;
- II. That the Board approve a request for \$3.9M to further the work required for the Central Library Development Project. That in addition to OPL funds of \$1M for the project, OPL request that Ottawa City Council fund the balance of \$2.9M from city reserves; and,
- III. That the Board forward to Council for approval recommendations (i) through (ii).

RURAL IMPLICATIONS

There are no specific rural implications associated with this report. The Ottawa Public Library offers equitable service to all residents of the City of Ottawa.

CONSULTATION

Public consultation sessions were led by the Mayor and Ottawa City Councillors throughout the summer and into the fall. Additional consultation will be available via the regularly scheduled monthly Ottawa Public Library Board meeting on December 1, 2015 as well as through OPL's regular print and electronic feedback channels.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a City-wide report.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management impediments to implementing the recommendations in this report.

FINANCIAL IMPLICATIONS

The Ottawa Public Library has met the target provided by the City of Ottawa for the draft 2016 budget increase of \$1,041,000. There is an additional funding requirement of \$2.9M which is being requested from Ottawa City Council to fund on-going planning requirements for the Central Library Development Project from city reserves.

ACCESSIBILITY IMPACTS

There are no accessibility implications in implementing the recommendations in this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications in implementing the recommendations in this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications in implementing the recommendations in this report.

TERM OF COUNCIL PRIORITIES

On July 8, 2015, Central Library Development was approved as a strategic initiative in the 2015-2018 Term of Council Priorities (Report No: ACS2015-CMR-OCM-0016).

SUPPORTING DOCUMENTATION

Document 1 Ottawa Public Library Report to the Board on the 2016 Draft Operating and Capital Budget Estimates and Three-Year Capital Forecast

Document 2 Ottawa Public Library Draft Budget Book

DISPOSITION

Draft budget estimates for the Ottawa Public Library are forwarded to City Council for tabling on November 12, 2015 and further consideration as part of the budget process.

CONTEXTE

Aux termes de la *Loi sur les bibliothèques publiques*, le C.A. de la Bibliothèque est tenu de fournir annuellement, à la date prévue ou avant et sous la forme précisée par le Conseil municipal, des prévisions budgétaires de fonctionnement et des immobilisations. L'approbation budgétaire définitive est accordée par le Conseil municipal d'Ottawa. À sa réunion du 14 octobre 2015, ce dernier a approuvé des orientations budgétaires destinées aux employés de la Ville ainsi qu'aux conseils et organismes chargés de l'élaboration du budget de 2016. La hausse demandée à l'enveloppe budgétaire de la Bibliothèque publique d'Ottawa s'élève à 1,041 million de dollars.

Lors de l'élaboration de son budget provisoire de 2016, la BPO a adopté une approche équilibrée, en veillant à respecter les priorités du C.A. et du Conseil, et en se focalisant sur la stabilité à long terme tout en assurant une intendance quotidienne des comptes.

DISCUSSION

Le C.A. de la Bibliothèque publique d'Ottawa (BPO) est responsable de la préparation d'un budget provisoire, qu'il doit présenter au Conseil municipal. Ce dernier doit de son côté examiner et approuver les estimations budgétaires provisoires de la BPO.

1. Projet de budget de fonctionnement pour 2016

La demande totale pour le budget de fonctionnement représente une augmentation de 1 141 millions \$ sur le budget net au-delà du budget net de 2015. Le tableau A, document 1, résume le budget provisoire de fonctionnement proposé.

2. Projet de budget d'immobilisations pour 2016

La demande totale en fonds d'immobilisation pour la prestation des programmes en 2016 s'élève à 3,62 millions de dollars (y compris les exigences relatives au cycle de vie) et est équilibrée avec l'affectation par répartition (au fur et à mesure) de la Bibliothèque. Veuillez vous reporter au document 1, tableau B.

3. Projet d'aménagement de la Bibliothèque centrale

Le 8 juillet 2015, l'aménagement de la Bibliothèque centrale était approuvé en tant qu'initiative stratégique des priorités du mandat 2015-2018 du Conseil municipal (rapport n° ACS2015-CMR-OCM-0016). Par cette désignation, la Bibliothèque centrale d'Ottawa devenait un projet officiel dont la phase de planification pouvait être lancée. Pour concrétiser la planification du projet de Bibliothèque centrale, une mise de fonds de 3,9 millions de dollars doit être investie en 2016. La BPO ne peut

financer cette somme avec ses budgets actuels et son fonds de réserve. Bien que le financement entourant le projet de Bibliothèque centrale ait jusqu'à présent été géré à l'interne, les besoins pour 2016 dépassent la capacité d'autofinancement de la BPO. La BPO a collaboré avec le Service des finances de la Ville à l'élaboration d'une solution de financement. Le personnel recommande que la BPO autofinance la somme d'un million de dollars des besoins pour 2016 à l'aide du financement de 2,9 millions de dollars accordé par la Ville à partir des réserves accumulées au sein de l'organisation. Le tableau C, document 1, résume le budget provisoire 2016 pour le projet d'aménagement de la Bibliothèque centrale.

4. Prochaines étapes

Lors de la réunion du C.A. de décembre, le personnel demandera l'approbation du budget provisoire et des points suivants :

- I. Que le C.A. approuve les budgets de fonctionnement et d'immobilisation de 2016;
- II. Que le Conseil d'administration approuve une demande de fonds de 3,9 millions de dollars afin de poursuivre les travaux nécessaires dans le cadre du projet d'aménagement de la Bibliothèque centrale et que, outre les fonds d'un million de dollars consacrés par la BPO à ce projet, la BPO demande au Conseil municipal d'Ottawa de financer le solde, soit 2,9 millions de dollars, à partir des réserves de la ville;
- III. Que le C.A. soumette les recommandations (i) à (ii) à l'approbation du Conseil.

RÉPERCUSSIONS SUR LE SECTEUR RURAL

Aucune répercussion spécifique sur le secteur rural n'est associée au présent rapport. La Bibliothèque publique d'Ottawa offre des services équitables à tous les résidents d'Ottawa.

CONSULTATION

Des séances de consultation publique ont été organisées par le maire et les conseillers municipaux au cours de l'été et de l'automne. D'autres consultations auront lieu dans le cadre de la réunion mensuelle du C.A. de la BPO prévue le 1^{er} décembre 2015 et par le biais des canaux imprimés et électroniques habituels de la BPO.

COMMENTAIRES DES CONSEILLERS CONCERNÉS

Rapport à l'échelle de la Ville

RÉPERCUSSIONS JURIDIQUES

Aucun obstacle juridique n'empêche la mise en œuvre des recommandations du présent rapport.

RÉPERCUSSIONS SUR LA GESTION DES RISQUES

Aucun obstacle lié à la gestion des risques n'empêche la mise en œuvre des recommandations du présent rapport.

RÉPERCUSSIONS FINANCIÈRES

La Bibliothèque publique d'Ottawa a atteint l'objectif fixé par la Ville d'Ottawa relativement à la hausse provisoire du budget de 2016 de 1 041 000 \$. Un besoin de financement supplémentaire de 2,9 millions de dollars est demandé au Conseil municipal d'Ottawa afin de financer la planification continue du projet de Bibliothèque centrale, à partir des réserves de la ville.

RÉPERCUSSIONS SUR L'ACCESSIBILITÉ

La mise en œuvre des recommandations du présent rapport n'a aucune répercussion sur l'accessibilité.

RÉPERCUSSIONS ENVIRONNEMENTALES

La mise en œuvre des recommandations du présent rapport n'a aucune répercussion environnementale.

RÉPERCUSSIONS TECHNOLOGIQUES

La mise en œuvre des recommandations du présent rapport n'a aucune répercussion technologique.

PRIORITÉS DU MANDAT DU CONSEIL

Le 8 juillet 2015, l'aménagement de la Bibliothèque centrale était approuvé en tant qu'initiative stratégique des priorités du mandat 2015-2018 du Conseil municipal (rapport n° ACS2015-CMR-OCM-0016).

DOCUMENTS À L'APPUI

Document 1 Rapport de la Bibliothèque publique d'Ottawa au Conseil d'administration sur les prévisions budgétaires de fonctionnement et des immobilisations de 2016 et sur les prévisions d'immobilisation triennales

Document 2 Budget provisoire de la Bibliothèque publique d'Ottawa

SUITE À DONNER

Les prévisions budgétaires provisoires de la Bibliothèque publique d'Ottawa sont transmises au Conseil municipal aux fins de dépôt le 12 novembre 2015 et d'examen subséquent dans le cadre du processus budgétaire.

Report to/Rapport au :

Council / Conseil

December 9, 2015

9 décembre 2015

Submitted by/Soumis par :

*Contact Person / Personne ressource: Tim Tierney, Chair / Président, Ottawa Public Library Board / Conseil d'administration de la Bibliothèque publique d'Ottawa; Danielle McDonald, Chief Executive Officer / Directrice générale, Ottawa Public Library / Bibliothèque publique d'Ottawa
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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°:

SUBJECT: OTTAWA PUBLIC LIBRARY: APPROVAL OF 2016 DRAFT BUDGET

OBJET : BIBLIOTHÈQUE PUBLIQUE D'OTTAWA : APPROBATION DES PRÉVISIONS BUDGÉTAIRES 2016

REPORT RECOMMENDATION

1. That City Council approve the 2016 Ottawa Public Library Board Operating and Capital Budget; and,
2. That the City Council approve the draft funding request for \$3.9M to further the work required for the Central Library Development Project; that in addition to OPL funds of \$1M for the project, that Ottawa City Council fund the balance of \$2.9M from City reserves.

RECOMMANDATION DU RAPPORT

1. Que le Conseil municipal approuve les budgets de fonctionnement et d'immobilisation 2016 du Conseil d'administration de la Bibliothèque Publique d'Ottawa.
2. Que le Conseil municipal approuve la demande de fonds de 3,9 millions de dollars afin de poursuivre les travaux nécessaires dans le cadre du projet d'aménagement de la Bibliothèque centrale et que, outre les fonds d'un million de dollars consacrés par la BPO à ce projet, que le Conseil municipal d'Ottawa finance le solde, soit 2,9 millions de dollars, à partir des réserves de la ville.

BACKGROUND

The Ottawa Public Library (OPL) has prepared its draft 2016 operating and capital budget estimates within Council-approved guidelines. The draft estimates were tabled with the OPL Board on November 10, 2015 and then forwarded to City Council on November 12, 2015. At its meeting of December 1, 2015, the OPL Board received public delegations, reviewed the budget and carried Motions # OPL 20151201/X, which stated:

1. That the Ottawa Public Library (OPL) Board approve the 2016 Draft Operating and Capital Budget, and forward them to City Council for consideration and final approval; and,
2. That the Board approve the draft funding request for \$3.9M to further the work required for the Central Library Development Project; and that in addition to OPL funds of \$1M for the project, the OPL request that Ottawa City Council fund the balance of the \$2.9M from City reserves.

DISCUSSION

The Ottawa Public Library Board is responsible for the preparation and recommendation of a draft budget to be presented to Council. Council is responsible for the review and approval of the Ottawa Public Library Board's draft budget estimates.

The 2016 Operating and Capital base budget request represents an increase of \$1.041M over the 2015 net requirement.

The 2015 Capital Budget total program request is \$7.225M, including lifecycle and Central Library Development Project requirements.

RURAL IMPLICATIONS

There are no specific rural implications associated with this report. The Ottawa Public Library offers equitable service to all residents of the City of Ottawa.

CONSULTATION

Public consultation on the draft operating and capital estimates has been conducted. Public consultation on the Library's budget consisted of:

- Public delegations, heard at the regularly scheduled monthly Ottawa Public Library Board meeting on December 1, 2015;

- Receipt of comments and questions through Mayor and Councillor-led consultations; and,
- A dedicated email address managed through the Library's electronic feedback channels.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a City-wide report.

LEGAL IMPLICATIONS

There are no legal impediments to implementing the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management impediments to implementing the recommendations in this report.

FINANCIAL IMPLICATIONS

The Ottawa Public Library has met the target provided by City Council (target of \$1.041M). There is an additional funding request of \$2.9M from City Reserves for ongoing planning requirements for the Central Library Development Project.

ACCESSIBILITY IMPACTS

There are no accessibility implications in implementing the recommendations in this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications in implementing the recommendations in this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications in implementing the recommendations in this report.

TERM OF COUNCIL PRIORITIES

Central Library Development (HC4-43) is an approved 2015 - 2018 Term of Council Priority.

SUPPORTING DOCUMENTATION

Document 1 – Doc X Adoption of the OPL 2015 Draft Budget, December 1, 2015

Document 2 – Ottawa Public Library Draft 2016 Budget

DISPOSITION

The Ottawa Public Library Board has forwarded approved 2016 budget estimates to City Council for consideration and approval on December 9, 2015.

CONTEXTE

La Bibliothèque publique d'Ottawa (BPO) a préparé ses estimations budgétaires provisoires de fonctionnement et des immobilisations pour 2016, conformément aux directives approuvées par le Conseil municipal. Ces estimations provisoires ont été présentées lors de la réunion du C.A. de la BPO du 10 novembre 2015, puis transmises au Conseil municipal le 12 novembre 2015. À sa réunion du 1^{er} décembre 2015, le C.A. de la BPO a reçu des délégations de membres du public, examiné le budget et adopté les motions n^{os} 20151201/X, de la BPO, qui stipulent ce qui suit :

1. Que le C.A. de la Bibliothèque publique d'Ottawa (BPO) approuve les estimations budgétaires provisoires de fonctionnement et des immobilisations de 2016, et les soumette à l'examen et à l'approbation définitive du Conseil municipal;
2. Que le C.A. approuve la demande de financement provisoire de 3,9 millions de dollars afin de poursuivre les travaux nécessaires dans le cadre du projet d'aménagement de la Bibliothèque centrale et que, outre les fonds d'un million de dollars consacrés par la BPO à ce projet, la BPO demande au Conseil municipal d'Ottawa de financer le solde, soit 2,9 millions de dollars, à partir des réserves de la ville.

DISCUSSION

Il incombe au C.A. de la Bibliothèque publique d'Ottawa de préparer et de recommander un budget provisoire à l'intention du Conseil. De son côté, le Conseil doit veiller à l'examen et à l'approbation des estimations budgétaires provisoires du C.A. de la BPO.

Le budget de fonctionnement et d'immobilisation de base demandé pour 2016 représente une hausse de 1,041 million de dollars par rapport à la demande nette de 2015.

La demande pour les programmes d'immobilisation de 2016 totalise 7,225 millions de dollars, incluant les besoins liés au cycle de vie et à la Bibliothèque centrale.

RÉPERCUSSIONS SUR LE SECTEUR RURAL

Aucune répercussion spécifique sur le secteur rural n'est associée au présent rapport. La Bibliothèque publique d'Ottawa offre des services équitables à tous les résidents d'Ottawa.

CONSULTATION

La consultation publique sur les prévisions budgétaires de fonctionnement et des immobilisations a eu lieu. Les activités de consultation publique suivantes ont été menées sur le budget de la BPO :

- Délégations des membres du public entendues à la réunion mensuelle ordinaire du C.A. de la Bibliothèque publique d'Ottawa du 1^{er} décembre 2015;
- Réception des commentaires et des questions lors de consultations organisées par le maire et les conseillers;
- Réception de commentaires et de questions à une adresse électronique spéciale, administrée par le biais des canaux électroniques de soumission de commentaires de la BPO.

COMMENTAIRES DES CONSEILLERS CONCERNÉS

Rapport à l'échelle de la Ville.

RÉPERCUSSIONS JURIDIQUES

Aucun obstacle juridique n'empêche la mise en œuvre des recommandations du présent rapport.

RÉPERCUSSIONS SUR LA GESTION DES RISQUES

Aucun obstacle lié à la gestion des risques n'empêche la mise en œuvre des recommandations du présent rapport.

RÉPERCUSSIONS FINANCIÈRES

La Bibliothèque publique d'Ottawa a atteint l'objectif fixé par la Ville d'Ottawa relativement à la hausse provisoire du budget de 2016 de 1 041 000 \$. Une exigence de financement supplémentaire de 2,9 millions de dollars a été fixée par le Conseil municipal afin de financer les besoins en planification en cours de l'aménagement de la Bibliothèque centrale, à partir des réserves de la Ville.

RÉPERCUSSIONS SUR L'ACCESSIBILITÉ

La mise en œuvre des recommandations du présent rapport n'a aucune répercussion sur l'accessibilité.

RÉPERCUSSIONS ENVIRONNEMENTALES

La mise en œuvre des recommandations du présent rapport n'a aucune répercussion environnementale.

RÉPERCUSSIONS TECHNOLOGIQUES

La mise en œuvre des recommandations du présent rapport n'a aucune répercussion technologique.

PRIORITÉS POUR LE MANDAT DU CONSEIL

Le projet de la Bibliothèque centrale (HC4-43) est une priorité approuvée dans le cadre du mandat de 2015 du Conseil municipal.

DOCUMENTS À L'APPUI

Document 1 – **Doc X** Adoption du budget provisoire de 2015 de la BPO, 1^{er} décembre 2015.

Document 2 – Budget provisoire de la Bibliothèque publique d'Ottawa de 2016.

DISPOSITION

Le C.A. de la Bibliothèque publique d'Ottawa a transmis au Conseil municipal les prévisions budgétaires provisoires approuvées, aux fins d'examen et d'approbation, le 9 décembre 2015.

Report to / Rapport au:

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

November 10, 2015 / 10 novembre 2015

Submitted by / Soumis par:
Danielle McDonald, Chief Executive Officer / Directrice générale

Contact Person

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File Number: OPLB-2015-0093

SUBJECT: 2016 Draft Operating and Capital Budget Estimates and Three-Year Capital Forecast

OBJET: Prévisions des budgets provisoires de fonctionnement et d'immobilisation de 2016, y inclus les prévisions d'immobilisations sur trois ans

REPORT RECOMMENDATIONS

- 1. That the Ottawa Public Library (OPL) Board receive and table the 2016 Draft Operating and Capital Budget Estimates;**
- 2. That the 2016 Draft Operating and Capital Budget Estimates be tabled at City Council for consideration at its meeting of November 12, 2015;**
- 3. That the Board receive the draft funding request for \$3.9M to further the work required for the Central Library Development Project; that in addition to OPL funds of \$1M for the project, the OPL request that Ottawa City Council fund the balance of \$2.9M from city reserves; and,**
- 4. That the Board receive the three-year capital forecast for information.**

RECOMMANDATIONS DU RAPPORT

1. **Que le Conseil d'administration de la Bibliothèque publique d'Ottawa (C.A.) prenne connaissance des estimations des budgets provisoires de fonctionnement et d'immobilisation de 2016;**
2. **Que les estimations des budgets provisoires de fonctionnement et d'immobilisation de la Bibliothèque publique d'Ottawa soient soumises au Conseil municipal, aux fins d'examen à sa réunion du 12 novembre 2015;**
3. **Que le Conseil d'administration prenne connaissance d'une demande de fonds de 3,9 millions de dollars afin de poursuivre les travaux nécessaires dans le cadre du projet d'aménagement de la Bibliothèque centrale et que, outre les fonds d'un million de dollars consacrés par la BPO à ce projet, la BPO demande au Conseil municipal d'Ottawa de financer le solde, soit 2,9 millions de dollars, à partir des réserves de la ville;**
4. **Que le C.A. de la Bibliothèque publique d'Ottawa prenne connaissance des prévisions en immobilisation, à titre d'information.**

BACKGROUND

As per the *Public Libraries Act*, the 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. Final budget approval is granted by Council.

At its meeting of October 14, 2015, Council approved budget directions to guide City of Ottawa (City) staff, boards, and agencies in the development of the 2016 budget. Through this direction, OPL learned that it would receive a 1.75% increase to its 2015 budget envelope (\$1.041M in additional funding) to be used as required, either in operating or capital accounts.

OPL's 2016 proposed draft budget envelope consists of:

2016 Draft Budget	\$,000
2015 Net Operating Expenditures	41,719
2015 Capital Pay As you Go (PAYG)	2,602
2015 Total Net Budget	44,321
2016 Budget Target	1,041
2016 Total Net OPL Budget Envelope	45,362
Lifecycle OPL Program – City Allocated	935
Total 2016 Budget Envelope with City Allocation	46,297

DISCUSSION

In developing the 2016 draft budget, staff used a balanced approach, ensuring alignment with approved Board 2015-2018 strategic priorities, focusing on long-term stability, while providing day-to-day stewardship of accounts. Staff also considered the following when developing the draft budget:

- Requirements to deal with non-discretionary costs associated with maintaining existing services;
- Completion of strategic priorities already underway (e.g. completion of branch conversions to radio frequency identification technology (RFID));
- Previously approved Board planning documents (e.g. library's facilities renewal priorities, the Development Charges Strategic Framework);
- The City's Tangible Capital Assets (TCA) Policy;
- How best to fund ongoing planning needs for the Central Library Project; and,
- Council's 2015-2018 strategic priorities.

1. Proposed 2016 Draft Operating Budget

OPL has been allocated \$1.041M in its draft 2016 budget to manage operating and capital pressures. As such, OPL must ensure that sufficient funds are available to address all the required contractual agreements, growth-related needs, and strategic priorities and services within the prescribed total funding envelope of \$45.362M.

The proposed draft budget:

- Addresses mandatory requirements;
- Supports completing the roll out of RFID technology at the 10 remaining locations;
- Complies with TCA Policy requirements;
- Addresses lifecycle issues related to technology and facilities;
- Implements Phase II of the revenue shortfall strategy;
- Supports a refreshed Facilities/Growth Study;
- Provides for ongoing planning for the Central Library Development Project; and,
- Contains no new Full-Time Equivalents (FTEs).

If approved, the following requirements will be supported from the \$1.041M increase to the budget envelope.

- **Compensation Adjustment – OPL Employees (\$730K):** This amount is required to meet anticipated contractual obligations rising from upcoming collective bargaining.
- **Parks, Building and Grounds (PBG) Increase – Compensation and Facilities Adjustments for OPL/City Business Partners (\$85K):** This amount represents required adjustments needed for PBG provision of essential services to OPL, as well as inflationary costs related to operating OPL facilities.
- **Phase II – Revenue Mitigation Plan (\$70K):** With the implementation of e-mail notifications and increased circulation of e-Materials, OPL has seen a drop in its revenue stream over the past years. In 2015, Phase I of the Revenue Mitigation Strategy allocated \$150K from the budget envelope to help off-set the shortfall. Given that this trend is continuing at a slower rate, staff recommend that \$70K be allocated from the 2016 envelope to further mitigate this situation.

In addition, staff recommend meeting room rental practices be harmonized across the library system. Currently, some branches rent meeting rooms on an hourly basis, while others rent meeting rooms in four-hour increments. These discrepancies are the result of legacy practices that have been in place since amalgamation. Staff recommend normalizing all meeting room bookings to hourly increments, with no changes in 2016 rental rates (Appendix A). This change would align OPL's practices with other City facilities, and maximize rental opportunities. This change is reflected in the updated User Fee Section of the City Budget Book (Document 2).

- **Maintenance – Materials Handling (\$15K):** Funding is required to cover inflationary increases to existing mandatory maintenance contracts for RFID-related equipment and software (e.g. transit bins, self-check units, gates, sorters).
- **Ottawa Central Library Compensation Recovery from Capital (-\$130K):** Current financial practices allow for cost-recoveries of salaries to be charged against major capital projects. With this approach, \$130K will be available in the operating budget through offsetting costs of the Project Manager and the Administrative Support positions in the capital budget request for the Central Library Development Project.
- **One-time Reduction to the Materials Budget (-\$500K):** A one-time transfer from OPL's materials budget would provide 50% of OPL's share of required funds for ongoing Central Library Development planning purposes.
- **One-time Transfer from Library Reserves (-\$227K):** This is required to assist with funding the Central Library Development project. It is anticipated that funds will continue to exist in OPL's reserve accounts, after the 2015 year-end deficit is addressed.
- **Increase in Pay As You Go (PAYG) for 2016 Capital plan (\$703K):** An increase to the capital PAYG requirement is required to provide \$1M in OPL funding for the Central Library Development project. This contribution is made up of the \$500K one-time reduction to the materials operating budget, a \$227K

transfer from Library reserves, and a one-time \$273K allocation from the budget envelope.

In addition, staff recommend a series of one-time transfers from capital to deal with the following operating pressures:

- **Material Transit Bins (\$125K):** In order to maximize the use of the automated materials handling (AMH) equipment, a one-time transfer from capital to operating is required to fund transit bins. Transit bins are standardized equipment required for moving materials around the system in an ergonomic and efficient manner.
- **Alternative Services Lifecycle (\$65K):** Kiosks at the Hunt Club-Riverside Park Community Centre are nearing end-of-life and require updating of internal and external components to ensure uninterrupted service.
- **RFID/Customer Service Training (\$105K):** A one-time transfer from capital to operating is required to increase the training budget for RFID implementation and the new service delivery model. The training empowers employees with the right tools and skill sets in an RFID-enabled environment and is a requirement in the introduction of this technology in new locations in 2016. It is likely that OPL will bring forward a similar but proportional request to complete RFID implementation training requirements in 2017.

The 2016 proposed draft operating budget is summarized in Table A.

Table A - 2016 Draft Operating Budget	\$,000
2015 Net Operating Budget	41,719
Description	
2016 COLA	730
2016 PBG	85
Phase II Reduced Revenue Mitigation Plan	70
Maintenance - Materials Handling	15
Central Library Development Project - Compensation Recovery-Capital	-130
Reduction to Materials Budget for Central Library project (One-Time)	-500
Transfer from Library Reserves (One-Time)	-227
Increase to PAYG for 2016 Capital Plan	703
Material Transit Bins (One-Time)	125
Alternative Services Lifecycle (One-Time)	65
RFID / Customer Service Training (One-Time)	105
Total 2016 Pressures	1,041
Total 2016 Net Operating Base	42,760

2. Proposed 2016 Capital Budget

OPL's 2016 capital requirements fall into one of four categories: renewal of City assets, strategic initiatives, lifecycle programs (managed by the City on OPL's behalf), and growth. Staff have identified expenditures in three of these categories as follows:

a) Strategic Initiatives

- **RFID Projects (\$2.055M):** By the end of 2015, 70% of all library branches will be converted to RFID technology and the new service delivery model. The proposed approach in 2016 is to secure \$2.055M as the final installment for capital funding requirements. Fit-up, security, and technology purchases are required for the conversion of the remaining 10 branches to complete this OPL self-funded, long-standing Board priority.

- **Technology Lifecycle (\$150K):** Funds are required to support the replacement of key library automated systems that have reached end-of-service-life status as well as replace public Wifi controllers and other network infrastructure.
- **Accessibility Technology (\$85K):** Funds will be used for the first year of a three-year plan to replace accessible public workstations in each library location.

b) Growth Initiatives

- **OPL Facilities/Growth Study (\$100K):** The last Library Facilities Investment and Growth Planning Study was completed in 2010. This planning study requires regular review and updating, including application of the current 2014 Development Charge By-law. This full review will identify future OPL facility requirements needed to meet growth projections. To leverage Development Charge funding for appropriate projects, OPL is required to pay a percentage of the overall funding request. This study requires an OPL contribution of 15% or \$15K of the \$100K total. The remaining \$85K would be funded from Development Charge accounts.
- **OPL Lifecycle Program (\$935K):** City funding is provided on an annual basis for the replacement and repair of key components of OPL facility infrastructure. In 2016, planned projects include elevator modernization and the replacement of heating and cooling equipment at various library branches. Although the City provides the funding required for this work, the \$935K is included in budget documentation to represent a total OPL capital requirement. (See Document 2, City Budget Book).

The 2016 proposed draft capital budget is summarized in Table B.

Table B - 2016 Draft Capital Budget	\$,000
Strategic Initiatives	
RFID Projects (Construction and Equipment), at the following branches	2,055
Blackburn Hamlet	155
Centennial	220
Manotick	170
North Gloucester	270
Rideau	175
Rosemount	100
St. Laurent	290
Stittsville	230
Sunnyside	375
Vanier	70
Technology Lifecycle	150
Accessibility Technology	85
2016 OPL Facilities/Growth Study - Library Reserve Portion	15
Total Strategic Initiatives	2,305
Growth	
2016 OPL Facilities/Growth Study	85
Total Growth	85
2016 Total Capital Including Growth	2,390
Lifecycle OPL Program - City Allocated	935
Total Capital Program	3,325

3. Central Library Development Project Planning

To further the planning for the Central Library Development Project, capital funding of \$3.9M is required in 2016.

On June 9, 2015, the OPL Board approved moving forward with the Central Library development. On July 8, 2015, Central Library Development was approved as a strategic initiative in the 2015-2018 Term of Council Priorities (Report No: ACS2015-CMR-OCM-0016). With this designation, Central Library became an official project and the project planning phase commenced.

Central Library Development is a complex, non-traditional project. As outlined in Board motion 20150609/3, the following information is known about the project: new build, size, geographic area, and the requirement to have easy access to a Light Rail Transit station on the Confederation Line. Critical planning information not yet known includes: site, budget, funding sources, and the project delivery method. This information must be obtained through the planning process to provide the Board and City Council with required data and analysis to support future decisions and approvals.

Capital funding of \$3.9 M is required to complete the following planning activities:

Area	Key Activities
Project Management	Resources, legal services
Stakeholder Engagement	Communications, public engagement, development of an Advocacy Framework
Procurement Process	Fairness Commissioner, Request for Qualifications process, Request for Proposal process
Design	Functional Building Program, indicative design (Advocate Architect)
Exemplar Site Analysis	Studies related to zoning and Official Plan applications, completion of the Phase II Environmental Site Assessment; required for development of the Public Sector Comparator
Financial Analysis	Analysis of project delivery methods, Value for Money analysis, investigation of potential funding sources, development of a Fund-raising Framework

OPL cannot fund this requirement through existing budgets and reserve funds. Although funding to advance the Central Library Development Project to this point

has been managed internally, the 2016 requirement exceeds OPL's capacity to self-fund.

OPL has been working with the City's Finance Department to develop a funding solution. Staff recommend that OPL self-fund \$1M of the 2016 requirement with the balance of \$2.9M funded by the City through the use of City reserves. The following funding sources are proposed:

OPL Funding Sources:

- **One-time Transfer from Operating to Capital (\$500K):** A one-time transfer from the library's materials budget would provide half of OPL's share of the 2016 planning requirement.
- **One-time Draw on OPL's Reserve Fund (\$227K):** The current balance in the OPL reserve fund is \$2.2M. Taking into account the 2015 projected deficit due to the Pay Equity Tribunal Decision, it is anticipated that this will drop to \$600K at year-end, when the deficit is expunged from the books. It is recommended that \$227K be withdrawn from the Library's reserve fund to complete the OPL portion of the Central Library Development Planning.
- **One-time Central Library Development PAYG (\$273K):** Funds from the capital budget will be used to advance planning for the Central Library Development Project and will support project planning through completion of Stage 3 of the approved implementation process in order to determine the project delivery method, procurement process, site location, project budget, and funding required for a new Ottawa Central Library.

City Funding Source:

- **Request to Ottawa City Council (\$2.9M):** Staff recommend that the Board request that the balance of funds required to sustain ongoing planning for the Central Library Development Project be funded through City Reserves.

Table C outlines the proposed Central Library Development Project funding.

Table C 2016 Draft Central Library Development Project	\$,000
Transfer from Base Operating – OPL Library Materials (One-Time)	500
Transfer from OPL Reserve for Central Library Development Project	227
Central Library Development – PAYG (One-Time)	273
Total OPL Funding	1,000
City of Ottawa – City Reserves	2,900
Total Funding	3,900

4. Draft Three-Year Capital Forecast

It is best practice to regularly forecast funding requirements on multi-year cycles.

The three-year capital forecast being tabled for information will serve as a means to:

- Properly plan and develop a longer-term view for the facility, technology, and alternative service delivery requirements;
- Estimate timelines to support the Board's facilities renewal priorities and growth of new facilities; and,
- Allow for funds to be invested in various lines of business based on the changing environment in which library services are delivered.

Table D summarizes the key activities anticipated to occur over the course of the coming years.

Table D –Draft Three-Year Capital Forecast (2017-2019)			,\$000	
Orders	2017	2018	2019	Total
908212 Vehicle Replacement	0	50	50	100
908253 Technology Lifecycle	160	240	200	600
Maintenance of City Assets	\$160	\$290	\$250	\$700
907351 Rosemount Branch Planning/Retrofit	1,000	0	0	1,000
907376 Alternative Services	600	315	415	1,330
908211 Centennial Branch Refurbishment	425	0	0	425
908265 Accessibility Technology	85	85	0	170
908266 Orléans Branch Refurbishment	300	0	0	300
Strategic Initiatives	\$2,410	\$400	\$415	\$3,225
903608 East Urban Branch	0	150	7,500	7,650
904629 South Urban Branch	500	7,500	0	8,000
907052 2018 Collections (DC)	0	1,600	0	1,600
908254 OPL Facilities/Growth Study	0	0	0	0
Growth	\$500	\$9,250	\$7,500	\$17,250
Net Requirement	\$3,070	\$9,940	\$8,165	\$21,175

5. Summary

The proposed 2016 draft operating and capital budget:

- Is within the funding envelope allocated to OPL by Ottawa City Council;
- Aligns and supports the Board's key strategic and facilities priorities;
- Fulfills OPL's mandatory requirements;
- Maintains OPL's current operations and services;
- Completes capital and technological requirements for implementing RFID in the remaining 10 branches;
- Provides for a plan to deal with facility renewal and on-going growth;
- Provides for ongoing planning for the Central Library Development Project; and,
- Contains no provisions for new FTEs.

Key budget dates are as follows:

Date	Activity
November 10, 2015	Tabling of OPL Draft 2016 Budget and 3-year Capital Forecast at Board
November 12, 2015	Tabling of OPL Draft 2016 Budget and 3-year Capital Forecast at Council
December 1, 2015	Board review and approval of the 2016 Operating and Capital Budget estimates for Council consideration
December 9, 2015	Review and adoption of OPL 2016 Budget at Council

CONSULTATION

Public consultation sessions were led by the Mayor and Ottawa City Councillors throughout the summer and into the fall. Additional consultation will be available via the regularly scheduled monthly Ottawa Public Library Board meeting on December 1, 2015 as well as through OPL's regular print and electronic feedback channels.

LEGAL IMPLICATIONS

There are no legal implications to implementing the recommendations in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications to implementing the recommendations in this report.

FINANCIAL IMPLICATIONS

There is an additional funding requirement of \$2.9M which is being requested from Ottawa City Council to fund ongoing planning requirements for the Central Library Development Project from City Reserves.

ACCESSIBILITY IMPACTS

There are no accessibility impacts in implementing the recommendations in this report.

TECHNOLOGY IMPLICATIONS

There are no technology implications in implementing the recommendations in this report.

BOARD PRIORITIES

The Board is fulfilling its fiduciary responsibilities as defined in the Public Libraries Act of Ontario.

SUPPORTING DOCUMENTATION

1. Appendix 1 - Transmittal Report to Ottawa City Council
2. Appendix 2 - OPL Budget Book

DISPOSITION

Staff will forward the Draft 2016 Operating and Capital Budget and 3-Year Capital Forecast to Ottawa City Council for tabling and consideration, including the funding request in support of the Central Library Development Project.

**MEETING ROOM RENTAL FEES
 (excluding taxes)**

Appendix A

Branch	2015 Rate	Proposed 2016 Rate
Main Library Auditorium		
Commercial	\$57.52/hour or less	No change
Non-Profit	\$30.97/hour or less	No change
Nepean Centrepointe		
Commercial	\$66.28/4 hours or less	\$16.57/hour or less
Non-Profit	\$53.03/4 hours or less	\$13.25/hour or less
Beaverbrook		
Small Meeting Room		
Commercial	\$45.22/hour or less	No change
Private	\$28.76/hour or less	No change
Non-Profit	\$9.87/hour or less	No change
Medium Meeting Room		
Commercial	\$56.46/hour or less	No change
Private	\$35.93/hour or less	No change
Non-Profit	\$12.35/hour or less	No Change
Other Library Branches		
Commercial	\$66.38/4 hours	\$16.60/hour
Non-Profit	\$22.12/4 hours	\$5.53/hour or less