

**Report to / Rapport au:**

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

**November 3, 2020 / 3 novembre 2020**

**Submitted by / Soumis par:**

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**File Number: OPLB-2020-1105**

**SUBJECT: 2021 Draft Operating and Capital Budget Estimates and Four-Year  
Capital Forecast**

**OBJET: Prévisions des budgets provisoires de fonctionnement et  
d'immobilisation de 2021, y inclus les prévisions d'immobilisations  
sur quatre ans**

**REPORT RECOMMENDATIONS**

**That, at its meeting of November 3, 2020, the Board:**

- 1. Receive and table the 2021 Draft Budget for Ottawa Public Library and four-year capital forecast; and,**
- 2. Direct staff to forward the 2021 Draft Budget for Ottawa Public Library to Ottawa City Council on November 4, 2020 as part of City Council's tabling of the City of Ottawa 2021 Draft Operating and Capital budget; and,**

**That, at its meeting of December 1, 2020, the Board:**

- 3. Approve the 2021 Draft Budget for Ottawa Public Library; and,**

4. Upon the Ottawa Public Library Board's approval of the 2021 Draft Budget, direct staff to forward the report to Ottawa City Council, for consideration on December 9, 2020 as part of the City Council's approval of the City of Ottawa 2021 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 3 novembre, le C.A. :

1. Examine et dépose le budget provisoire 2021 de la Bibliothèque publique d'Ottawa et une prévision budgétaire triennale d'immobilisations;
2. Charge le personnel de transmettre le budget provisoire 2021 de la Bibliothèque publique d'Ottawa au Conseil municipal d'Ottawa à sa réunion du 4 novembre 2020, au moment du dépôt du budget provisoire de fonctionnement et d'immobilisations 2021 de la Ville d'Ottawa;

Que, lors de sa réunion du 1 décembre 2020, le C.A. :

3. Approuve le budget provisoire 2021 de la Bibliothèque publique d'Ottawa;
4. Après approbation par le C.A. du budget provisoire 2021 de la Bibliothèque publique d'Ottawa, charge le personnel de transmettre le rapport au Conseil municipal d'Ottawa, aux fins d'examen le 9 décembre 2020, au moment de l'approbation par le Conseil municipal du budget provisoire de fonctionnement et d'immobilisations 2021 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 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, capital programs, and growth projects, including strategic initiatives. Funding for operating and capital increases 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 October 14, 2020, Ottawa City Council approved budget directions and timelines to guide City staff, local boards, and commissions in the development of the 2021 budget. In 2021, 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 in order to achieve a three percent increase overall, the city-wide levy increased by two and one half (2.5) percent. In addition, the assessment growth for 2020 was approximately one and one half (1.5) percent and the same increase is forecasted for 2021. 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 \$2.130M to OPL's funding envelope. As a result, OPL's total 2021 budget envelope is \$54.331M. 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 2021 draft operating and capital budget with the Board, for deliberation and final consideration at the December 2020 meeting.

## **DISCUSSION**

The development of the 2021 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 2021 Draft Operating and Capital Budget supports the Board-approved strategic plan for 2020-2023, Board policies, 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.

In 2020, the onset of the COVID-19 pandemic presented unique challenges from both a planning and financial perspective. The long-term impacts of the pandemic are subject to changing conditions and as such, the 2021 draft operating and capital budget is focused on maintaining existing services and assets which are currently in operation, and addressing needs to deliver services – both physically and virtually – amid the pandemic and beyond. 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;
- Operating impacts from the Coronavirus (COVID-19) pandemic;
- 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.

In addition, the draft budget considers the reduction of one Full Time Equivalent (FTE) position, as an offset to the removal of late fees.

OPL has been allocated an increase of \$2.130M in the draft 2021 budget to respond to both operating and capital pressures. Table 1 below outlines the recommended changes in operating and capital budgets from 2020 to 2021, in alignment with the 2021 budget direction from Council.

**Table 1 – 2021 Draft Budget Overview**

OPL's 2021 recommended draft budget compared to 2020 is summarized in Table 1:

<b>2021 OPL Draft Budget - \$,000</b>	<b>2020</b>	<b>2021</b>	<b>Net Changes</b>
<b>Operating Expenditures</b>	52,677	54,677	2,000
<b>Capital Budget</b>	2,309	1,404	-905
<b>Planned Revenue</b>	-2,785	-1,750	1,035
<b>Total Net Budget Requirement</b>	<b>52,201</b>	<b>54,331</b>	<b>2,130</b>

<b>Full Time Equivalents (FTE)</b>	463.95	462.95	-1
<b>Lifecycle OPL Program – City Allocated</b>	750	2,225	1,475
<b>Accessibility - Facilities - City Allocated</b>	60	60	0
<b>Total 2021 Budget Including City Allocations</b>	53,011	56,616	3,605

**Proposed 2021 Draft 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 \$2.130M increase. In all cases, costs identified in brackets in the text of this report refer to 2021 pressures and will appear in the corresponding operational and capital tables.

It should be noted that each year, the first financial transactions required for budgetary purposes are to reverse the one-time funding initiatives approved by the OPL Board in the previous budget cycle, as appropriate. In 2020, OPL made two one-time adjustments: a reserve fund contribution, and funding for staff scheduling. For 2021, the funding of one temporary FTE in 2020 for the automated staff scheduling project (\$100K) will not be reversed as the project was delayed due to the pandemic and is set to resume in 2021.

- **Compensation Adjustments - OPL Employees, (\$750K):**  
 An increase to compensation budgets is required to meet cost of living (COLA) increases and contractual obligations.
  
- **Facility Operations Services (FOS), (\$170K):**  
 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.

- **Licensing and Maintenance, (\$180K):**

Funding is required to cover inflationary increases and mandatory maintenance contracts for technology-related equipment and software, specifically:

  - the expansion of Wi-Fi to spaces external to library facilities (\$30K);
  - the introduction of occupancy counting technology (\$55K);
  - fundraising software annual licensing (\$20K);
  - collaborative planning software licensing (\$15K) and;
  - access and booking management software for public computers in library branches (\$60K).
  
- **Revenue Adjustment and Operational Impact, (\$945K):**
  - **Materials Recovery Model (MRM) (\$1.035M):**

On October 13, 2020, the Board adopted the MRM and directed staff to include the necessary revenue adjustment in the 2021 draft operating budget. The MRM was discussed extensively in Board Report #OPLB-2020-1004 and supports the elimination of an Overdue Fines Model for all customers. Late fees create barriers to accessing library services, especially for members of the community who are most at risk of exclusion; and removing this barrier to service is a concrete action to addressing systemic barriers. Additionally, actual annual late fee revenue falls short of expectations consistently and is trending downwards. The removal of late fee expectations addresses this problem.
  
  - **Full Time Equivalent Reduction, (-\$90K):**

The cost of revenue reduction in adopting the MRM will be offset by the elimination of one vacant FTE position.
  
- **Virtual Services, (\$430K)**

Observations from the COVID-19 pandemic have made apparent the increased popularity of items, services, and programs that are available in an online format. The following initiatives relate to the virtual stream of services and respond to previously existing demand and changing behaviours of customers during the period of COVID-19 measures.

- **Online Museum Passes, (\$20K):**

Museum passes are an extremely popular item in the express collection. Holds cannot be placed on Express items; instead, these items are borrowed on a first-come, first-served basis. Frequently, the demand for museum passes far exceeds the availability causing a frustrating situation for customers. This funding will be used to explore an online pass solution to replace the physical passes, in collaboration with participating museums and other public libraries. This funding is directly related to improving the customer experience, and to adding to our contactless offerings.
- **Virtual Enhancements, (\$100K):**

This funding will be used to develop and deliver enhanced virtual services and programs. These systems and services will enable additional accessibility to Library customers in response to increasing demand for services that do not require physical presence at a Library branch. Programming and related development tools and professional services are among the anticipated expenditures for this funding (e.g. Virtual Board meetings, online tutoring).
- **Library Materials e-Content, (\$310K):**

This funding will be used to purchase increased access to electronic media in many different formats. Additional electronic materials may include, but are not restricted to e-Books, e-Audio, streaming services, and databases, such as the currently available Lynda.com and ArtistWorks.
- **Facilities Lifecycle and Small Updates, (\$60K):**

This funding will permanently support annual, small expenditures for facilities that are otherwise not funded through FOS or facilities lifecycle projects. Each branch is unique and provides services that are tailored to the neighbourhoods and communities they serve. Further, varying floor plans and available public and back-office spaces require differing furniture or equipment replacement solutions to maintain or enhance the customer and employee experience.

- **One-Time Funding, (\$500K):**

- **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, staff recommend an extensive upgrade to all functional components that will extend the life of the asset by seven years at a fraction of the estimated cost of replacement.

- **COVID-19 Impacts, (\$200K):**

As is the case with almost all service industries, Library services have been profoundly impacted by the COVID-19 pandemic. Service modes, shifting parameters, and the costs associated with the rapidly changing public service environment make 2021 a time of uncertainty. Based on expenditures in 2020, staff estimate that expenditures related to COVID-19 could be as high as \$200K. Facilities and related Materials expenditures for additional / replacement wayfinding, dividers, stanchions, and service hub modifications are estimated at \$100K. Funding for Self-Protective Materials for staff and the public including masks, cleaning and sanitizing solutions, and related materials is estimated at \$100K. These are one-time budgetary adjustments that will be re-evaluated through the 2021 fiscal year.

- **One-Time Capital Budget Reduction from 2020, (-\$905K):**

The one-time reduction of funding for capital projects in 2021 will be used to supplement funding for key operating priorities as noted above. Significant investment in lifecycle facility projects allocated by the City are planned for 2021. This investment allows for a reduced capital expenditure in favour of

operating initiatives. Further details are noted in the Capital Budget section below. This one-time funding will be reversed in the 2022 budget process.

**Table 2 – 2021 Draft Operating Budget**

*Table 2 summarizes the operational pressures for the draft 2021 OPL budget.*

<b>Table 2 – 2021 Draft Operating and Capital Budget</b>	<b>\$,000</b>	<b>Full Time Equiv.</b>
<b>2020 Net Operating and Capital Budget</b>	<b>52,201</b>	<b>463.95</b>
<b>Description</b>		
<b>One-Time Capital Budget Reduction from 2020</b>	<b>-905</b>	
One-Time Capital PAYG Reduction - 2021	-905	
<b>Compensation Adjustments - Cost of Living</b>	<b>750</b>	
<b>Facilities Operations</b>	<b>170</b>	
<b>Licensing and Maintenance</b>	<b>180</b>	
<b>Revenue Adjustments and Operating Impact</b>	<b>945</b>	
Materials Recovery Model	1,035	
FTE Reduction	-90	<b>-1</b>
<b>Virtual Services</b>	<b>430</b>	
On-Line Museum Passes	20	
Virtual Enhancements	100	
Library Materials e-Content	310	
<b>Facilities Lifecycle and Small Updates</b>	<b>60</b>	
<b>One-Time Funding</b>	<b>300</b>	
Automated Materials Handling System Update	300	
<b>One-Time COVID-19 Impacts</b>	<b>200</b>	
Facilities Materials and Equipment	100	
Self-Protective Materials	100	

<b>Total 2021 Pressures</b>	<b>2,130</b>	<b>-1</b>
<b>Total 2021 Net Operating and Capital Budget</b>	<b>54,331</b>	<b>462.95</b>

### Proposed 2021 Draft Capital Budget

Recognizing that OPL’s total budget envelope of \$54M includes capital, the following details the specifics of the 2021 capital allocation. OPL’s capital budget is comprised of OPL-funded capital projects as well as City-funded lifecycle projects. In 2021, staff recommend that \$1.4M be allocated to capital initiatives, with a further \$2.285M allocated via the City. In addition, 2021 capital funding will see a draw on the Development Charge (DC) fund of \$400K, for a total 2021 capital program of \$4.095M.

OPL’s 2021 Capital requirements fall into one of four categories: 1) renewal of assets, 2) strategic initiatives, 3) growth, and 4) lifecycle and accessibility programs. In 2021, 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 2021: (\$800K);**

This funding will be utilized to re-configure internal spaces in at least six library facilities to address operational needs, including improved customer flow and sightlines. The funding will also support requirements to update customer service points to improve the aesthetic and functional properties at up to eight branches.

- **Technology Lifecycle – Self Checkouts: (\$200K);**

RFID technology was first deployed at OPL in 2012 and was completed in 2017. In 2020, equipment originally installed at the beginning of the technology changeover will begin to reach its lifecycle replacement threshold. This funding is required to replace 17 RFID self-checkout units which will have upgraded software, designed to enhance the customer

experience and to migrate from Windows 7 (end of life) to Windows 10, the new standard.

- **Lifecycle Vehicle Replacement: (\$110K);**  
For operational continuity, OPL requires the lifecycle replacement of one delivery truck. The new three-ton, high-cube vehicle will support daily operations collecting and delivering circulating materials at branches. The use of this new vehicle will help enable a more seamless delivery service by replacing the existing asset which was purchased in 2011 and has reached the end of its serviceable life span.
  
- **Carlington Community Branch: (\$200K);**  
The City's Recreation, Culture, and Facilities Services team has offered OPL the potential lease of space as part of a proposed retrofit of a community facility. The funding is required to initiate planning to explore service to this community comprised of highly marginalized populations. Funding will be used to explore library services driven by technology, as well as costs related to facility fit up and occupancy.

## 2) Growth

- **East Urban Planning – DC: \$500K, (\$94K)**  
The 2016 Library Facilities Investment and Growth Planning Study (LFIGPS) identified the need for a 7,500 square foot branch in the east urban area of the city. 2021 funds will augment existing funding to continue project planning, the ability to acquire land (as may be necessary) and enter the design and implementation stages of the project.

## 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 (Appendix 2), source funding does not come from OPL directly.

- **OPL Lifecycle Program (\$2.225M):** 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 2021 there are large-scale infrastructure projects at the Cumberland and Carlingwood 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 works, 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 – 2021 Draft Capital Budget**

*Table 3 categorizes and summarizes the capital requests in the OPL Draft 2021 budget.*

<b>Table 3 - 2021 Draft Capital Budget (\$,000)</b>	<b>OPL</b>	<b>Other Funding</b>
<b>Renewal of City Assets</b>	<b>1,310</b>	
Facilities and Branch Improvements 2021	800	
Technology Lifecycle - Self Checkouts 2021	200	
Lifecycle Vehicle Replacement	110	
Carlington Community Branch	200	
<b>Growth</b>	<b>94</b>	<b>406</b>
East Urban Planning - DC	94	406
<b>Other Funding Sources</b>		<b>2,285</b>
Lifecycle OPL Program - City Allocated		2,225
Accessibility - City Allocated		60
<b>2021 Total Capital</b>	<b>1,404</b>	<b>2,691</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 in 2021; 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 review and approval by the OPL Board and City Council.

#### Table 4 – Draft Four-Year Capital Forecast (2021-2024)

*Table 4 summarizes forecasted capital expenditures from 2021 to 2024.*

<b>Draft Four-Year Capital Forecast (2021-2024) (\$,000)</b>					
<b>Capital Initiatives</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>Total</b>
<b>Renewal of City Assets</b>					
Technology Infrastructure Lifecycle		1,190	765	1,275	<b>3,230</b>
Technology Replacements	200	240	90	165	<b>695</b>
Facilities and Branch Improvements	800	400	400	500	<b>2,100</b>
Orleans Renovations			100	750	<b>850</b>
Carlington Community Branch	200	300			<b>500</b>
Vehicle Replacement	110	500		250	<b>860</b>
Buildings Library*	2,225	900	900	990	<b>5,015</b>
<b>Total Renewal of City Assets</b>	<b>3,535</b>	<b>3,530</b>	<b>2,255</b>	<b>3,930</b>	<b>13,250</b>
<b>Strategic Initiatives</b>					<b>0</b>
Creation Strategy			500		<b>500</b>
Accessibility - Library*	60	140	140	149	<b>489</b>

<b>Total Strategic Initiatives</b>	<b>60</b>	<b>140</b>	<b>640</b>	<b>149</b>	<b>989</b>
<b>Growth - DC Funding</b>					<b>0</b>
Library Materials			1,800		<b>1,800</b>
Riverside South - New Branch Construction		3,212			<b>3,212</b>
North Gower Library Expansion				160	<b>160</b>
East Urban Planning and Construction	405		3,305		<b>3,710</b>
<b>Total Growth - DC Funding</b>	<b>405</b>	<b>3,212</b>	<b>5,105</b>	<b>160</b>	<b>8,882</b>
<b>Growth - OPL Funding</b>					<b>-</b>
Library Materials			200		<b>200</b>
Riverside South - New Branch Construction		750			<b>750</b>
North Gower Library Expansion				40	<b>40</b>
East Urban Planning and Construction	95		775		<b>870</b>
<b>Total Growth - OPL Funding</b>	<b>95</b>	<b>750</b>	<b>975</b>	<b>40</b>	<b>1,860</b>
<b>Total Growth</b>	<b>500</b>	<b>3,962</b>	<b>6,080</b>	<b>200</b>	<b>10,742</b>
<b>Net Requirement</b>	<b>4,095</b>	<b>7,632</b>	<b>8,975</b>	<b>4,279</b>	<b>24,981</b>
* - Denotes funding originating from City of Ottawa Lifecycle and Accessibility accounts					

### 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 2020, staff performed a comprehensive user fee review which resulted in many recommended changes:

- The single most substantial recommendation is the elimination of late fees for all library materials through the adoption of a Materials Recovery Model, as approved by the Board in October 2020.

- A review of meeting room rental rates in comparison to City rates and external private industry rates resulted in a recommended small increase to OPL hourly fees for the rental of these spaces to ensure consistency.
- Non-resident fees and visitor fees have been adjusted for two purposes. The first is to ensure that the fee for an annual non-resident membership is commensurate with the annual average portion per household of property taxes that are used for Library Services. The second, is to adjust visitor fees to a minimum of a three-month period at a rate that does not undercut the cost of a non-resident membership.
- Other changes to the user fee schedule include the addition of new, and removal of discontinued, consumable materials in the Imagine Space, as well as a reduction in the cost of replacement fees for adults losing their Library card.

The complete 2021 User Fee Schedule can be found in Appendix 2.

**Status and Impact on Library Reserve**

Each fiscal year the OPL Board is updated on the status of the Library Reserve account during the annual budget process and at the end of the second quarter. At tabling of this report, the estimated impact of the 2020 fiscal year upon the Library Reserve account is \$3.546M. The estimated balance of the reserve after applying this impact is \$6.867M as summarized in Table 5. The reserve calculation below is an estimate and does not account for any withdrawals as may be necessary to address outstanding, unplanned, or unforeseen expenses. The allocation of any surplus to the Library Reserves is subject to annual approval of transfer by City Council, typically occurring in Q2 of each year.

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

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

<b>Library Reserve Fund</b>	<b>\$,000</b>
Reserve Balance (November 3, 2020)	3321
Estimated Reserve Contribution as at year-end 2020 (January 1, 2021)	3546
Approximated Reserve Balance – Jan 2021	6867

## **Summary**

The OPL 2020 Draft Operating and Capital Budget meets the funding target as requested by Council, supports the OPL Board Strategic Plan, and increases 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 economic barriers to Library services;
- Enhances the Customer Experience;
- Enhances the Employee Experience;
- Responds to immediate facility requirements, 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 2021 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 Financial Services Unit and the Library Senior Management Team (LSMT). 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 OPL Board meeting on December 1, 2020, 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 December meeting, in order to aid in deliberations and decisions.

## **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 economic barriers to Library services through the adoption of a Materials Recovery Model supports the principles of inclusion and accessibility and is in direct support of the Ottawa Public Library 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 east urban 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.
- Funding the study of Library service needs in the Carlington community informs decision-making and may result in the capitalization of an opportunity to effectively re-utilize portions of a City facility while increasing accessibility to Library services.
- 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.

## FINANCIAL IMPLICATIONS

The financial implications are as identified in this report. The most significant impact associated with the recommendations in this report are that fees revenue in the amount of approximately \$725K per year will no longer be collected for library materials returned after their due date. Further, as a result of the removal of this revenue expectation, financial forecasting and planning for future years will be more accurate and year-end financial results will no longer suffer from under performance of actual user fees collected when compared to planned user fees.

## ACCESSIBILITY IMPACTS

Accessibility to Library services will be increased if the recommendations of this report are approved. Economic barriers will be removed as a result of the adoption of a

Materials Recovery Model. In addition, funding the study of Library service needs in the Carlington community may also increase accessibility to Library services.

### **TECHNOLOGY IMPLICATIONS**

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

### **BOARD PRIORITIES**

The OPL Board is fulfilling its fiduciary responsibilities as defined in the *Ontario Public Libraries Act*. Additionally, the recommendations in this report align with the Ottawa Public Library 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.

### **SUPPORTING DOCUMENTATION**

Appendix 1 – Transmittal Report to Ottawa City Council

Appendix 2 – OPL 2021 Draft Operating and Capital Budget Book

### **DISPOSITION**

Staff will forward the Draft 2021 Operating and Capital Budget, to Ottawa City Council for tabling at its meeting of November 4, 2020. Upon OPL Board approval on December 1, 2020, 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 9, 2020.