

A C T I O N

Subject: OPL 2013 Draft Budget

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Prepared for: Ottawa Public Library Board

Meeting of: November 19, 2012

Date of preparation: November 9, 2012

RECOMMENDATION

That the Ottawa Public Library (OPL) Board approve the 2013 OPL Draft Operating and Capital Budget Estimates, as amended, and forward them to City Council for consideration and final approval.

References

- Doc 3, Oct. 15, 2012, 2013 OPL Draft Operating and Capital Budget Estimates and Nine-Year Capital Forecast
- Doc 2, June 11, 2012, OPL 2013 Budget Process and Timelines
- Doc 2, May 14, 2012, Facilities Planning Committee Report
- Doc 8, December 11, 2011, Library Facilities Investment and Growth Planning Study/Danix OPL Facilities Investment and Growth Planning Report, December 2010
- 2012-2015 Ottawa Public Library Strategic Plan
- FEDCO Report ACS2011-CMR-FIN-0029, May 30, 2011, Long-Range Financial Plan IV (Part 1)

1. Background

At its meeting in June, the Board approved the timetable and the process for the development and approval of the 2013 draft budget submissions to Council. The Board further directed staff to develop 2013 draft budget options for its consideration, based on the direction provided by Ottawa City Council.

OPL has developed draft budget estimates for 2013 that are in keeping with the guidelines approved by City Council which were tabled with the OPL Board on October 15, 2012 and subsequently tabled with City Council on October 24, 2012.

2. Public Consultation and Feedback

OPL budget information was available online at www.bibliottawalibrary.ca and members of the public were invited to provide feedback on the draft budget via BudgetOPLBPO@bibliottawalibrary.ca. Members of the public were also offered the opportunity to share their views at any of the four public consultation sessions sponsored by the City of Ottawa held from October 29 to November 7.

On November 19, the Board will receive public delegations, review public comments and approve the budget estimates for forwarding to Council. Council will be approving the 2013 budgets on November 28th.

Summary of Comments/Questions

- One question was received via the special Library Budget Email box, requesting information as to how to comment on the Board's budget.
- One comment was shared during the South Area City-Wide Consultation. A resident expressed his preference to have RFID roll out to six locations rather than expand Emerald Plaza when his own sector of the city was without a branch.

3. Account Adjustments

Since the October 15 Board report on the budget, the lifecycle component of the Library's capital budget was adjusted from \$475,000 to \$555,000 to provide for additional work to happen in OPL branches in 2013. This adjustment did result in a minor change to the overall capital budget presented to the Board on October 15; however, the amendment was included in the documents tabled with City Council on October 24, 2012.

4. 2013 Draft Operating Budget

The OPL operating budget request for 2013 is \$1.415 million. When this amount is added to the 2012 net operating budget of \$41.152 million, the net 2013 operating budget request for OPL totals \$42.567 million. Table 1 below outlines how OPL proposes to allocate the \$1.415 million to ensure that sufficient funds are available to address all required contracts and agreements, growth-related needs, and strategic priorities and services.

Table 1: OPL 2013 Operating Pressures

2013 Operating Pressures	\$,000	Est. Target \$,000
OPL COLA on Compensation including OMERS	600	1,415
Parks Buildings Grounds COLA	100	
2.5% Inflation on Library PAYG (Capital envelope)	75	
Rural Deliveries	10	
Licensing and Maintenance Fees	275	
RFID Allocation (Transfer to Capital)	135	
Emerald Plaza (Operating impact due to expansion)	150	
RFID – Technology Related Training	75	

5. 2013 Draft Capital Budget

Table 2, the 2013 draft capital budget for OPL, outlines accounts related to the maintenance of city assets and strategic initiatives, totaling \$1.160 million. No monies are allocated for growth in 2013. The Lifecycle Programs, administered through the City, total \$0.555 million. The OPL 2013 draft capital budget estimates total \$3.610 million. Detailed descriptions (capital narratives) for each of these projects can be found in the budget package submitted to City Council.

Table 2: 2013 Draft Capital Budget

DESCRIPTION OF PROJECT	2013 \$(000)
Maintenance of City Assets	
Bookmobile Replacement	0
General Repairs and Maintenance	200
Furniture and Equipment Replacement	160
Library Computer & IT Equipment Replacement	300
ILS/Desktop Maintenance	400
Web-based Library Services Maintenance	100
Vehicle Replacement	0
Total Maintenance of City Assets	1,160
Strategic Initiatives	
Signage	0
Library Retrofits	700
RFID	985
Alternative Library Service Delivery	60
Innovation and Strategic Initiatives	150
Total Strategic Initiatives	1,895
Growth	0
PAYG Target	3055
Lifecycle Program for OPL – City Allocation	555
TOTAL LIBRARY PROGRAM	3,610

6. Budget Synopsis

The 2013 draft operating budget is based on an increase of \$1.415 M to the 2012 approved operating budget. The majority of this increase pertains to mandatory requirements for: contract and benefit obligations for OPL and its shared services partners; inflation payments on the capital budget envelope PAYG; inflationary costs related to materials delivery to rural branches and contractual obligations on licenses and maintenance agreements for library-specific hardware and software. Discretionary funding in the amount of \$360,000 will support:

- Renewal and expansion of one of the Board's approved capital priorities – the Emerald Plaza Branch (\$150,000);
- Funds being transferred from operating to capital to grow the self-funding envelope for RFID roll-out (\$135,000); and
- Funding for RFID and technology related training (\$75,000).

The OPL capital budget program for 2013 totals \$3.610 million. This amount includes \$3.055 million for the maintenance of city assets and strategic initiatives (including the \$135,000 transferred from operating) and \$555,000 for the lifecycle program administered through the City.

In summary, the 2013 OPL budget request aligns with the City's approved budget strategy, does not include any requests for new positions, and delivers a budget within the envelope and directions assigned by the City, and approved by the OPL Board. It is therefore recommended:

That the Ottawa Public Library (OPL) Board approve the 2013 OPL Draft Operating and Capital Budget Estimates, as amended, and forward these onto City Council for consideration and final approval.