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Report to / Rapport au:

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

November 4, 2025 / 4 novembre 2025

Submitted by / Soumis par:

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File Number/Numéro du dossier: OPLB-2025-1104-11.1

**SUBJECT: 2026 Draft Operating and Capital Budget Estimates and Four-Year
Capital Forecast**

**OBJET: Prévisions des budgets provisoires de fonctionnement et
d'immobilisation pour 2026, incluant les prévisions d'immobilisation
sur quatre ans**

REPORT RECOMMENDATIONS:

That, at its meeting of November 4, 2025, the Ottawa Public Library Board:

- 1. Receive and table the 2026 Draft Budget for Ottawa Public Library, and the four-year capital forecast; and,**
- 2. Direct staff to forward the 2026 Draft Budget for Ottawa Public Library to Ottawa City Council on November 12, 2025, as part of Ottawa City Council's tabling of the City of Ottawa 2026 Draft Operating and Capital budget; and,**

That, at its meeting of December 2, 2025, the Ottawa Public Library Board:

1. Approve the 2026 Draft Budget for Ottawa Public Library, including a withdrawal of \$2.945M from the Library Reserve Fund, as further described in this report; and,
2. Direct staff to forward the report to Ottawa City Council, for consideration on December 10, 2025 as part of the City Council's approval of the City of Ottawa 2026 Draft Operating and Capital budget.

RECOMMANDATIONS DU RAPPORT

Que, lors de sa réunion du 4 novembre 2025, le Conseil d'administration de la Bibliothèque publique d'Ottawa:

1. Reçoive et dépose le budget provisoire 2026 de la Bibliothèque publique d'Ottawa ainsi que les prévisions d'immobilisations sur quatre ans;
2. Demande au personnel de transmettre le budget provisoire 2026 de la Bibliothèque publique d'Ottawa au Conseil municipal d'Ottawa à sa réunion du 12 novembre 2025, au moment du dépôt du budget provisoire de fonctionnement et d'immobilisations 2026 de la Ville d'Ottawa;

Que, lors de sa réunion du 2 décembre 2025, le Conseil d'administration de la Bibliothèque publique d'Ottawa:

1. Approuve le budget provisoire 2026 de la Bibliothèque publique d'Ottawa, ainsi que le retrait de \$2,945M du fond de la réserve de la Bibliothèque, tel que décrit dans le présent rapport;
2. Demande au personnel de transmettre le rapport au Conseil municipal d'Ottawa, aux fins d'examen le 10 décembre 2025, au moment de l'approbation par le Conseil municipal du budget provisoire de fonctionnement et d'immobilisations 2026 de la Ville d'Ottawa.

BACKGROUND

In keeping with the *Public Libraries Act*, RSO 1990, c.P.44 (the Act), Ottawa Public Library (OPL or the Library) 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 (the Board) receives and approves the budget and recommends the budget to Council, which grants final budget approval.

OPL follows an annual planning process that supports the development of budgets year-over-year. Strategic, corporate, and departmental planning are used to develop the budget, and are the tools by which the corporation achieves the objectives as identified in the Strategic Plan. Planning is used to determine budgetary requirements, differentiate mandatory operating and capital requirements from strategic initiatives, and identify potentially disruptive expenditures and unintended impacts. Due diligence is applied when recommending what to prioritize toward the achievement of the Strategic Plan, with rationale developed prior to the preparation of budget documentation.

OPL receives one overall budget envelope from Council annually. The amount allocated toward operating and capital initiatives is at the Board's discretion and can be adjusted each year to meet organizational priorities and address operating pressures. The operating allocation is intended to fund daily business activity for the current year, and the capital allocation is used for longer-term investments. As per a Board approved motion in 2006, OPL uses a base allocation of \$2.3M for capital expenditures.

Annual budget deliberations include funding decisions that support operational pressures and capital programs, including growth projects and strategic initiatives. Increased funding is provided through the city-wide tax levy. Once the draft budget is approved, increases are applied to OPL's total budget envelope.

At its meeting of September 10, 2025, Council approved the Proposed 2026 Budget Directions, Timelines, and Consultation Process report (ACS2025-FCS-FSP-0009) to guide City of Ottawa (City) staff, local boards, and commissions in the development of the 2026 budget. The report identifies a direction for OPL's budget allocation based on the individual pro-rated share of the tax target and any assessment growth. Specifically, the budget direction includes taxation revenues from the City-Wide tax levy to be increased no more than 2.9 percent of current taxation and property assessment growth to be estimated at 1.6 percent. As a result, the OPL share of these increased revenues for 2026 is calculated at \$2.900M. This will bring the City-directed 2026 total budget to \$68.480M (excluding offsetting provincial contributions and revenue), which represents less than 1.4% of the total City budget.

In addition to the recommended budget directions, two further recommendations were included in the report to Council, which were subsequently approved by the Board in October 2025 (OPLB-2025-1014-10.1). First, as requested by Council, the Library has developed the draft budget to include a list of budget efficiencies to reduce the overall tax supported net requirement. In 2025, OPL staff initiated a practice whereby the budget report included a summary list of efficiencies. For 2026, the report includes a list of historical efficiencies and details the efficiencies identified in this term of Board.

Second, the Board directed staff to implement the anticipated 2026 User Fees as of October 16, 2025, to allow rentals secured in 2025 for 2026 to use 2026 rates, in alignment with City of Ottawa rentals provided by Recreation, Culture and Facility Services. As such, OPL staff implemented a 2.95 percent cost of living increase to all 2026 fees in advance of budget adoption (as of October 16, 2025), allowing the Library to recover the increased cost of services that are purchased in the later part of 2025 and delivered in early 2026 and attain revenue expectations for the full year.

Finally, as noted in previous reports to the Board, the Central branch at Ādisōke will introduce new funding requirements that will surpass the increase provided by the Council-approved budget directions. Staff committed to working with City colleagues to ensure a path forward that recognizes annual budget directions while also securing the necessary funding required to operationalize the Central branch at Ādisōke.

The purpose of this report is to table the 2026 draft budget for deliberation and consideration at the meeting on December 2, 2025, reflecting operating requirements to advance Board-approved key priorities.

DISCUSSION

Ottawa has more than one million residents and nearly one-quarter (23.82%) are active clients of OPL. The Library is the largest bilingual (English/French) public library system in North America, and the only officially bilingual municipal library system in Canada. OPL offers clients five categories of service: collections, expertise, programs, spaces, and tools, spanning the vast geography of the city with 33 physical branches, a robust virtual channel through the website, as well as three bookmobiles, a home delivery service for clients unable to visit in person, and a lending library service at one location.

OPL generates significant economic value for the city. Using an economic model developed in 2016, an updated analysis using 2024 data shows that for every dollar invested in OPL, there is a return of more than \$4.30 reflecting the Library's role in supporting local businesses, workforce development, and neighbourhood vitality.

Beyond measurable economic benefits, OPL also delivers essential intangible value. Libraries foster social connection, intellectual engagement, creative exploration, and emotional well-being—contributing meaningfully to the overall quality of life in Ottawa's communities. OPL is working with the Canadian Urban Libraries Council to measure these impacts, with a report to the Board expected in 2026.

In April 2024, the Board approved the annual workplan (OPLB-2024-0409-11.1) aligned with the 2023 – 2028 Strategic Directions and Priorities, and capturing several multi-year initiatives such as: the development of the Mobile and Virtual Frameworks; completion of the Service Strategies; the Facilities Master Plan; the construction of three new branches – Central, Riverside, and Barrhaven; the ongoing review of hours of operation; and other initiatives reflective of Board priorities.

Throughout 2025, the OPL Board approved several activities designed to further progress on stated priorities. In 2026, staff commit to advancing these using a combination of both existing funding and new funding, including:

- Ensuring that collections keep pace with client demand, cost increases, and growth;
- Expanding hours of operation to include Sundays year-round at those service points current open on Sundays;
- Establishing a branch to serve the Old Hunt Club community – a legacy gap among our service points; and,
- Funding for operational requirements for the Central branch at Ādisōke;

2023 – 2026 Term of Board Efficiencies

Over the current term of Board, OPL has accumulated efficiencies that have offset taxpayer increases. While the majority of these have been reinvested into the library system, a portion has contributed to efficiencies at the City level, resulting in direct savings within the overall City of Ottawa budget—beyond those achieved within Library Services. To-date, the following efficiencies have been realized:

- Library Services to Priority Neighbourhoods and Rural Communities received re-allocated investment of \$398K;
- Internal efficiencies provided \$110K for public engagement to support upcoming activities;
- Internal funding sources were combined to self-fund a shortfall in Central branch Furniture, Fixtures, and Equipment (FF&E) costs in the amount of \$1.165M;
- Facilities-related charges identified \$805K to offset facility maintenance costs (\$749K in efficiencies plus \$56K in lease savings due to Municipal Capital Facilities Agreements);
- A technology review resulted in savings of \$285K related to licensing and maintenance for software, networks, and equipment;
- OPL's Charitable Organization status resulted in annual savings of \$30K for the City of Ottawa's IT department (\$120K over the term of the Board) for network-related software licenses assigned to Library employees; and,
- With more than \$5.15M fundraised to-date (through a time-limited capital campaign), \$2.35M has been used to offset direct costs associated with the provision of the Central branch at Ādisōke, and the remaining \$2.7M allows OPL to introduce service enhancements without cost to the taxpayer.

In addition, the 2026 draft budget has been developed with the following efficiencies, which will be realized if the budget is approved:

- Carbon Tax Reduction - \$30K
- Other utilities - \$8.2K

In previous terms of the Board (historically through to 2012), OPL has found more than \$4M in efficiencies through a variety of initiatives, including:

- The introduction of Radio Frequency Identification (RFID) technology provided enhanced client service and a full inventory of OPL's physical collections; and,
- Internal service reviews resulted in the reallocated investment of funds to create 14.4 FTE to support new and expanded services.

2026 Budget Overview

The development of the 2026 draft budget is in accordance with the Library Financial Framework. The draft budget supports the 2023 – 2026 Board priorities and will help

ensure that OPL remains a vital, responsive, and sustainable service for Ottawa residents now and into the future.

The draft budget reflects decisions made by the Board over the current term, including decisions taken in 2025 such as the changes to funding for Collections (OPLB-2025-0909-10.4; approved in September) and the Facilities Master Plan (OPLB-2025-0909-10.2), specifically the addition of a new branch to serve the Hunt Club community (approved in October).

In addition, OPL continues to advance the Central branch at Ādisōke, the City's most significant community and culture facility investment in decades. With a capital investment of more than \$173M for OPL spaces, the annual budget starting in 2026 must reflect the funding requirements to operationalize the space. This includes funding for library services to clients, alongside OPL's share of funding for City services to maintain the facilities (i.e., OPL directly funds 61 percent of the costs of City of Ottawa Facility Operations staff, security teams, etc. to maintain and secure the space). Continued investment in operational readiness at the Central branch is necessary to open a vibrant facility that meets client expectations, is sustainably commensurate to the capital investment, and realizes the full potential reflected in its world-class design.

While OPL receives one budget envelope from the City, the overall budget consists of two main categories: operating and capital allocations. This year, for clarity, and to demonstrate the length to which efficiencies and prudent planning contribute to the development of the budget, the operating component has been further divided into two sections, which combined represent the total 2026 Draft Budget.

- Part I: Operational funding requirements associated with current operations, including Board-approved decisions for strategic initiatives excluding the Central branch; and,
- Part II: Operational funding requirements associated with the introduction of the Central branch at Ādisōke.

2026 Draft Budget Details

In each budget year, the first accounting requirement is to make financial adjustments to bring operating and capital balances back to their base amounts, as per the Board approved OPL capital "Pay-As-You-Go" amount of \$2.3M. These transactions appear in the budget book (as reversals and an increase/decrease as may be the case from year

to year) to balance OPL's overall funding envelope. For 2026, these transactions represent an adjustment to operating of \$1.949M and are detailed in Document 2.

Once the base is established, the priority is to ensure sufficient funds are available to address all legislated and mandatory contractual agreements, and then to best address strategic and growth-related needs and services. Specifically, the OPL Financial Framework supports the following prioritization:

- Mandatory, contractual, and legislated increases.
- Non-discretionary costs associated with maintaining existing services.
- Asset maintenance (i.e. facility and technology improvements).
- Advancement of key strategic priorities requiring designated funding.

Operating – Part I:

Part I of the 2026 Draft Operating Budget totals \$66.870M. This represents an increase of \$1.660M over the 2025 budget, less than the \$2.9M allocation directed by Council. Inclusive in this part of the budget are additional human resources, expressed as four (4) Full-Time Equivalent (FTE) positions.

The following details relate to **Part I** of the draft 2026 operating budget and are further summarized in Table 1 below.

- **Compensation Adjustments – \$2,307K:**
An increase in compensation is required to account for 2026 cost of living increments and benefit adjustments. These adjustments are applied to existing positions in the organization as of the third quarter of 2025. This does not include some positions for the Central branch at Ādisōke (see Part II of the Operating budget).
- **Facility Operations Services (FOS) – \$172K:**
FOS provides daily maintenance and upkeep for all permanent OPL facilities. This funding will provide for OPL's share of compensation adjustments and other increased base operating costs for facility maintenance (e.g., utilities). This amount is calculated for OPL by the City's Recreation, Culture, and Facility Operations department.
- **Insurance Premiums – \$100K:**

OPL benefits from general liability coverage under the umbrella of the City.
Annual pro-rated shares are provided by the City to each department / Board.

- **Licensing, Maintenance, IT expenses – \$150K:**

Maintenance and licensing costs for systems supporting library operations, systems functionality, productivity suites for employees, and client service support platforms are ongoing costs. These costs are related to centralized systems supporting the entire library organization.

- **Development of Library Collections – \$500K:**

At its meeting of September 9, 2025, the Board approved the Collections Budget report (#OPLB-2025-0909-10.4) which directed staff to update the Financial Framework to reflect an annual increase of three (3) percent for Library Materials and incorporate these directions into future budget proposals. The \$500K recommended in this line item represents a three (3) percent increase of \$187K and an incremental investment of an additional \$323K.

- **New Open Hours: Summer Sundays –\$95K, 1.5 FTE:**

Currently, OPL offers opening hours on Sundays at 10 branches and InfoService for 10 months of the year. With recent changes to OPL's staffing model, the Library is looking at a multi-year approach to expanding service hours, based on client feedback. In 2026, OPL will expand opening hours on Sundays to be year-round at the locations currently open on Sunday.

- **InfoService Staff Resources – \$100K, 1.5 FTE:**

OPL's InfoService contact centre coordinates virtual responses to clients using phone, email, and recently, chat. Call volumes have increased 42 percent over the past decade and are expected to increase further considering population growth and the opening of the Central branch. This funding for one and one-half permanent FTEs will be used to support responsive service delivery to clients through the contact centre.

- **Staff Scheduling Staff Resources – \$105K, 1 FTE:**

One (1) FTE representing two scheduling positions is required permanently for the final stage of operationalizing the new staff scheduling tool for front-line staff.

- **Hunt Club Facility Lease – \$80K:**

At its meeting of October 14, 2025, the Board approved the development of a branch to serve the Old Hunt Club neighbourhood (OPLB-2025-1014-10.3), and directed the CEO to negotiate a lease agreement. This amount reflects estimated costs based on current market conditions and anticipated timing of the lease acquisition.

Table 1 – Part I - 2026 Draft Operating Budget (excludes Central branch)

Table 1 summarizes the operational funding requirements for the draft 2026 OPL budget services, excluding the Central branch at Ādisōke.

Table 1 – 2026 Draft Operating Budget - Part I	\$,000	Full Time Equiv.
2025 Net Budget Envelope	63,830	543.96
Compensation Adjustments - Cost of Living	2,307	
Facility Operations Services	172	
Insurance Premiums	100	
Licensing and Maintenance	150	
Development of Library Collections	500	
Hunt Club Facility Lease	80	
Info Service Staff Resources	100	1.50
Summer Sunday Hours of Opening	95	1.50
Staff Scheduling Staff Resources	105	1.00
2025 Capital PAYG Reduction	(770)	
2026 Adjustments to Capital Program	(1,179)	
Total 2026 Operating Requirements	1,660	4.00

Operating – Part II:

The second part of the draft 2026 budget includes funding for new employees to provide service delivery at the Central branch at Ādisōke. As per the services report approved by the Board in October 2024 (OPLB-2024-1008-10.2), traditional and new services will require an additional eight (8) FTE, and this part of the budget includes the final installment of FOS charges, the balance of funding for positions established in 2025, and other requirements needed to support departmental operations.

The following details relate to **Part II** of the draft 2026 operating budget (funding requirements associated with the operationalization of the Central branch) and are further summarized in Table 2 below.

- **Compensation – \$3,255K:**
 - **Compensation Adjustments – \$3,320K:**

An increase to compensation budgets is required to adjust for 2026 salary rates and benefits for the balance of funding for positions established in 2025 at one-sixth of a year.
 - **Staff Resources – \$785K, 8 FTE:**

In 2026, eight (8) FTEs representing six supervisory positions and two creative service positions are required. This largely concludes the funding requirements for the staffing model as approved by the Board in October 2024 (OPLB-2024-1008-10.2).
 - **Offset funding held in Reserves – \$(850K)**

In 2024, the Board approved funding to be held in Reserves for anticipatory costs related to staffing at the Central branch. In 2026, staff will withdraw those funds to offset OPL's staffing-related compensation costs.
- **Facility Operations Services – \$2,490K:**

The balance of funding for facilities-related compensation costs as established in 2025, along with other increased facility operating costs specifically required for the Central branch such as utilities.
- **Licensing and Maintenance – \$100K:**

Licensing and maintenance costs for the expansion of systems supporting library operations, systems functionality, and additional productivity suites for new employees. These costs are related to incremental increases directly attributable to employees working at the Central branch.
- **Staff Equipment Requirements – \$75K:**

Increased staffing levels require complimentary funding to provide core electronic devices such as laptops, PC's, and mobile devices.
- **Enhanced Programming – \$62.5K:**

The Central branch will be a world-class library where many new services or enhanced versions of existing programs will be provided to the public. To

support these programs, operational budgets need to be established to support anticipated high-demand programming opportunities specific to the location.

- **Event Support Services – \$165K:**

Funding is required to provide ancillary services to key event spaces (e.g. the auditorium, theatre, and Salon) such as ushering and coat check, as well as enhanced AV support for these areas (\$75K).

Table 2 – Part II of the 2026 Draft Operating Budget specific to the Central branch at Ādisōke

Table 2 summarizes the operational funding requirements for the draft 2026 OPL budget specific to the Central branch at Ādisōke.

Table 2 – 2026 Draft Operating Budget - Part II Central branch at Ādisōke	\$,000	Full Time Equiv.
Compensation	3,320	
Staff Resources	785	8.00
Offset Funding Held in Reserves	(850)	
Facility Operations Services	2,490	
Enhanced Programming	63	
Event Support Services	165	
Licensing and Maintenance	50	
Staff Equipment Requirements	75	
2026 Central branch at Ādisōke Operating Requirement	6,098	8.00

In summary of both operating parts of the 2026 draft budget, the Library is requesting a total operating increase of \$7.758M and 12 FTE to support existing library services as well as the services that will be introduced at the Central branch at Ādisōke. This represents \$4.858M over the amount directed by Council as identified in Table 3.

Table 3 – Part I and Part II of the 2026 Draft Operating Budget

Table 3 summarizes the total operational requirements for the draft 2026 OPL budget for all funding requirements.

Table 3 – 2026 Draft Total Operating Budget Part I & II	\$,000	Full Time Equiv.
Part I - Operating Requirements	1,660	4.00
Part II - Operating Requirements specific to the Central branch	6,098	8.00
Total 2026 Operating Requirements	7,758	12.00
City Council Approved Funding Direction	-2,900	
Total 2026 Requirements exceeding direction	4,858	

Capital:

OPL's capital requirements are categorized into one of four areas: 1) Renewal of Assets, 2) Service Enhancements, 3) Growth, and 4) Lifecycle, Accessibility, and Energy Programs (note: "Energy" has been separated from lifecycle funding so that climate change activities are visible and transparent, in keeping with Ottawa City Council priorities and expectations for the submission of budget estimates). In 2026, lifecycle work informed through the City of Ottawa Asset Management Plan is the single largest capital investment in OPL's recommended budget.

Renewal of Assets:

The renewal of assets is funded through the OPL capital allocation to repair, replace, or upgrade existing capital assets.

- **Facilities and Branch Improvements – \$220K:**

As part of the commitment to balance growth and expansion with the needs of existing branches, as most recently noted in the Facilities Master Plan, this funding will be utilized to reconfigure internal spaces at facilities to address updates including improved client flow, wayfinding and signage, sightlines for improved security measures, client service points, improved internal and external aesthetics, and improved functional components.

- **Technology Lifecycle – \$300K:**

Funding will be used to enhance checkout systems, expand digital literacy, and improve access to technology across branches, as well as refresh outdated infrastructure, strengthen cybersecurity, and ensure employees and clients benefit from a more connected, efficient, and inclusive library experience.

- **Library Material Transit Bins – \$100K:**

Transit bins are standardized equipment required for facilitating the movement of library materials around OPL's system of 34 locations in an ergonomic and efficient manner. To maintain the productivity levels of Automated Materials Handling (AMH) and to support employees a capital requirement exists to replace up to 20 transit bins that have reached the end of their serviceable lifecycle.

Service Enhancements:

These initiatives are typically funded through the OPL capital allocation or via Library Reserves (as is recommended in 2026).

- **Hunt Club Facility Fit-Up 2026 – \$2,000K:**

Funding to support the development of a new library branch to serve the community of Old Hunt Club as identified and described in the Facilities Master Plan. The development of the site will involve the inclusion of operational components such as client service points, technologies and equipment, installation of accessible washrooms and spaces, and anticipated modification of electrical and mechanical systems.

- **Retail Merchandise Inventory – \$250K:**

This funding from the Library Reserve will be transferred to Central Library Development for Operational Readiness to ensure that initial inventories for planned retail operations are secured in advance of facility opening.

Growth:

Funded through the City Development Charges (DC) By-Law, projects and initiatives paid for through DC reserves must be supported by corresponding historical levels of service, background studies, and be listed in the latest updated DC project listing. Because of Benefit to Existing (BTE) infrastructure, fully funding a DC project requires a portion of the funding request to be paid for through non-DC budgets. The portion to be funded through non-DC sources is listed in brackets below.

- **Library Materials 2026 – \$1,500K:**

Funding of \$1,500K will be used to purchase materials in multiple formats and subject areas experiencing high demand. In addition, this funding may also be

used to purchase library materials for the new branch collections. This is funded using Development Charges (DCs) as per the DC Background Study and 2024 DC Bylaw review and requires that 10 percent matching funding be provided by the Library. Of the total request, \$75K will be funded from the Library Reserve.

Lifecycle, Accessibility, and Energy Programs (City):

These capital programs are funded through City budgets allocated to OPL. Lifecycle projects are included to provide transparency into overall investment in Library services, and to detail initiatives scheduled for completion in the coming year. In 2026, for increased visibility through the climate lens, small capital projects that have an impact directly related to energy efficiency have been identified as “Energy” projects.

- **Lifecycle – \$3,277K:**

The overall OPL Lifecycle Program represents annual funding for facility-related asset management, recognizing City ownership of most Library facilities. Significant funding was allocated in 2025, with many of those activities continuing into 2026. Funding in the upcoming year is focused on small- to medium-sized inspections and audits, as well as building envelope assessments and door replacements. A contingency amount exists to address any unforeseen requirements that may arise throughout the year.

- **Accessibility – \$134K:**

The Accessibility program provides for the removal of barriers 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 travel, and remedial work in washrooms and kitchens. In 2026, work continues projects initiated in 2025, and new work includes accessible washroom design and construction at the Orléans and Osgoode branches.

- **Energy – \$59K:**

Small capital projects in 2026 that have an impact directly related to energy efficiency include initiatives at three branches: Elmvalle Acres (HVAC), Nepean Centrepointhe (lighting) and Stittsville (HVAC).

OPL's total capital requirement for 2026 is \$7.84M. Library capital projects are typically funded through Pay-As-You-Go (PAYG). In 2026, to reduce the burden on tax-based funding, staff are recommending that Library capital projects be funded directly from the Library Reserve. Funding the 2026 planned capital initiatives from the Reserve results in additional funding for operational activities of \$945K (previously accounted for in Part 1 of the operating budget). The recommended funding for 2026 capital projects comes from three distinct sources: the Library Reserve, the Development Charges Reserve, and funding from the City for lifecycle, accessibility and energy projects.

Table 4 – 2026 Draft Capital Allocations

Table 4 categorizes and summarizes the capital requests in the OPL Draft 2026 budget.

Table 4 - 2026 Draft Capital Budget (\$,000)	OPL Reserve	DC Funding	City Programs
Facilities and Branch Improvements 2026	220		
Technology Lifecycle 2026	300		
Library Materials Transit Bins 2026	100		
Retail Merchandise Inventory (Central Library Development)	250		
Hunt Club Facility Fit-Up 2026	2,000		
Library Materials	75	1,425	
Lifecycle			3,277
Accessibility			134
Energy			59
2026 Total Capital by funding source	2,945	1,425	3,470
2026 Total Capital Program	7,840		

Draft Four-Year Capital Forecast and Operating Forecast

As part of the annual budget process, staff provide the Board and Council with a 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; 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 subsequently Ottawa City Council. The Draft Four-Year Capital Forecast can be found in Document 1 (OPL 2026 Draft Operating and Capital Budget Book).

While not a requirement of the budget process, it is good financial practice to identify and track anticipated operating pressures. In alignment with the capital forecast, staff developed a four-year forecast of operating requirements, based on information currently available, highlighted in Appendix 1.

User Fees

OPL collects user fees on various items including lost materials, abandoned holds (items requested but not picked up), meeting room rentals, the sale of goods and consumable materials (e.g. thumb drives/USB sticks, materials in the Imagine Space), and membership fees for library clients residing outside of Ottawa municipal boundaries. Fees are in keeping with the client experience and market conditions. In fairness to Ottawa residents, and in accordance with OPL's charitable organization status, it is incumbent upon OPL to levy user fees that are based on a cost recovery model so as not to profit from goods sold.

On October 14, 2025, the Board approved the 2026 Budget Directions (OPLB-2025-1014-10.1), implementing an anticipated increase of 2.95 percent in Meeting Room Rental Rates to enable OPL to charge updated rates for meeting rooms booked during the remainder of 2025 for 2026 rental dates. This is consistent with the City of Ottawa practice for community centre facilities ensuring alignment for clients within these public spaces and allows OPL realize the full potential of revenue expectations for 2026.

Staff reviewed all user fees and have adjusted on a per-item basis to reflect actual costs for implementation effective January 1, 2026. The complete 2026 User Fee Schedule can be found in Document 1 (OPL 2026 Draft Operating and Capital Budget Book).

Status and Impact on Reserve Accounts

Funds for OPL are also held in two independent reserve accounts: the Library Reserve, and the Development Charge (DC) Reserve.

Library Reserve - The Library Reserve supports transactional funding of OPL's budget. Annual fiscal surplus and deficit results are settled through the Reserve account and are the first adjustment to the Reserve balance each year. The allocation of any surplus and the closing of capital accounts and subsequent transfers to the Library Reserves are subject to annual approval by City Council. Withdrawals require Council approval, upon Board recommendation. The Library Reserve provides fiscal security and should be available for unforeseen expenditures as well as strategic uses to mitigate financial pressures. The OPL Financial Framework recommends that the target balance for the Library Reserve be 10 percent of the total annual budget for the same year and that the Reserve balance be held at a minimum of 7.5 percent. Furthermore, 60% of the Reserve is to be used to support OPL's capital program.

If the 2026 budget is approved as presented, the estimated balance of the Reserve after applying all transactional adjustments including the requested withdrawal for all Capital funding is \$4.646M (7% of the proposed 2026 budget) as summarized in Table 5.

Table 5 – Library Reserve Fund

Table 5 indicates the status of, and estimated impact on, the Library Reserve.

Table 5 - Library Reserve Fund	\$,000	
Reserve Balance (Jun 30, 2025)	6,409	
Forecasted 2025 Operating (Deficit)/Surplus	2,032	
Less Compensation Authorities total (2024 Authority)	(850)	
Allocation for 2026 Capital - Funding PAYG	(2,945)	
Total Library Reserve Available, (Est.) Jan 1, 2026	4,646	7%

DC Reserve - Revenues collected through the implementation of the City of Ottawa DC By-Law are also held in a reserve account. This account is specific to fees collected for Library growth and can be drawn to fund specific growth projects as identified in the Library's DC projects listing. The 2026 Draft Budget impact on the Library DC Reserve is summarized in Table 6.

Table 6 – Library Development Charge Reserve Fund

Table 6 indicates the status of, and estimated impact on, the Library Development Charge Reserve.

Table 6 - Library Development Charges Funds	Balance Sept, 2025 \$,000	Previous Authorities (Not already expended) \$,000	Unencumbered Balance \$,000
City Wide DC - Library	13,419	-1,116	12,303
Outside Greenbelt - DC	17,772	-13,788	3,984
Legacy Reserves - DC	5,696	0	5,696
Inside Greenbelt - DC	2,831	0	2,831
Rural	1,865	-1,170	695
Future - Debt	0	-728	-728
Total DC Funding	41,583	-16,802	24,781

2026 Draft Budget Summary

The draft budget supports the Board-approved Strategic Directions and Priorities 2023-2028, and will help ensure that the Library remains a vital, responsive, and sustainable service for Ottawa residents now and into the future. Specifically, the budget:

- Fulfills OPL's mandatory requirements and maintains current operations within the Council-directed increase;
- Fulfills maintenance obligations for Library assets, and includes a provision for a new branch to serve the Old Hunt Club community;
- Enhances the client experience by:
 - Restructuring the approach to funding collections to keep pace with client demand, cost increases, and growth;
 - Expanding hours of operation to include Sundays year-round at locations that are already open on Sundays;

- Provides staff capacity for current needs and future growth including funding for operational requirements for the Central branch at Ādisōke;
- Promotes financial responsibility and stewardship through efficiencies and maximization of existing authorities; 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 2026 Draft Budget estimates to Council for tabling and public consultation.

CONSULTATION

Consultation has occurred on specific initiatives, as may have been provided to the Board in previous reports presented prior to budget submission.

Staff worked with colleagues at the City of Ottawa to ensure the 2026 draft budget recognizes City Council directions while also identifying the necessary funding required to operationalize the Central branch.

Public consultation has and will take place as per the City's process: members of Council will seek public input prior to budget tabling through Councillor-led engagement sessions or other means as determined by the individual Councillor. OPL staff have offered to all Council members to be present at budget consultation sessions in their community and have been invited to participate in some of these sessions.

In addition, members of the public can submit feedback directly to OPL via email at BudgetOPLBPO@bibliooottawalibrary.ca. Following the tabling of the budget, all public feedback will be shared with the Board prior to the December 2 meeting to aid in deliberations and decisions.

ACCESSIBILITY IMPACTS

Ottawa Public Library supports and considers the *Accessibility for Ontarians with Disabilities Act (2005)* in its operations. Accessibility to Library services will be increased if the recommendations of this report are approved.

BOARD PRIORITIES

This report advances the Board's 2023-2028 Strategic Plan and reflects the Board's focus on sustainable funding for the Central branch at Adisoke, commitment to ensuring operational resilience, and balances investments across library services and service points.

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 associated with this report.

RISK MANAGEMENT IMPLICATIONS

There are risks inherent in the annual budget process, including:

- Development of Library Collections – If a new operational base budget increase for library materials is not approved, the physical collection size per capita metric will decrease resulting in a potential erosion of client service.
- Service provision at the Central branch – The strategy utilized in 2025 for human resource requirements for the Central branch secured funding for one-sixth of the year (based on timing of recruitment). This results in the need to secure permanent funding for full calendarization (the remaining 10 months). Recruitment for the Central branch is underway. The inability to secure permanent funds will impact ongoing recruitment and onboarding and may impact operationalization of the Central branch.
- Funding Capital and other Initiatives through the Library Reserve – The inability to secure funding via Library Reserves in 2026 creates risks in addressing a gap in Library services in the Hunt Club community. If use of the Library Reserve is not approved, staff will be required to adjust the budget to reassign capital allocations in 2026 to be funded using PAYG, which will adversely affect the tax-based budget envelope and require reassessment of all capital allocations and

projects. The recommended financial strategy addresses this funding pressure in alignment with the Board-approved Financial Framework.

- Facility and Technology Investments – Continued funding for small scale facility and technology upgrades and lifecycle replacements helps to control asset maintenance funding gaps while ensuring quality customer service and help to reduce the risk of closures or other interruptions in service.
- Cost of Living Allowance (COLA) – This mandatory funding pressure represents 80% of OPL's annual budget increase. With human resource requirements increasing in 2026 for the Central branch and again in subsequent years for the opening of additional facilities, COLA represents an increasingly higher proportion of OPL's annual base budget increase.
- User Fees – Incremental adjustments to user fees ensure that OPL's cost recovery approach remains accurate and consistent, and that non-resident fees are comparatively fair and reflective of tax rate contributions to Library services by taxpayers in the city of Ottawa.
- Balanced Priorities - Each budget must consider affordability alongside resource capacity to undertake the work and projects described. The recommendations in this report are a realistic approach to balance these considerations using both new funding and internal efficiencies. Further, planned spending in 2026 proposes the continued efforts of 2025 and a reasonable distribution of investments across the system and among strategic priorities.

TECHNOLOGY IMPLICATIONS

The continued upgrade of technology assets such as check-out units will become possible upon the approval of the recommendations of this report. A proactive technology lifecycle plan helps reduce unexpected downtime, keeps software and hardware current, and aids in forecasting yearly budget needs. By comparison, a reactive strategy would require a larger investment as system performance gradually deteriorates, and/or parts can no longer be sourced.

The continued refresh of outdated infrastructure strengthens cybersecurity and ensures employees and clients benefit from a more connected, efficient, and inclusive library experience.

SUPPORTING DOCUMENTATION

Document 1 – OPL 2026 Draft Operating and Capital Budget Book

DISPOSITION

If approved, staff will forward the Draft 2026 Budget to Ottawa City Council for tabling at its meeting of November 12, 2025.

Upon OPL Board approval on December 2, 2025, 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 10, 2025.

Appendix1

Ottawa Public Library Four-Year Operating Forecast

The following highlights known estimates, assumptions, and pressures for 2027 - 2030, providing a more comprehensive picture of OPL's financial situation to inform both immediate and long-term financial decisions.

2027:

- An estimated \$1.77M in mandatory cost-of-living adjustments for OPL employees
- An estimated 261,000K in adjustments for Facilities Operations for OPL branches operated by the City – not including Central (compensation and program delivery)
- Requirements related to Hunt Club branch operations, including compensation, program facility costs, and operating budgets for library services provision (estimated at \$1.2M)
- Efficiencies of \$1M following the decommissioning of the Main branch
- An increase in revenue associated with spaces and services with the Central branch at Ādisōke
- Incremental increases for Central-related licensing and maintenance for equipment and programs of \$470K
- Increase Hunt Club lease funding to a full year \$80K
- Incremental increase of \$185K for collections (as per Board direction) regarding the Collection Budget

2028:

- An estimated \$1.88M in mandatory cost-of-living adjustments for OPL employees
- An estimated \$261,000 in adjustments for Facilities Operations (compensation and program delivery)
- Requirements related to Riverside South branch operations, specifically compensation estimated at \$1.1M
- Incremental increase of \$194K for collections (as per Board direction) regarding the Collection Budget.
- Incremental increases for Central and system-related equipment and programs of \$65K

- Increased licensing and maintenance costs for sorting equipment and core software platforms estimated at \$200K
- Increased revenue expectations from retail operations offsetting expenditures by \$(500K)

2029:

- An estimated \$1.99M in mandatory cost-of-living adjustments for OPL employees
- An estimated \$288,000 in adjustments for Facilities Operations (compensation and program delivery)
- Riverside South program facility costs, and operating budgets for library services provision estimated at \$850K, excluding compensation
- An incremental increase of \$200K for library collections plus an additional influx of funding of up to \$400K if available as per the Collection Development Plan
- Incremental increases for Central-related equipment and programs of \$120K
- Insurance premiums increase estimated at \$120K

2030:

- An estimated \$2.13M in mandatory cost-of-living adjustments for OPL employees
- An estimated \$280,000 in adjustments for Facilities Operations (compensation and program delivery)
- Requirements related to Barrhaven branch operations, including program facility costs, and operating budgets for library services provision, estimated at \$1.05M, excluding compensation.
- Incremental increases for Central-related equipment and programs of \$140K
- Incremental increase of \$217K for collections (as per Board direction) regarding the Collection Budget.