

REPORT

Oakville Public Library Board

Meeting Date: September 18, 2024

FROM: Oakville Public Library

DATE: September 10, 2024

**SUBJECT: 2025 Oakville Public Library (OPL) Operating Budget –
September 18, 2024**

RECOMMENDATION:

That the draft 2025 OPL Operating Budget be received for feedback.

KEY FACTS:

The following are key points for consideration with respect to this report:

- OPL was advised via the “Mayoral Direction to Staff regarding the preparation of a balanced 2025 Annual Budget report” (Appendix A) that OPL is to prepare its budget submission to the town based on overall increase not to exceed 5.5% (\$670,000) inclusive of growth-related impacts.
- At the July 17, 2024, special board meeting, the Board was presented with the key budget drivers for 2025 including the opening of Sixteen Mile Branch. The board reviewed the library’s operating budget needs and identified an increase of 9.34%. However, as per the mayor’s direction, OPL needs to present a budget to stay within the 5.5%.
- A 5.5% increase presents OPL with an approximately \$311,300 shortfall driven by the operational requirements of the permanent Sixteen Mile Branch scheduled to open in September 2025.
- Given the identified shortfall, OPL is tasked with identifying savings to bridge the gap. OPL is reviewing service reduction options and has developed a recommendation for the board’s approval.

BACKGROUND:

The first 2025 Town of Oakville budget committee meeting was held on June 17 where Town staff presented the 2025 budget report (Appendix A and B) in line with direction from the Mayor to guide the preparation of the 2025 budget.

For 2025, the mayor has directed that Town of Oakville staff prepare “an operating budget with spending levels predicated on an overall tax levy increase of up to 4.00% to accommodate priorities from the Council Strategic Plan and the use of Performance Based Program Based budgeting methodology to identify efficiencies.”

The mayoral directive also advises Oakville Public Library (“OPL”) to prepare its budget submission to the town based on an overall increase not to exceed 5.5% inclusive of growth-related impacts.

At the June 20, 2024, board meeting, OPL staff presented a Budget Driver’s report that highlighted the key pressures influencing the creation of the 2025 operating and capital budgets. The main pressure for the operating budget is the opening of the permanent Sixteen Mile branch.

The OPL Board held a special board meeting to focus on the 2025 Operating and Capital budgets on July 17, 2024. At that time, OPL was working with a base budget increase of 3.29%.

OPL also identified a core staffing requirement for Sixteen Mile at 4.85% (\$590,300) to provide basic library services. It was identified that this option would require OPL to adjust the plans for Sixteen Mile by turning the Tinker Lab and Audio/Video Cove into other types of spaces as the core staffing proposal would not allow for activation of those spaces as envisioned.

At the July 17 special board meeting, the board reviewed the direction from the Mayor and the drivers identified by OPL staff and recommended the following be incorporated into the September budget report for consideration:

Item	\$ Impact on budget	% impact on budget	Overall increase
SM Core Service Level	\$590,300	4.85%	8.14%
Creation Zone Specialist	\$55,200	0.45%	8.59%
Collections budget increase	\$25,000	0.21%	8.80%
Performance and Metrics position	\$30,700	0.25%	9.05%

Community Engagement position	\$35,700	0.29%	9.34%
Total	\$736,900	6.05%	9.34%

Following the July 17 board meeting, OPL discussed the board meeting recommendations with Town staff to address the difference from the recommendations and the 5.5% direction. As such, OPL has provided a further recommendation based on Town feedback below for consideration by the board to bridge the funding gap.

It is important to note that over the past 10 years, OPL has evolved from an organization with 6 branches and approximately 185 staff (113.1 FTE) to 7 branches + 4 OPL Express locations with approx.135 staff (110.4 FTE). This shift has also included the creation of Technology, Program Development, Alternative Services and Marketing and Communications departments as well as the introduction of Creation Spaces. Since 2014, OPL has been primarily able to adapt to growth using its own internal resources through a journey of continuous improvement where OPL ensures that services and staffing are reviewed and adjusted regularly to meet the growing and changing needs of the community. However, this also makes it difficult to find additional savings to offset the current budget shortfall without having a direct impact on service delivery.

COMMENT/OPTIONS:

Base Budget Overview

The Library is recommending the base operating budget be increased by 3.61% or \$439,200. The main drivers of the budget are noted below:

- **Inflation** of \$346,300 is included for personnel services and benefits, janitorial services, repairs and maintenance, insurance, Facility Service costs and rental revenues.
- **Department Adjustments** increase the budget by \$92,900. These include:
 - Impact of the new collective agreement above what was budgeted for 2024
 - Step/merit increases for non-union staff as well as the conversion of an Acquisitions Assistant to a Marketing and Communication Coordinator position
 - Increases in janitorial costs at White Oaks and Central branches as well as increased maintenance costs for Central Branch.
 - Removal of budget for courier services due to the new courier van coming into service

- The impact to the operating budget of adding a new full-time Customer Information Specialist position added in 2024 for Glen Abbey, funded from Development reserve until the Sixteen Mile operating impact is added to budget in 2025.
- Adjustments to photocopier, 3D printing, rental and materials replacement revenues in line with actuals

Growth Budget:

Sixteen Mile with service adjustments

The operating impact for Sixteen Mile is the primary factor driving the 2025 operating budget above the direction of 5.5%. As such, OPL recommends the following cost savings measures to bridge the funding gap:

Savings Area	Amount
Elimination of all maker spaces and dedicated staffing requirements	\$110,400
Keep Sixteen Mile’s current schedule of 47 hours per week	\$90,000
Elimination of hours currently unattached to positions.	\$110,000
Total	\$310,400

Given that Glen Abbey has a dedicated Creation Zone, that service would remain available for Oakville residents. The removal of this service from Sixteen Mile would eliminate two full-time Creation Specialist positions from the budget and net \$110,400 in savings for 2025.

Currently Sixteen Mile operates with the 47 hour a week schedule below:

Sunday	1pm	5pm
Monday	10am	5pm
Tuesday	12pm	8pm
Wednesday	10am	5pm
Thursday	12pm	8pm
Friday	10am	5pm
Saturday	10am	4pm

Originally, Sixteen Mile was planned to have 66 hours per week to align with Glen Abbey and Iroquois Ridge. However, keeping the same hours in the new branch provides approximately \$90,000 in savings.

This recommendation does not impact any current staffing levels and keeps the cost savings primarily contained to Sixteen Mile.

In addition, OPL has a number of unassigned hours as a result of a recent LEAN review and subsequent restructuring of the Collections Development department. These hours were intended to be used to create a full-time position within the department but given current budget pressure will be used to offset the 2025 funding gap instead.

Next Steps

OPL will be providing funding requests to the town as part of the town's internal budget review to provide (full or partially) the funding of Sixteen Mile to its planned levels. Based on the recommendation above, OPL would submit 2 requests:

- Inclusion of Makerspace staffing
- Funding for an additional 19 hours to bring Sixteen Mile into alignment with Glen Abbey and Iroquois Ridge branches.

Town ELT will review OPL's funding requests along with operating requests from all town departments in late September. From here, town staff prepare the presentation of the town's budget to the town's budget committee, starting on October 22. This process includes multiple opportunities for discussion and public consultation, including session on November 12 and 14.

Optimal OPL Funding:

The below budget is OPL's optimal funding request for 2025 and includes the full activation of all planned spaces for Sixteen Mile Branch as well 3 growth positions and an increase to OPL's collection budget to assist in dealing with high levels of inflation and the escalating demand for digital content.

- **Full Sixteen Mile Activation (\$295,145)** - The permanent Sixteen Mile branch was designed with a focus on inspiring and engaging the community with current and emerging technologies. With three makerspaces (Creation Zone, Tinker Lab, and Audio/Video Cove), this budget (which should only be considered if creation zone staffing above is restored) allows OPL to play a significant role in advancing digital literacy as well as digital inclusion to ensure that all residents have equitable access to both traditional and emerging technologies.

OPL requires specialized staffing to support technology services across all three of these makerspaces. Staff will provide access to low- and high-tech tools and equipment for free, teach people how to use tools, and introduce them to new techniques and skills through workshops, training, and educational programming.

Additionally, this budget addresses the pressures Oakville's growing population creates on OPL to diversify its approach to programming (e.g. multi-lingual, increase teen and older adult) and to meet the anticipated outreach needs of the branch and its surrounding communities.

- **Project Management** – as the complexity and volume of large operating and capital projects increases, OPL requires a growth position (1 FTE) to provide internal project management services to better support the senior leadership team with ongoing and future projects including construction of new library branches, library master plan initiatives, task management, internal communications, vendor management, consultant services, purchasing, document management, and metrics and reporting.
- **Performance and Metrics:** Public libraries continue to be a transformative force within our community. As OPL expands to meet Oakville's growing needs, the organization requires a position (1 FTE) to ensure there is dedicated support the centralization of data collection, analysis, and reporting on performance and key metrics to ensure that OPL leadership is making informed, data-driven decisions. The position will also allow OPL to better align their metric to a results-based accountability framework broadly used through the non-profit section to better track OPL's impact cross societal health factors such as child literacy rates.
- **Community Engagement** : OPL's Community Development and Engagement department current staffing model is structured to support Halton Information Providers (HIP), Information Oakville, and Fundraising; however, the department requires an additional position (1 FTE) to meet the growing demand on OPL to develop community engagement plans and strategies to establish partnerships with new groups, organizations and agencies that enhance the library's mission, strategic goals, and ability to support community-led programs and services.
- **Website Updates and Enhancement Budget Request:** For the past 3 years, OPL has requested \$30,000 as part of the capital budget to assist in ongoing development, improvement, and maintenance of OPL.ca as both OPL and the Town of Oakville lack the in-house technical expertise required for ongoing website maintenance and security enhancements. The Town has asked OPL to move this capital request into operating to better reflect the nature of the ongoing work it represents; however, OPL is requesting that this remain in capital for one more year given the current pressures.

- **Collections:** \$100,000 for 2025 would allow OPL to continue to address issues such as increased costs related to digital collections, replacing aged collections (e.g. Children’s books) and supporting the growth of the Library of Things and multilingual collections.

Request	2025 Cost	% Impact to budget
SM Core Service Level - additional need	\$353,000	2.90%
SM Full Activation	\$295,200	2.42%
Project Management FTE	\$89,200	0.73%
Performance and Metrics FTE	\$76,800	0.63%
Community Engagement FTE	\$35,700	0.29%
Website Maintenance and Improvements	\$30,000	0.25%
Collections Budget Increase	\$100,000	0.82%
Total	\$626,900	

Fees and Fines

The OPL is recommending an increase of 3.25% increase for fees related to room booking for 2025, in line with the rate increases being recommended in other town programs.

APPENDICES:

Appendix A – Draft Mayoral Direction to Staff regarding the preparation of a balanced 2025 Annual Budget

Appendix B – Draft Mayoral Direction to Staff Regarding the Preparation of the 2025 Annual Budget

Prepared and submitted by:
Tara Wong, CEO