

Council Memo



To	City Council
Service Area	Office of the Chief Administrative Officer
Date	Wednesday, February 4, 2026
Subject	2026 Budget Update Local Boards and Shared Services Agencies – Guelph Public Library

This memo serves as an update on the budget-related matters for Council consideration related to the 2026 budget update for the City’s local boards and shared services (LBSS) agencies.

Guelph Public Library

In response to the Mayor’s request to have the LBSS agencies review their 2026 budgets in the context of ongoing affordability challenges facing our community and the request to have budgets reflect both community needs and organizational realities, the Guelph Public Library Board met [on January 26, 2026](#) to review budget amendments to the previously approved 2026 budget update. The Board approved a 2026 operating budget of \$14,329,053, reflecting a decrease of \$594,821 from the amount previously approved in October 2025.

The Board also removed capital project LB0040 Virtual Desktop Infrastructure New Main Branch from the 2026 capital budget in the amount of \$500,000. The revised 2026 Board approved capital budget is \$300,000.

Capital Project LB0040 was funded from the Library Capital reserve fund (157) for \$450,000 and the Library Development Charge reserve fund (316) for \$50,000. The removal of the capital project LB0040 has decreased the budgeted expenditure in 2026 in the associated reserve fund forecasts as presented in Table 57 and Table 58 in the [LBSS budget materials](#). This results in higher projected balances throughout the 2026 to 2035 forecast than presented in the LBSS web materials. Table 1 and Table 2 show the revised reserve fund forecasts for the Library Capital and Library DC reserve funds, respectively.

Table 1: Revised Library Capital reserve fund (157) Forecast (\$ millions)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening balance	1.65	1.31	1.45	1.58	1.45	1.48	1.26	1.38	1.62	1.72	1.78
Total revenue	0.33	0.34	0.35	0.36	0.38	0.39	0.40	0.41	0.42	0.44	0.45
Total expenditures	(0.68)	(0.20)	(0.22)	(0.50)	(0.35)	(0.61)	(0.28)	(0.18)	(0.32)	(0.38)	(0.34)
Closing balance	1.31	1.45	1.58	1.45	1.48	1.26	1.38	1.62	1.72	1.78	1.89

Table 2: Revised Library Development Charge reserve fund (316) Forecast (\$ millions)

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Opening balance	6.79	(10.86)	(10.30)	(9.45)	(7.96)	(6.69)	(4.74)	(3.67)	(2.55)	(1.40)	(0.24)
Total revenue	0.56	0.78	0.96	1.59	1.64	1.69	1.09	1.12	1.15	1.16	1.20
Total expenditures	(18.21)	(0.23)	(0.11)	(0.09)	(0.07)	(0.04)	(0.01)	-	-	-	-
Closing balance	(10.86)	(10.30)	(9.45)	(7.96)	(6.39)	(4.74)	(3.67)	(2.55)	(1.40)	(0.24)	0.96
Balance including outstanding debt	(3.73)	(4.32)	(4.62)	(4.30)	(3.92)	(3.50)	(3.67)	(2.55)	(1.40)	(0.24)	0.96

A long-term and integrated approach is taken to capital funding requirements and there is a negative balance forecast for the Library Development Charge reserve fund (316) throughout the forecast period. The positive balance in the Library Capital reserve fund (157), provides a partial offset of this negative balance in alignment with the City's strategy of using inter-reserve fund borrowing, and the removal of capital project LB0040 further supports this offset. For this reason, there has not been a corresponding adjustment to the transfers into the Library Capital reserve fund (157). Staff will continue to evaluate the sustainability of the Library capital reserve funds through future budget updates, and provide recommendations as needed to Library staff for any future adjustment to the tax-supported capital funding.

The updated Guelph Public Library budget reduced the levy requirement by 0.17 per cent from what was previously reported in the recommendations in report [2026-29 Budget Update Local Boards and Shared Services Agencies](#) and the recommendations on the revised agenda reflect this update.

Attachments

Attachment-1 Guelph Public Library Board Letter to Mayor and Council

Report Author

Daisy Zhang, Senior Financial Analyst Budget Strategy

This memo was approved by:

Shanna O'Dwyer

General Manager Finance – City Treasurer and Chief Financial Officer

Office of the Chief Administrative Officer

519-822-1260 extension 2300

shanna.odwyer@guelph.ca

This memo was recommended by:

Tara Baker

Chief Administrative Officer

Office of the Chief Administrative Officer

519-822-1260 extension 2221

tara.baker@guelph.ca