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Item No. 4
Committee of the Whole
January 29, 2014

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Paula Saulnier, Interim CEO, Halifax Public Libraries

DATE: January 22, 2014

SUBJECT: Proposed 2014/2015 Halifax Public Libraries Budget and Business Plan

ORIGIN

At the October 22, 2013 Committee of the Whole, Council directed staff to present the 2014/15 draft Business Unit Budget and Business Plans to the Committee of the Whole for review and discussion prior to consideration by Regional Council.

LEGISLATIVE AUTHORITY

Halifax Charter, section 35 (1) The Chief Administrative Officer shall (b) ensure that an annual budget is prepared and submitted to the Council.

RECOMMENDATION

It is recommended that the Committee of the Whole direct staff to proceed to prepare the 2014/2015 Halifax Public Libraries Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided by motion of Committee of the Whole for inclusion in the proposed HRM 14/15 Budget and Business Plan documents.

**Proposed 2014/2015 Halifax Public Libraries Budget and Business Plan
Committee of the Whole**

BACKGROUND

As part of the design of the 2014-2015 Budget and Business Plan development process, the Committee of the Whole is reviewing each Business Unit's high level budget and proposed plans in advance of detailed HRM Budget and Business Plan preparation.

At the November 19, 2013 Committee of the Whole Regional Council considered and confirmed their Strategic Priority Outcomes and directed staff to: "develop the 2014/15 Budget and Business Plans in support of these priorities."

DISCUSSION

Staff has prepared the proposed 14/15 Budget consistent with the preliminary fiscal direction received from Council on October 22, 2013 and aligned with Council Priorities as directed on November 19, 2013.

Following direction from the Committee of the Whole, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 2014/15 Budget and Business Plan documents to be presented to Council, as per the process and schedule endorsed by Regional Council on October 22, 2013.

FINANCIAL IMPLICATIONS

The recommendations in this report will lead to the development of a proposed budget for 2014-15. There are no immediate financial implications from these recommendations. The broader financial implications will be discussed and debated as the budget is developed in more detail.

COMMUNITY ENGAGEMENT

None are specifically associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Committee of the Whole can choose to amend the Budget and Business Plan as proposed in the accompanying presentation through specific motion, and direct staff to proceed to prepare the Budget and Business Plan for inclusion in the proposed HRM Budget and Business Plan documents.

ATTACHMENTS

Halifax Public Libraries 2014 – 2015 Draft Budget and Business Plan Presentation

**Proposed 2014/2015 Halifax Public Libraries Budget and Business Plan
Committee of the Whole**


A copy of this report can be obtained online at <http://www.halifax.ca/boardscom/SCfinance/index.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Paula Saulnier, Interim CEO, Halifax Public Libraries

Report & Financial Approval by: Original Signed

Greg Keefe, Director of Finance & Information Technology/CFO, 490-6308





Halifax Public Libraries

Business Unit Overview

Vision
*Halifax Public Libraries: Where we shape the future together...
 Imagine the possibilities.*

Mission
Connecting people. Enriching communities. Inspiring discovery.

- Provides public library service to the residents of HRM under the direction of the Halifax Regional Library Board in alignment with the Library's strategic vision and mission.
- A network of 14 branches, a website, borrow by mail and home delivery services.
 - 2,390,425 in-person visits made to libraries in the past year; up 1% over 2012-13.
- A collection of nearly 1.1 million items is available to borrow or use in-house, including books, magazines, DVDs, CDs, electronic resources, downloadable e-books, videos and audiobooks.
 - 4,860,384 items borrowed; an increase of 3% over 2012-13.

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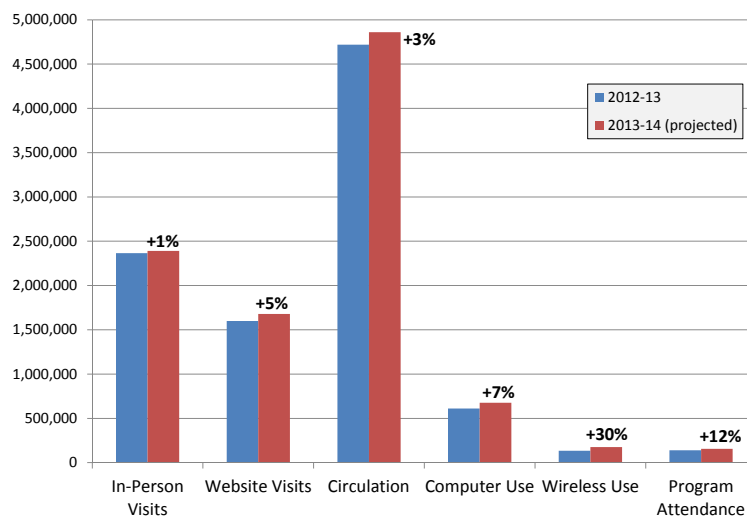
Halifax Public Libraries

Business Unit Overview (continued)

- A range of programs for all ages, designed in collaboration with the communities served by each branch, including reading development for children, puppet shows, homework help, teen volunteers, book talks and author readings, cultural and heritage events, income tax clinics, computer training, English language learning and literacy tutoring.
 - Over 156,000 people attended 7,200 programs, a 12% increase in attendance over last year.
- In-house spaces designated for studying, reading, access to technology, organized meetings, socializing, connecting with people and the world.
 - There were 676,156 bookings for in-branch computers and over 4,700 meeting room bookings; increases of 7% and 2%, respectively over 2012-13.
- The website (halifaxpubliclibraires.ca) brings the library to residents where they are 24/7.
 - 1,678,956 visits made to the Library's website; up over 5% from 2012-13.
- There are 37 management and non-union employees and 466 employees who are members of the Nova Scotia Union of Public and Private Employees (NSUPE) local 14. There are 181 full-time, 214 part-time and 10 grant-funded employees, as well as, over 700 volunteers.



Halifax Public Libraries





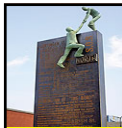
Halifax Public Libraries Service Areas

Branches and Public Service

- **Community Engagement**
 - provides direct library services for all HRM neighbourhoods through the Library's branches, Borrow by Mail and Home Delivery services.
 - works with community members, partners and staff to develop community-led library services and facilitate accessibility and respect for diversity.
- **Central Library and Regional Services**
 - responsible for Central Library service development and delivery
 - development of system-wide programming for all ages, circulation, readers services and emerging technologies.

Information Technology and Collection Management

- **Collection Management**
 - responsible for ordering and receiving all materials for the Library's collection .
 - makes the collection accessible through the Library's catalogue and available to the public at branches.
- **Information Technology**
 - responsible for the implementation and support of public use computer hardware and software and new technology throughout the Library system.
 - a complex information technology environment including highly specialized library applications, open source solutions.
 - a sophisticated integrated library system (ILS) - library materials database, customer databases and community resources database.



Halifax Public Libraries Service Areas

Administrative Services

- **Corporate Services**
 - **Administration** - administrative support to the Library Board, CEO, senior management and all managers across the system.
 - **Finance and Facilities** - financial planning and analysis, budgeting, financial reporting, procurement and facility management.
 - **Research and Development** - management services facilitating processes, planning, performance analysis and data research.
- **Human Resources / Payroll**
 - Labour and employee relations, occupational health and safety, training and development, recruitment and selection and compensation and benefits
 - Payroll services for staff, grant workers and oversight for volunteers.
- **Communications and Marketing**
 - Develops all communications and marketing strategies, and promotional materials.
 - Manages special events and represents the library to the media
 - Supports the Central Library capital campaign.



13/14 Deliverables Update

Central Library development	<ul style="list-style-type: none"> Capacity audience participated in Central Library programs during Doors Open event Talking Fence engaged community during summer Third Book of Remembrance funded through HRM Grant program Staffing plan developed Furniture, shelving and fixture plans completed Audio / visual and café tenders in progress with HRM Security and maintenance service level agreement in progress with HRM
Central Library Capital Campaign	<ul style="list-style-type: none"> \$1.9 million received and committed to-date Community Campaign to launch in March 2014
Regional Universal Access Plan development and implementation	<ul style="list-style-type: none"> Plan completed March 2014; Implementation 2014-15 Accessible doors installed at Musquodoboit Harbour Library Currently engaging in community consultations Assistive technology station installed at Keshen Goodman Public Library
Service to First Nations Communities Plan implemented at Halifax North	<ul style="list-style-type: none"> Successful Mi'kmaq Heritage month programs attended by community groups and elementary schools Staff training completed



13/14 Deliverables Update

Immigrant Service Plan implementation	<ul style="list-style-type: none"> Two Immigrant Services Library Assistants hired – one regional, one at Keshen Goodman Public Library Community advisory team established Multilingual Information Technology classes offered at branches with English Language Learning classes Successful Summer arts program and a Conversation Club with immigrant women at Keshen Goodman Library sponsored by Community Health Boards.
Facilities Master Plan Implementation	<ul style="list-style-type: none"> Library Board approved final revisions of report To be presented to Council for approval of its direction
Community-Led Service to North Preston and East Preston and Cherry Brook	<ul style="list-style-type: none"> Successful Summer Reading Club held in North Preston and East Preston Ongoing literacy and resource support to daycares and youth service providers in these communities Asset mapping of community resources completed
Customer Service review	<ul style="list-style-type: none"> Barriers identified through staff engagement resulted in changes to circulation policies and use of facilities policies
Collection HQ Stock Management implementation	<ul style="list-style-type: none"> Implemented and staff training completed Monthly data analysis assists with efficient inventory management
Public Computer Time Management and Print Management implementation	<ul style="list-style-type: none"> RFP issued for solution and installation in 4th quarter of 2013/14



13/14 Deliverables Update

Collective Bargaining preparation	<ul style="list-style-type: none"> In progress; current contract with NSUPE Local 14 expires March 31, 2014
Radio Frequency Identification implementation	<ul style="list-style-type: none"> Full collection tagged (approximately 1 million items) Staff training completed All check-out stations (staffed and self-check) upgraded to be RFID-compliant Enables faster check-out and check-in of materials
Financial Accountability	<ul style="list-style-type: none"> Library Board established a Finance and Audit Committee Implementation of Auditor General Payroll Service Review recommendations in progress Replacement Hours budget review completed and refined tracking procedures in place 'Out of town' travel policy review in progress
Rural Services	<ul style="list-style-type: none"> Community librarian hired to work with Musquodoboit Valley communities, exploring and providing alternative means of library service



The 2014/15 Budget will...

- **Implement the new and revised plans for:**
 - Immigrant Services
 - Universal Access
 - Central Library staffing, opening and service delivery
 - Cole Harbour Public Library service plan to communities of North Preston, East Preston and Cherrybrook
 - Electronic Resources
 - Rural library service delivery
 - Website re-design
- **Provide additional open hours to the three rural branches**
 - JD Shatford Memorial from 23 to 30 hours per week.
 - Sheet Harbour from 22 to 25 hours per week.
 - Musquodoboit Harbour from 22 to 30 hours per week.



The 2014/15 Budget will...

- Provide a 20 hour/week position to work with the Communities of North Preston, East Preston and Cherrybrook through the Cole Harbour Library
- Conclude Chief Librarian / CEO recruitment process
- Develop process for strategic plan review
- Continue to reduce customer service barriers through updated policies and staff development.
- Reduce the number of Library materials purchased
- Require extended time gapping between vacancy and hiring of positions
- Restrict collective bargaining negotiations
- Limit amount of printing, advertising and promotions
- Reduce capability to replace/upgrade furniture, equipment and computer equipment



13/14 Operating Budget Overview

Cost Element Groups	2011-12	2012-13	2013-14	2013-14	2014-15
	Budget	Budget	Budget	Q3 Projection	Proposed Budget
Expenditures					
* Compensation and Benefits	16,657,291	16,897,900	16,968,900	16,451,400	16,525,100
* Office	511,224	621,860	506,900	533,900	426,800
* External Services	245,534	584,170	641,700	653,700	348,900
* Supplies	108,800	108,800	70,300	70,300	119,400
* Materials	27,100	2,100	2,100	2,100	1,000
* Building Costs	915,261	944,790	915,200	939,900	903,600
* Equipment & Communications	398,200	663,200	515,800	496,800	416,800
* Vehicle Expense	85,074	58,850	0	0	0
* Other Goods & Services	3,136,671	3,515,890	3,094,700	3,314,300	2,955,100
* Interdepartmental			1,000	6,000	6,000
* Debt Service					
* Other Fiscal	760,800	(462,660)	(463,500)	(463,500)	(98,500)
** Total	22,845,955	22,934,900	22,253,100	22,004,900	21,604,200
Revenues					
* Transfers from Other Governments	(4,785,800)	(4,835,200)	(4,835,200)	(4,835,200)	(4,835,200)
* Fee Revenues	(513,201)	(513,200)	(495,900)	(495,900)	(495,900)
* Other Revenue	(11,800)	(12,800)	(17,000)	(168,800)	(23,100)
** Total	(5,310,801)	(5,361,200)	(5,348,100)	(5,499,900)	(5,354,200)
Net Surplus/Deficit	17,535,154	17,573,700	16,905,000	16,505,000	16,250,000



13/14 Service Area Budget Overview

Net Halifax Public Libraries Expenses by Service Area	11/12 Budget	12/13 Budget	13/14 Budget	Q3 Projection
Branches and Public Services	15,284,509	15,435,920	15,555,700	15,088,700
Information Technology and Collection Management	4,368,260	4,839,480	4,398,600	4,615,600
Administration	2,686,085	2,152,400	1,806,900	1,656,900
Provincial Grant, Donations	(4,803,700)	(4,854,100)	(4,856,200)	(4,856,200)
HPL Net Expenses	17,535,15	17,573,700	16,905,000	16,505,000



Year to Year Base Comparison

13/14 Services at 14/15 Costs including Inflation, Contracts, etc.

Service Area	13/14 Budget	14/15 Cost	14/15 Proposed
Branch and Public Services	15,555,700	15,641,900	15,608,600
Information Technology and Collection Management	4,398,600	4,490,600	4,221,300
Administration Services	1,806,900	1,806,900	1,282,400
Provincial Grant, Donations	(4,856,200)	(4,856,200)	(4,862,300)
Business Unit Total	16,905,000	17,083,200	16,250,000



14/15 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 14/15 Saving	Projected 15/16 Saving	Projected 16/17 Saving
Compensation and Benefits <ul style="list-style-type: none"> Vacancy Management (\$500,000) Vehicle Allowance (\$2,900) 	\$502,900		
Office <ul style="list-style-type: none"> Postage / courier (\$8,000) Printing (\$10,000) Office supplies (\$5,000) 	\$23,000		
External Services <ul style="list-style-type: none"> Reduction in 6 renegotiated janitorial contracts (\$9,600) Professional fees (\$15,000) Contract Services (\$264,200) + \$100,800 reduced expenses (Offset by Transfer to/from Reserve for Capital Campaign in 8063) 	\$24,600		
Equipment and Communications <ul style="list-style-type: none"> Furniture, equipment and computer equipment replacement and /or upgrade (\$100,000) 	\$100,000		



14/15 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 14/15 Saving	Projected 15/16 Saving	Projected 16/17 Saving
Other Goods and Services <ul style="list-style-type: none"> Out of Town Travel reduced by \$10,000 and reassigned to Training & Education Library Materials (\$150,000) Advertising and Promotion (\$10,000) Committee Expenses (\$1,000) 	\$161,000		
Supplies <ul style="list-style-type: none"> Uniforms and Clothing (\$1,000) 	\$1,000		
Building Costs <ul style="list-style-type: none"> Reduced maintenance (\$20,000) 	\$20,000		
Total Cost Reduction	\$ 832,500		




14/15 Priority Initiatives

Priority Outcome (Why we are doing it)	Priority Initiative (What we propose to do)	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
HEALTHY COMMUNITIES				
HRM is a leader in Energy and Environmental initiatives	Promote Central Library LEED environmental features and use as an educational forum.			
HRM Citizens have access to facilities and natural assets that enable a range of choices for structured and unstructured leisure and recreation activities,	Complete Cole Harbour Library refurbishment to improve circulation service delivery, public gathering and technology spaces.			
Financial Stewardship - Asset Management - HRM manages assets so that sustainable plans are in place to maintain and replace them in provision of optimal service delivery through their required life cycle.	Develop and implement plan to close the Spring Garden Road Library; move, fit-up/set-up and open the Central Library with programs and services in place. Begin implementation of approved Master Facilities Plan year one priorities.			



14/15 Priority Initiatives

Priority Outcome (Why we are doing it)	Priority Initiative (What we propose to do)	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
ECONOMIC DEVELOPMENT				
The Regional Centre is an attractive, welcoming sought after business and residential destination	Implement year one objectives of updated Immigrant Services Plan across Library system including: <ul style="list-style-type: none"> • newcomers section on Library website • expanded multilingual resources • expanded programming for newcomers. Implement year one objectives of Regional Universal Access plan including upgrades to assistive technology and staff training.			
HRM celebrates the arts and respects our rich traditions and cultural heritage	Implement plan to commemorate the African Nova Scotia community in the Central Library. Revise and implement the Cole Harbour Public Library service plan to the communities of North Preston, East Preston and Cherrybrook.			




14/15 Priority Initiatives

Priority Outcome (Why we are doing it)	Priority Initiative (What we propose to do)	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
<p>HRM celebrates the arts and respects our rich traditions and cultural heritage</p> <p>-----</p> <p>Service Excellence - HRM has a culture of continuous improvement and the supporting processes that enable and encourage service efficiencies and effectiveness.</p> <p>-----</p> <p>Governance and Communication – HRM communicates effectively with citizens and stakeholders</p>	<p>Re-design the main Library website (including YouTube Channel development) and the Central Library website</p> <p>Create web presence in recognition of the Spring Garden Road Library War Memorial in alignment with The Royal Canadian Legion agreement.</p> <p>Conclude the Library Board's recruitment process to hire new Chief Librarian/CEO.</p> <p>Create succession plan for management level positions.</p>			

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14/15 Priority Initiatives

Priority Outcome (Why we are doing it)	Priority Initiative (What we propose to do)	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
FINANCIAL STEWARDSHIP				
<p>Asset Management - HRM manages assets so that sustainable plans are in place to maintain and replace them in provision of optimal service delivery through their required life cycle</p>	<p>Implement Community Capital Campaign initiatives focusing on all HRM communities.</p> <p>Participate in service based review on HRM Auditor General's Report on Administrative Functions of Agencies, Boards and Commissions</p> <p>Develop and implement plan for replacement or refurbishment of furniture, carpet, equipment across the region.</p> <p>Finalize and implement facilities asset management plan including annual maintenance, refurbishment standards.</p>			

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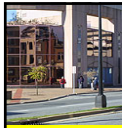
14/15 Priority Initiatives

Priority Outcome (Why we are doing it)	Priority Initiative (What we propose to do)	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
ORGANIZATIONAL CAPACITY				
<p>HRM has the right people, in the right jobs at the right costs to meet service expectations.</p> <p>-----</p> <p>HRM has a customer service culture supported by adequate skills and knowledge.</p>	Develop and implement hiring plan for the Central Library in alignment with staffing model.			
	Develop regional and departmental plans based on results of Employment Equity survey.			
	Negotiate a Collective Agreement with NSUPE 14, without work stoppage and train all managers on collective agreement changes.			



14/15 Priority Initiatives

Priority Outcome (Why we are doing it)	Priority Initiative (What we propose to do)	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
<p>HRM effectively leverages technology opportunities to maximize transformation in service delivery to meet service expectations.</p> <p>-----</p> <p>Service Excellence - HRM has a culture of continuous improvement and the supporting processes that enable and encourage service efficiencies and effectiveness.</p>	Implement Central Library Media Centre service delivery plan.			
	Install Automated Materials Handling system according to plan at Central, Keshen Goodman, Sackville and Woodlawn branch libraries and Delivery services.			
	Develop and implement electronic state of the art resources plan to encompass such services as: <ul style="list-style-type: none"> • 3D printing service • Chromebook • Cloud computing • Staff use Wifi • Gaming and gamification service • Digital collections • Eduroam membership – a secure world-wide Wifi/Internet access service 			



14/15 Priority Initiatives

Priority Outcome (Why we are doing it)	Priority Initiative (What we propose to do)	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
SERVICE EXCELLENCE				
HRM has a culture of continuous improvement and the supporting processes that enable and encourage service efficiencies and effectiveness	<p>Develop process to review and update Strategic Plan.</p> <p>Complete implementation of HRM Auditor General's Payroll Service Review operational recommendations.</p>			
HRM has a culture of continuous improvement and the supporting processes that enable and encourage service efficiencies and effectiveness	<p>Revise meeting room policy to incorporate Central Library meeting rooms / Paul O'Regan Hall.</p> <p>Revise Donations policy and procedures to incorporate regional and Central Library donations.</p> <p>Continue to reduce customer service barriers by updating policies such as: Public Use of Computers, Customer Confidentiality and other circulation-related policies</p>			



14/15 Priority Initiatives

Priority Outcome (Why we are doing it)	Priority Initiative (What we propose to do)	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
HRM has the data, skills, and capacity to accurately report performance and progress to Council and the public, resulting in credible information to make informed decisions.	Carry out use trend and demographic analysis by Branch and region-wide and develop an enhanced program of business analytics.			



14/15 Proposed New or Expanded Services

Priority Outcome Supported	New or Expanded Service	Proposed 14/15 Cost	Projected 15/16 Cost	Projected 16/17 Cost
<p>Economic Development - Rural Economic Development is supported as an integral component of HRM's overall economic prosperity.</p> <p>-----</p> <p>Healthy Communities – HRM Citizens have access to facilities and natural assets that enable a range of choices for structured and unstructured leisure and recreation activities</p>	<p>Increase the number of open hours at:</p> <ul style="list-style-type: none"> • Musquodoboit Harbour Public Library (22 to 30 hours weekly = \$50,541), • JD Shatford Memorial Public Library (23 to 30 hours weekly = \$27,067), and • Sheet Harbour Public Library (22 to 25 hours weekly = \$12,712). 	\$90,320		
<p>Economic Development - HRM celebrate the arts and respects our rich traditional and cultural heritage.</p>	<p>Additional 0.5 FTE Library Assistant 7 at the Cole Harbour Public Library to support service delivery plan to communities of North Preston, East Preston and Cherrybrook.</p>	\$23,965		




Questions and Discussion

Halifax Public Libraries
January 29, 2014

