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Item No.
Audit & Finance Standing Committee
[February 27, 2013]

TO: Chair and Members of Audit & Finance Standing Committee
Original Signed

SUBMITTED BY: _____
(CEO, Halifax Public Libraries)

DATE: February 15, 2013

SUBJECT: 13/14 Preliminary Budget Presentation

ORIGIN

At the December 4, 2012 Committee of the Whole, Regional Council directed staff to present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council.

RECOMMENDATION

It is recommended that the Audit and Finance Committee direct staff to proceed to prepare the Halifax Public Libraries Budget and Business Plan as proposed in the accompanying presentation, incorporating additional direction provided through the committee discussion on February 27, 2013 for inclusion in the proposed HRM 13/14 Budget and Business Plan documents.

BACKGROUND

As part of the design of the 2013-2014 Proposed Budget, the Audit and Finance Committee is reviewing each Business Unit's high level budget and proposed plans in advance of detailed Budget and Business Plan preparation.

At the December 4, 2012 Committee of the Whole Regional Council considered their Strategic Priority Outcomes and directed staff to: *“present the 2013/14 draft Budget and Business Plans to the Audit and Finance Committee for review and discussion prior to consideration by Regional Council following the priority outcomes described in Attachment “A” having regard to the changes and additional priorities raised by Council during the course of discussion in Committee of the Whole.”*

DISCUSSION

Staff has prepared a draft Business Unit Budget and Business Plan presentation consistent with the fiscal direction received from the Audit and Finance Committee on December 19, 2012 and aligned with the Council Priorities discussed at the December 4th Committee of the Whole.

In order to achieve the reduced budget envelope of \$17,023,300 as well as meet mandatory increases, the Library will implement cost reduction initiatives in the amount of \$558,350. Reductions appear in the following areas:

- Compensation and benefits
- Office / supplies
- Building Costs
- Equipment and Communications
- Good and Services

The following Priority Initiatives and New / Expanded Services will be addressed within the budget envelope or through the Capital Budget Plan

- Central Library development
- Central Library Capital Campaign
- Immigrant Service Plan implementation
- Community-Led Service to North and East Preston and Cherrybrook
- Facilities Master Plan implementation - explore shared service delivery models in Rural areas with focus on Middle Musquodoboit
- Regional Universal Access Plan development and implementation
- Service to First Nations Communities Plan implementation
- Branch Security Review
- Collection HQ stock management implementation
- Public Computer Time Management and Print Management implementation
- Facilities Master Plan implementation - Cole Harbour Library refurbishment
- Radio Frequency Identification (RFID) implementation

Following direction from the Audit and Finance Committee, staff will proceed to prepare the detailed Budget and Business Plan for inclusion in the proposed HRM 13/14 Budget and Business Plan documents to be presented to Audit and Finance Committee as per the process and schedule endorsed by Regional Council on December 4, 2012.

FINANCIAL IMPLICATIONS

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Project and Reserve budgets, policies and procedures regarding withdrawals from the utilization of the Project and Operating reserves, as well as any relevant legislation.

COMMUNITY ENGAGEMENT

None are associated with this report.

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

The Audit and Finance Standing committee 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

A - Presentation

Halifax Public Libraries
14/13 Preliminary Budget Presentation
Audit & Finance Standing Committee

- 4 -

February 27, 2013

Report Prepared by: Paula Saulnier, Director, Corporate Services, Halifax Public Libraries (490-5863)

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Report Approved by:



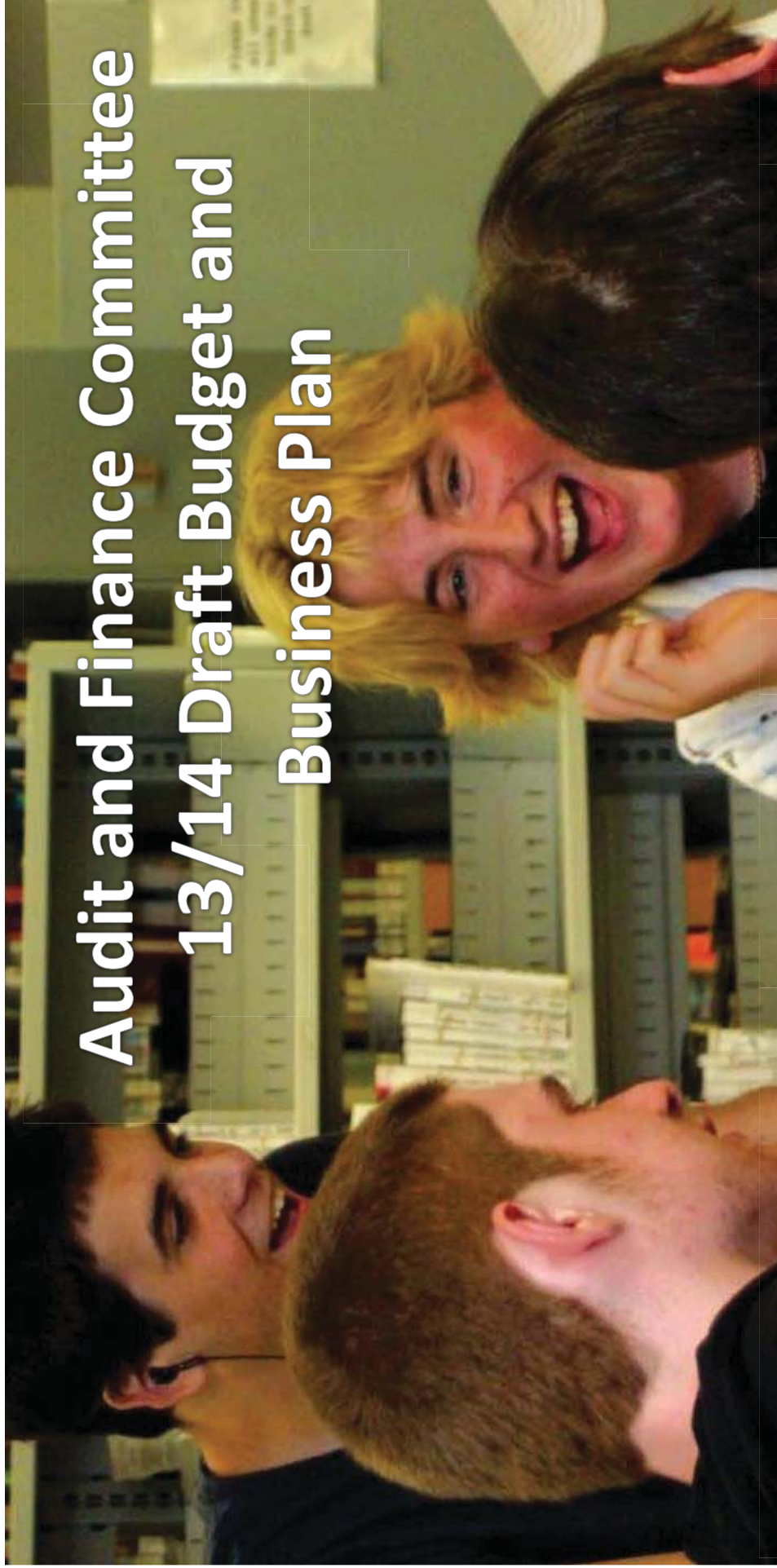
Judith Hare, CEO, Halifax Public Libraries (490-5868)

Financial Approval by:

Original Signed

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

Audit and Finance Committee 13/14 Draft Budget and Business Plan



Halifax Public Libraries

February 27, 2013





Halifax Public Libraries

Business Unit Overview

Mission

Connecting people. Enriching communities. Inspiring discovery.

Vision

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

- Provides public library service to the residents of HRM under the direction of the Halifax Regional Library Board in alignment with the strategic vision and mission.
- The Library consists of a network of 14 branches, a website, books by mail and home delivery services.
 - 2,330,000 in-person visits made to libraries in the past year (+1.2% 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.
 - 4,725,000 items borrowed (-2%)



Halifax Public Libraries

Business Unit Overview (continued)

- A range of programs for all ages are 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 and English language learning and literacy tutoring.
 - Over 130,000 people attended 5,000 programs, a 14% increase in attendance.
- In-house spaces are designated for studying, reading, access to technology - computer use, gaming, organized meeting, socializing, connecting with people and the world.
 - There were 60,500 computer bookings last year (+6%).
- The website (halifaxpubliclibraries.ca) brings the library to residents where they are 24/7.
 - 1,580,000 visits made to the Library's website (+9.7%)
- There are 37 management and non-union employees; the remaining staff are members of the Nova Scotia Union of Public Employees (NSUPE) local 14. There are 181 full-time and 285 part-time employees.



Halifax Public Libraries Service Areas

Branches and Public Service

- **Community Engagement** – provides direct library services for all HRM neighbourhoods through the Library's branches, Books by Mail and Home Delivery service; 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, as well as, the development of system-wide programming and services for all ages.

Information Technology and Collection Management

Provides the infrastructure to support the delivery of library service throughout the region. A sophisticated integrated library system (ILS) supports a library materials database, customer database and community resources database of clubs, organizations and continuing education courses across HRIM.

- **Collection Management** - responsible for ordering and receiving all materials for the Library's collection and making them accessible through the Library's catalogue and available to the public at library outlets.
- **Information Technology** - responsible for the implementation and support of public use computer hardware and software and new technology throughout the Library system. The information technology environment is complex, including highly specialized library applications, open source solutions, partnerships with the Province and a website with over 5,000 hits per day.



Halifax Public Libraries Service Areas

Administrative Services

Encompasses centralized services to support the provision of public library service across the HRM.

- **Corporate Services** - includes Administration, Finance and Facilities, and Research and Development.
- **Administration** - provides administrative support to the Library Board, CEO, senior management and all managers across the system.
- **Finance and Facilities** - provides 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** - provides labour and employee relations, occupational health and safety, training and development, recruitment and selection and compensation and benefits. Also provides payroll support for staff, grant workers and oversight for volunteers.
- **Communications and Marketing** - develops all communications and marketing strategies, as well as, promotional materials, manages special events and represents the library to the media. Supports the Central Library capital campaign.



New Initiatives Included in the Budget

- **Central Library development**
- **Central Library Capital Campaign**
- **Regional Universal Access Plan development and implementation**
- **Service to First Nations Communities Plan implemented at Halifax North**
- **Immigrant Service Plan implementation**
- **Facilities Master Plan Implementation**
 - Explore shared service delivery models in rural areas with a focus on Middle Musquodoboit
 - Cole Harbour Library refurbishment
- **Community-Led Service to North and East Preston and Cherrybrook**
- **Branch Security Review**
- **Collection HQ Stock Management implementation**
- **Public Computer Time Management and Print Management implementation**
- **Collective Bargaining preparation**
- **Radio Frequency Identification implementation**



2012/13 Operating Budget Overview

Cost Element Groups	2010-11	2011-12	2012-13	2012-13	2013-14
	Budget	Budget	Budget	Q3 Projection	Proposed Budget
Expenditures					
* Compensation and Benefits	15,193,266	16,657,291	16,897,900	16,922,750	16,968,900
* Office	503,430	511,224	621,860	683,460	498,000
* External Services	200,400	245,534	584,170	608,770	641,700
* Supplies	105,800	108,800	108,800	104,200	71,800
* Materials	27,100	27,100	2,100	2,100	2,100
* Building Costs	717,400	915,261	944,790	861,590	916,200
* Equipment and Communications	322,700	398,200	663,200	612,300	515,800
* Vehicle Expense	83,000	85,074	58,850	0	0
* Other Good and Services	2,938,655	3,136,671	3,515,890	3,545,340	3,094,700
* Interdepartmental				213,700	125,700
* Other Fiscal	760,800	760,800	(462,660)	(436,160)	(463,500)
** Total	20,852,551	22,845,955	22,934,900	23,118,050	22,371,400
Revenues					
* Transfers from other Governments	(4,785,800)	(4,785,800)	(4,835,200)	(4,835,200)	(4,835,200)
* Fee Revenues	(513,201)	(513,201)	(513,200)	(527,300)	(494,100)
* Other Revenues	(11,800)	(11,800)	(12,800)	(181,850)	(18,800)
** Total	(5,310,801)	(5,310,801)	(5,361,200)	(5,544,350)	(5,348,100)
Net Surplus/Deficit	15,541,750	17,535,154	17,573,700	17,573,700	17,023,300



Service Area Budget Overview

Halifax Public Libraries Expenses by Service Area	10/11 Budget	11/12 Budget	12/13 Budget	Q3 Projection
Branch and Public Service	15,059,980	15,284,509	15,435,920	15,405,720
Information Technology and Collection Management	2,601,481	4,368,260	4,839,480	4,901,830
Administrative Services	2,683,989	2,686,085	2,152,400	2,419,650
Provincial Grant, Donations	(4,803,700)	(4,803,700)	(4,854,100)	(4,883,500)
Net Expenses	15,541,750	17,535,15	17,573,700	17,573,700



Year to Year Base Comparison

12/13 Services at 13/14 Costs including Inflation, Contracts, etc.

Service Area	12/13 Budget	13/14 Cost	13/14 Proposed Budget
Branch and Public Service	15,435,920	15,764,390	15,667,800
Information Technology and Collection Management	4,839,480	4,746,080	4,398,600
Administrative Services	2,152,400	1,927,380	1,813,100
Provincial Grant, Donations	(4,854,100)	(4,856,200)	(4,856,200)
Business Unit Total	17,573,700	17,581,650	17,023,300



2013/14 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 13/14 Saving	Projected 14/15 Saving	Projected 15/16 Saving
Compensation and Benefits <ul style="list-style-type: none"> Staffing reorganization and vacancy management 	83,000		
Office / Supplies <ul style="list-style-type: none"> Datalines agreement with Province of Nova Scotia Efficiencies in postage/courier; printing , office, computer and processing supplies Cleaning supplies incorporated in cleaning contracts 	124,360		
Building Costs <ul style="list-style-type: none"> Postponement of other building maintenance activities where possible 	33,090		
Equipment and Communications <ul style="list-style-type: none"> Deferred replacement or upgrade of furniture and equipment Deferred evergreen of computer equipment 	137,900		



2013/14 Cost Reduction Initiatives

Cost Reduction Initiatives	Proposed 13/14 Saving	Projected 14/15 Saving	Projected 15/16 Saving
Goods and Services <ul style="list-style-type: none">• Training / education program reduction• Library materials• Alternate meeting methods / efficiencies to Local travel	180,000		
Total to offset Base Cost Increase	558,350		



2013/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Central Library development <ul style="list-style-type: none"> • Staffing transition • Furniture, technology plan implementation • Opening day collection acquisition / cataloguing 	Capital budget	Opening - OCC		<ul style="list-style-type: none"> • Economic Development – Regional Centre • Healthy Communities – Environment and Sustainability • Excellence in Service Delivery – Continuous Improvement
Central Library Capital Campaign	475,000 Capital Reserve			<ul style="list-style-type: none"> • Financial Stewardship – Financial Management • Financial Stewardship – Planning and Accountability
Regional Universal Access plan development and implementation	Incorporated in Budget envelope			<ul style="list-style-type: none"> • Healthy Communities – Public safety • Governance and Communication – Citizens as partners



2013/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Service to First Nations Communities Plan implemented at Halifax North Library	Incorporated in Budget envelope			<ul style="list-style-type: none"> Economic Development – Arts, Traditions and Cultural Heritage
Immigrant Service Plan 2010-13 <ul style="list-style-type: none"> Update and implementation based on Citizenship and Immigration Integration project at Keshen Goodman Library 	Incorporated in Budget envelope			<ul style="list-style-type: none"> Economic Development – Arts, Traditions and Cultural Heritage
Facilities Master Plan Implementation <ul style="list-style-type: none"> Explore shared service delivery models in rural areas - focus: Middle Musquodoboit (include community consultations) 	Incorporated in Operating Budget envelope			<ul style="list-style-type: none"> Financial Stewardship – Asset Management Governance and Communication – Rural Issues in HRM
Community-Led Service to North and East Preston and Cherrybrook <ul style="list-style-type: none"> Genealogy project with the Black Cultural Centre Summer reading program Pilot to daycares / summer camps 	Incorporated in Budget envelope			<ul style="list-style-type: none"> Economic Development – Arts, Traditions and Cultural Heritage Governance and Communication – Citizens as partners



2013/14 Priority Initiatives

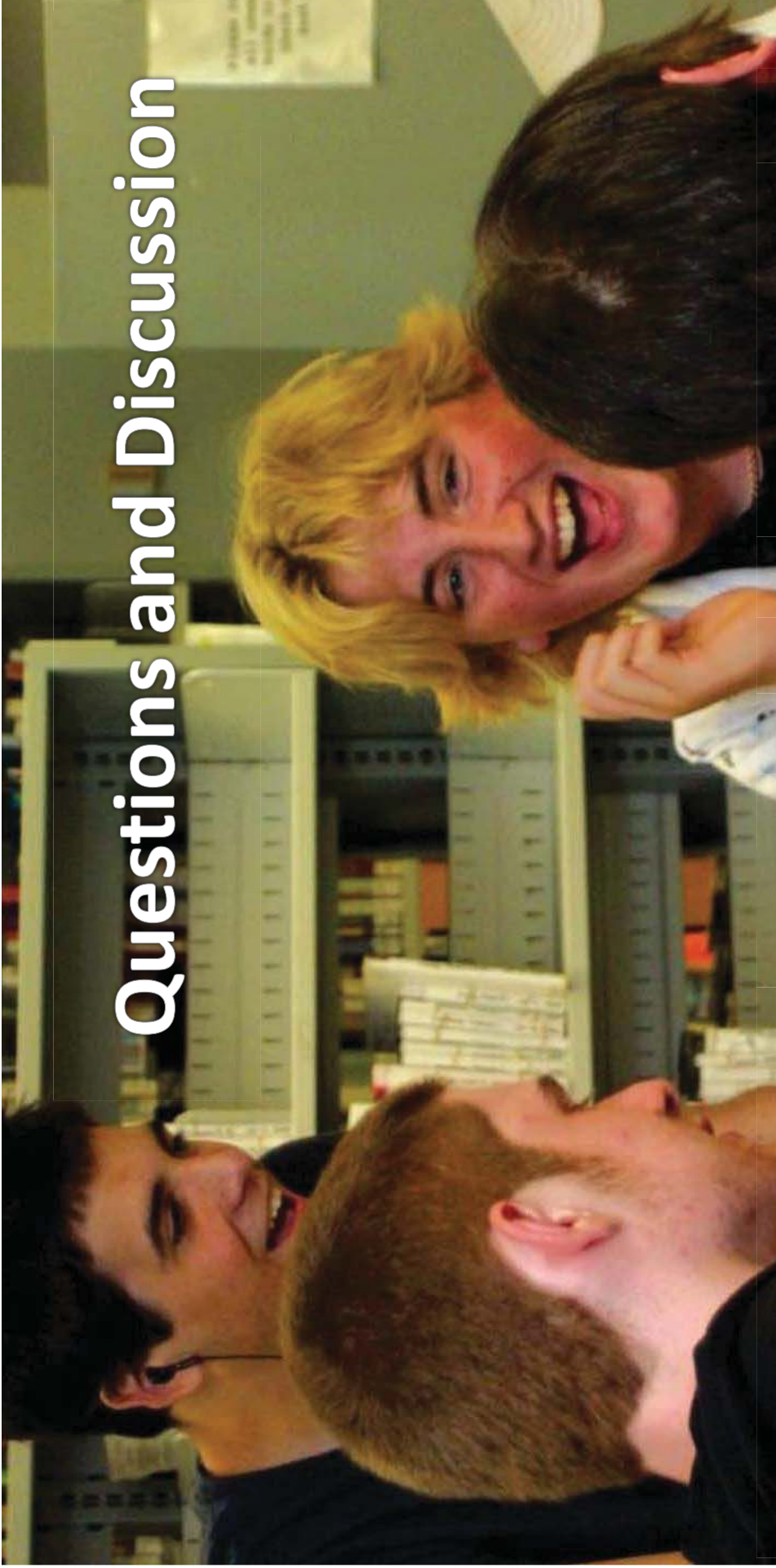
Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Branch security review <ul style="list-style-type: none"> Central Library Plan, Keshen Goodman Library completion, Dartmouth North Library 	Incorporated in Budget envelope			<ul style="list-style-type: none"> Healthy Communities – Public Safety Organizational Capacity – Health and Safety
Collection HQ Implementation <ul style="list-style-type: none"> Stock management software application Software purchase in 2012-13 	Incorporated in Budget envelope			<ul style="list-style-type: none"> Excellence in Service Delivery – Continuous Improvement Financial Stewardship – Asset Management
Public Computer Time Management and Print Management Implementation <ul style="list-style-type: none"> Software purchase in 2012-13 	Incorporated in Budget envelope			<ul style="list-style-type: none"> Financial Stewardship – Asset Management Organizational Capacity – Information Technology Organizational Capacity – Business Intelligence
Collective Bargaining Preparation <ul style="list-style-type: none"> Contract expires March 31, 2014 		TBD	TBD	<ul style="list-style-type: none"> Organizational Capacity – Workplace Culture



2013/14 Priority Initiatives

Priority Initiative	Proposed 13/14 Cost	Projected 14/15 Cost	Projected 15/16 Cost	Priority Alignment
Facilities Master Plan Implementation <ul style="list-style-type: none"> • Refurbishment of Cole Harbour Library to provide quality public spaces and improve service delivery 	Funded through Capital budget plan			<ul style="list-style-type: none"> • Financial Stewardship – Asset Management
Radio Frequency Identification (RFID) Implementation <ul style="list-style-type: none"> • Tendered in 2012-13 	1,235,600 Capital budget			<ul style="list-style-type: none"> • Financial Stewardship – Asset Management • Organizational Capacity – Information Technology
Automated Materials Handling System <ul style="list-style-type: none"> • Tender process 2013-14 	Capital budget over 3 years			<ul style="list-style-type: none"> • Financial Stewardship – Asset Management • Organizational Capacity – Information technology • Organizational capacity – Business Intelligence
Facilities Master Plan Implementation <ul style="list-style-type: none"> • Bedford Library relocation plan development; begin consultations 		200,000 (Proposed Capital budget plan)	4,800,000 (Proposed Capital budget plan)	<ul style="list-style-type: none"> • Financial Stewardship – Asset Management

Questions and Discussion



Halifax Public Libraries

February 27, 2013

