



Media Release: Friday, December 2, 2016, 4:30 p.m.

## Regional Municipality of Waterloo

### Library Committee

### Agenda

Tuesday, December 6, 2016

Immediately following Planning and Works Committee

Room 217

150 Frederick Street, Kitchener

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1. **Declarations of Pecuniary Interest under “The Municipal Conflict of Interest Act”**
  2. **Reports**
    - 2.1 **PDL-LIB-16-13**, Service Level Agreements for Township Library Branches (Information) 3
    - 2.2 **PDL-LIB-16-14**, Community Outreach: Pop-Up Library Pilot Project 5

**Recommendation:**

That the Regional Municipality of Waterloo endorse the Region of Waterloo Library Pop-Up Library Pilot Project at one location in each Township to be implemented in 2017, as described in Report PDL-LIB-16-14, dated December 6, 2016, subject to budget approval.
    - 2.3 **PDL-LIB-16-15**, Region of Waterloo Library Headquarters Proposed Expansion 9

**Recommendation:**

That the Regional Municipality of Waterloo endorse the proposed expansion to the Region of Waterloo Library Headquarters building as described in Report PDL-LIB-16-15, and proceed with the project design and final cost estimate for final approval in 2017, leading to potential construction in 2017-2018, subject to approval of the 2017 Library budget.

**2.4 PDL-LIB-16-16, 2017 Region of Waterloo Library Budget Report 22****Recommendation:**

That the Library Committee approve the following with regard to the Region of Waterloo Library Budget, as described in Report PDL-LIB-16-16, dated December 6, 2016:

- a) The 2017 Library Operating Budget with a net levy of \$\_\_\_\_\_ (\_\_\_%);
- b) The 2017 Library Capital Budget, as amended, to include \$44,000 to replace Early Literacy Stations (to be funded from the Library Capital Reserve)
- c) The 2018-2026 Library Capital Forecast, as amended, to change the funding source for the Library HQ Addition/Renovation (project 20024) from 100% debentures to a combination of Library Capital Reserve, debentures, and growth related (RDC) debentures;

And That the matter be referred to Budget Committee for consideration.

**3. Information/Correspondence****4. Other Business****5. Next Meeting – April 4, 2017****6. Adjourn**



**Report:** PDL-LIB-16-13

## **Region of Waterloo**

### **Planning Development and Legislative Services**

### **Cultural Services**

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**To:** Chair Les Armstrong and Members of the Library Committee

**Date:** December 6, 2016                      **File Code:** R09-90

**Subject:** Service Level Agreements for Township Library Branches

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#### **Recommendation:**

For information

#### **Summary:**

Service Level Agreements (SLAs) document the details of how the library branch facilities are maintained, and improved when necessary. Since almost all of the library branch buildings are owned by the Townships, both the Region of Waterloo Library (RWL) and the Townships are responsible for various aspects of operating and maintaining the buildings. These new SLAs articulate the more general agreement that has been in place since the Region became responsible for operating the Township library service. Once the documents have been finalized, it is anticipated that appropriate Regional and Township staff will sign them.

#### **Report:**

Detailed Service Level Agreements (SLAs) between the Region of Waterloo and the townships have been developed by ROW Facilities staff, and refined through discussion with Township staff. The SLAs are a continuation of the policy originally drafted in 1989 and updated in 2000.

In the November, 2000 report, PC-LIB-00-011, Library Committee directed Region staff to review the 1989 policy for maintenance, renovations and improvement of the Waterloo Regional Library facilities. At that time the policy differentiated between

capital and maintenance items, but did not provide significant detail on services or specific projects.

The SLAs have been divided by township, and reflect the differences among branches. Responsibility for items is detailed in the areas of general services (including capital), building operating services, and business service contracts. Each SLA also includes main and emergency contacts.

The spirit of the original maintenance policy has been maintained in the new SLAs. The maintenance activities have been further defined outlining roles & responsibilities between the Region and Townships. Additional details such as AODA responsibilities, Health & Safety Reviews, and Designated Substance Inspections have been included in the SLAs.

Final versions of each SLA have been forwarded to Township staff. Once all details have been agreed, the Director of Cultural Services will sign on behalf of the Region. Each township may have a different sign-off process, but it is anticipated that the appropriate staff member in each township will also sign.

**Corporate Strategic Plan:**

The Service Level Agreements demonstrate how the Library achieves Corporate Strategic Objective 5.4 “Ensure Regional programs and services are efficient, effective and provide value for money.”

**Financial Implications:**

Nil

**Other Department Consultations/Concurrence:**

Facilities Management staff has reviewed and comments incorporated in this report.

**Prepared By:** Kelly Bernstein, Manager, Library Services

**Approved By:** Rod Regier, Commissioner, Planning, Development and Legislative Services



Report: PDL-LIB-16-14

## Region of Waterloo

### Planning Development and Legislative Services

### Cultural Services

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**To:** Chair Les Armstrong and Members of the Library Committee

**Date:** December 6, 2016                      **File Code:** R09-90

**Subject:** Community Outreach: Pop-Up Library Pilot Project

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#### **Recommendation:**

That the Regional Municipality of Waterloo endorse the Region of Waterloo Library Pop-Up Library Pilot Project at one location in each Township to be implemented in 2017, as described in Report PDL-LIB-16-14, dated December 6, 2016, subject to budget approval.

#### **Summary:**

At the October 4<sup>th</sup>, 2016 Library Committee meeting, Library Committee considered report PDL-LIB-16-11 and directed staff to further develop the proposed strategy of delivering additional library services through off site, or pop-up, locations. The Committee preferred Option 2, Programming plus Library Service to be implemented in one location in each of the Townships as a pilot program in 2017. The Committee agreed to the locations of Breslau, St. Agatha, and Hawkesville; Branchton was subsequently proposed as the North Dumfries location.

This report outlines the goals and considerations for implementing Pop-Up Library service, and provides a timeline of planning and implementation related to the recommended model. The cost to implement the proposed Pop-Up Library service totals \$48,000 including staffing, program costs, travel and promotion.

**Report:****Proposed Pop-Up Library Model**

A pop-up library is one where a library staff member brings elements normally found in a physical branch and delivers them at a different location. Services provided would include a weekly library program delivering one or more community and age specific programs and engaging participants and caregivers in literacy development. Additionally, library service would include the opportunity to pick up library materials ordered through the website, mobile circulation (checkout and returns), membership registration, and reference/research assistance. Users would not have to participate in the library program in order to receive the other services offered. This proposed model provides library services and programming as well as personalized service and relationship development with the community.

**Goals for Reaching Underserved Areas**

The following goals will be met in providing pop-up library service in the rural townships:

1. Provide library programming and services to underserved communities
2. Foster personal connections between citizens and their library
3. Promote library service and increase awareness of the library in all communities
4. Measure and improve qualitative outcomes
5. Increase overall membership
6. Increase circulation

**Implementation Timeline**

Research & Planning Phase: November 2016 – March 2017

- Determined communities for pilot project, one per township

Locations:	Wilmot: St. Agatha
	North Dumfries: Branchton
	Wellesley: Hawkesville
	Woolwich: Breslau

- Initiate partnership agreements- Consultation with community centre coordinators has begun.
- Begin assessment of appropriate programming for each location based on input from township community centre coordinators, and other community connections
- Determine day of the week, and time, for Pop-Up Library Service and Programming in each community
- Determine the schedule for outreach programmers

- Assess staffing requirements and potentially hire new part-time staff for this project
- Develop a promotional plan and align new library activities within the existing RWL promotional deadlines calendar.

#### Promotional Phase: February to March 2017, and Ongoing

- Targeted Mail Out to Residents in selected communities
- Newspaper ads to create awareness of new service
- Social Media Strategy
- Promotional Materials & Posters
- Cross Promotional Activities within the community

#### Implementation Phase I: April 2017

- Library Pop Up begins in designated communities. This will allow these communities to connect with their library, sign up for a library card, access library services, pick up holds and return library items.
- Pop-Up Library programming will begin in April 2017 in Breslau only as there is already an established relationship with the community, and good understanding of programming interests developed through the library's once per month presence in the Community Centre
- Programming will be implemented in the other townships in Summer 2017, in order to allow for time for the development of partnerships and appropriate programming
- Programming will be offered during regular library programming seasons and will be determined in consultation with the township Community Centre coordinators and the community at large
- Ongoing promotional plans will be put in place and include a marketing strategy

#### Implementation Phase II: July 2017

- Programming to be implemented in the remaining 3 townships. Library Service and Programming offered fully at all 4 township pilot pop up library locations in addition to in place library services
- Summer programming will include Summer Reading Club experiences
- Fall programming in place by May 27 to be included in the regular library programming season

#### Preliminary Assessment: December 2017

- Report to Library Committee on initial results including programs, attendance, new members, and community impact

**Corporate Strategic Plan:**

This initiative supports Strategic Objective 4.1: Support early learning and child development, as well as Strategic Objective 5.2: Provide excellent citizen-centred services.

**Financial Implications:**

To successfully implement the pop-up library service, financial support will be required for staffing costs, and expenses such as mileage, promotions and supplies.

**Staffing Costs:** Four pop-up locations will require 24 staff hours per week to serve, at a staff cost of \$37,500.

**Transportation Costs:** Staff will use their own vehicle and mileage will be paid. Mileage will be calculated based on mileage from LHQ as this will be the starting point for each day.  
Costing based on 4 proposed locations: \$6,500

**Promotional Costs:** It is critical to promote the new pop-up libraries to ensure there is an awareness of this new service opportunity. Promotion would include newspaper ads and direct-to-home mailings.  
Promotional Costs: \$2,000

**Supplies Costs:** Program material supplies such as craft supplies and general display items will be required.  
Annual supplies for 4 locations: \$2,000

**Total Costs:** \$48,000

**Other Department Consultations/Concurrence:**

Nil

**Attachments:** Nil

**Prepared By:** Michele Hopkins, Supervisor, Community Outreach

**Approved By:** Rod Regier, Commissioner, Planning, Development and Legislative Services



Report: PDL-LIB-16-15

## Region of Waterloo

### Planning, Development and Legislative Services

### Cultural Services

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**To:** Chair Les Armstrong and Members of the Library Committee

**Date:** December 6, 2016                      **File Code:** R09-90

**Subject:** Region of Waterloo Library Headquarters Proposed Expansion

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#### **Recommendation:**

That the Regional Municipality of Waterloo endorse the proposed expansion to the Region of Waterloo Library Headquarters building as described in Report PDL-LIB-16-15, and proceed with the project design and final cost estimate for final approval in 2017, leading to potential construction in 2017-2018, subject to approval of the 2017 Library budget.

#### **Summary:**

The existing Region of Waterloo Library (RWL) Headquarters building, constructed in 1990, is no longer able to accommodate the staff and materials processing needs of a library system that has changed significantly over the past 25 years. Expansion of the building is less costly than a complete relocation of the facility, and a recently completed Feasibility Study initiated by Facilities and Fleet Management has identified various options.

Minimal expansion of the existing building by squaring off the north-west corner (adjacent to the building entrance) is recommended. The existing meeting room and lunch room would be retained, but new washroom facilities are needed, office and materials processing areas would be reconfigured for better efficiency, and parking spaces added to accommodate existing staff.

The total cost estimate for planning purposes is \$800,000 which includes new construction, renovation of existing spaces, site development, and various allowances. It should be noted that the cost estimate is lean, with minimal contingency and assumed

costs at the lower end of normal ranges, requiring careful decision making during design and construction. While achievable, the budget may have to be revised following project design. A variety of financing options have been explored, taking into account the library's existing capital reserve fund, other planned capital expenditures, level of future balances, and the impact on the library operating budget. These options are described in this report.

If the above recommendation is approved, final approval of the project and financing would be requested after the project design work is completed in 2017.

## **Report:**

### **Current Situation**

The RWL Headquarters building located at 2017 Nafziger Road, Wilmot was built in 1990. The 4695 ft<sup>2</sup> building included offices, work stations, washrooms, lunchroom, meeting room, material processing areas, a garage, and storage space. There were approximately 7 full and part time staff working in the building at the time. Card catalogues located in each branch were the primary source of information about the materials held, and books generally did not circulate among the branches.

In the past 25 years, the flat roof has been replaced, a geo-thermal system and energy-efficient lighting installed, workstations re-configured, but no significant structural changes or expansions have been made. In the same period, demands on the space have changed significantly. Library collections grew to include periodicals, materials for the visually impaired, young adult collections, music and DVDs, access to electronic databases and eBooks. In 1992 the library held 51,114 titles and by 2015 that number had grown to 105,848. Acquisitions, processing and collection maintenance all take place at Library Headquarters. The services offered by the library have also increased, leading to new staff in the areas of programming, family literacy, computer literacy, technical support and promotions. The recent RWL staff re-organization focused on centralizing community outreach and programming functions at headquarters to improve impact and coordination. The current staff complement working out of the building is 8 full time and 13 part time/visiting staff. Please see Attachment 1 for the existing building plan; Attachments 2 and 3 show the staff locations and materials processing flow.

As a result of the growth and change over the past 25 years, parts of the building have been repurposed or multi-purposed. Some spaces can no longer be used for their intended purposes and others do not adequately meet demand. The storage area is now being used for materials processing, the boardroom has been converted to shared office space and the lunch room is used for meetings. Hallway/circulation space is used for cart storage, creating potential health and safety concerns. Materials are stored in inappropriate locations such as in washrooms. The washroom facilities are not sufficient for the number of staff, and do not meet current accessibility standards. The parking lot

is frequently overflowing, with ad-hoc parking onto the grass along the driveway.

In conclusion the existing space is at its limits and is no longer efficient or effective for staff needs.

### **Accommodation Requirements**

To serve staff needs and functions, space is required for offices, workstations, meeting rooms, storage, cart and equipment area, materials processing, delivery staging, washrooms, kitchen and general circulation. There is no anticipation of further increasing staff complement at library headquarters in the next 5-10 years. The existing lunch room is adequate for the current complement, but additional meeting room and collaborative work spaces are needed. Smaller work station configurations that are now standard for Regional offices, and a more efficient materials processing layout, will reduce total space requirements.

The following outlines the spaces that are needed.

**Offices/ Workstations:** The building currently houses two offices, at 210 ft<sup>2</sup> and 150 ft<sup>2</sup> respectively, and 13 workstations varying in size from 125 ft<sup>2</sup> to 32 ft<sup>2</sup>. To accommodate current staff complement, 1 office at 140 ft<sup>2</sup> is sufficient, and workstation space could be standardized to 75 ft<sup>2</sup> for full and part-time staff, and 50 ft<sup>2</sup> for visiting staff/ hoteling space.

**Washrooms:** To meet current building code, an increase from the current 170 ft<sup>2</sup> to approximately 485 ft<sup>2</sup> (3-5 w/closets) is necessary.

**Storage/shelving/materials processing:** Storage/shelving/Materials Processing currently occupies 1585 ft<sup>2</sup>, and while efforts will be made to compact as much as possible, any significant reduction in allocated space would impact staff resources and ability to function.

**Programmer collaborative space:** The Programming team created in the staff re-structure works collaboratively to plan and implement programming at all ten branches. They meet regularly, but are currently coping without a dedicated space of their own. To function more effectively, space and storage is required.

**Formal and Informal Meeting space:** The building's existing boardroom has been currently repurposed into office space, forcing staff to either meet in the kitchen, or off site, both of which are disruptive to workflow and productivity. The Region is piloting a

workplace standard to provide Supervisors with workstations (i.e. no walls) instead of offices, and a separate flexible meeting space that could be used by all staff as needed. Following this protocol, while we would save space and cost on Supervisor offices, it will be necessary to create a new informal meeting space.

**Parking:** Additional parking is required to meet even current needs. Parking along the driveway is problematic and unsustainable.

Several areas of the building are currently adequate, and could remain the same. The existing kitchen, boardroom, garage and utility rooms are sufficient and do not need expansion.

### Options

In order to assess options for potential expansion of space at Library Headquarters, Facilities and Fleet Management (FFM) engaged IBI Group in April 2016 to undertake a Feasibility Study to determine current needs and provide a costing estimate.

Attachment 1 shows the current building configuration, which includes offices, work stations, a meeting room, lunch room, 2 washrooms (one accessible/male and one female), mechanical/electrical, storage and processing space, garage, and 12 parking spaces.

The option of continuing to operate in the current building with no expansion and reconfiguring work stations was considered. This option was found not to be viable, as it did not address any of the major deficiencies: insufficient washroom capacity, loss of meeting room space, lack of storage space, inadequate parking, etc. The facility is operating in an over-capacity condition, which is not sustainable.

Preliminary expansion options provided by IBI included recommended additions in the north-west and south-east corners, and maximizing space by fully building out each area. Options for parking range from 6 to 11 additional spaces. Following a general discussion with Library Committee in June, staff has focused on minimizing the proposed expansion, as well as considering any other options, as described below.

Co-locate with other Regional or Township service: There is no space within existing Township or Regional buildings that could accommodate all of library headquarters space needs. New buildings may be under consideration, but not within a time frame that could meet the immediate needs for library staff. If Library Headquarters were to relocate to a new Regional building, the Library program would be required to contribute capital funding to construct a larger building than would otherwise be the case. The cost to relocate to a new Regional building would be significantly greater than the cost to expand the existing facility. Similarly, the cost to replace the existing library

headquarters with a new building would be significantly more expensive than expanding/renovating the existing building. The cost to replace the Library Headquarters, either at another Regional building or as a stand-alone facility, would be in the range of \$2M-\$2.5M, excluding the cost of land.

Split operations and lease space: It is possible that leased space could be found to accommodate a portion of library headquarters staff. Library staff are already spread over 11 locations, and adding another one would not improve efficiency as the functions located at Library Headquarters are centralized in nature. Some renovation of the existing building would still be needed. Also, ancillary functions such as washrooms, lunch room and meeting space would need to be duplicated at a leased facility. Annual rent for appropriate leased space would be in the range of \$15-20/square foot. Spaces for lease are rarely exactly the size required, and usually require some amount of leasehold improvement. For these reasons, the option to split operations will not yield the desired cost savings.

Minimal expansion of existing building: Expanding the existing building takes advantage of the existing investment, and maintains efficient operations. The least costly expansion option is to add space to only one corner of the building. Squaring off the north-west corner (adjacent to the building entrance) would provide an addition of about 1120 sq. ft., and parking would be added along the side of the building to create a total of 22 spaces. The concept is shown in Attachment 4. The existing meeting room and lunch room would be retained, but new washroom facilities are needed to meet building code and accessibility requirements. The office and materials processing areas would be reconfigured to support efficient work flow. Reconfiguring work areas and workstations to maximize space efficiency reduces the size of the required expansion. Attachment 5 illustrates that the proposed expansion is just large enough to accommodate the existing staff complement; note that the 75 and 50 sq. ft. spaces are workstations with no walls.

It is recommended that a minimal expansion of the existing library headquarters building be considered as the most cost effective way to accommodate staff and processing requirements for the Region of Waterloo Library service.

### **Preliminary Costing**

As part of the Feasibility Study, structural, mechanical and electrical assessments were completed, and a Class C cost estimate was prepared by BTY Cost Consultants. This level of estimate provides a reasonable cost envelope within which the project design can be developed. The initial costing has been done as of August 2016, and needs to be escalated to reflect cost at potential time of construction (potentially late 2017). Costs include basic finishes and fixtures, repair and update to electrical and mechanical

systems, expansion of asphalt parking lot.

Item	Cost
Construction of addition	\$278,000
Renovations to existing space including washrooms	\$187,800
Site development, including relocating hydro, expand parking lot	\$124,200
Design and construction allowances (approximately 15%)	\$ 91,500
Sub-total	\$681,500
Facilities estimate for furnishings, fees	\$111,500
Escalate to 2017	\$7,000
Total for planning purposes	\$800,000

Construction costs are subject to refinement following detailed design, and also depend on the tendering results. However, it is recommended by FFM that the \$800,000 estimate be used for planning and budgeting purposes. It should be noted that the cost estimate is lean, with minimal contingency and assumed costs at the lower end of normal ranges, requiring careful decision making during design and construction. While achievable, the budget may have to be revised following project design.

### **Proposed Next Steps**

If the recommendation to endorse the expansion is approved, RWL and FFM staff would proceed with having the project design and final cost estimate completed. This would provide the detailed design, interior layout, and refined cost estimates. The results would be brought back to Committee for a final decision to proceed with construction. If the process moves expeditiously, it may be possible to tender and initiate construction still in 2017. Renovation of the existing space will present challenges for Library Headquarters staff, and that will have to be considered for 2018.

### **Corporate Strategic Plan:**

The recommended minimal expansion of the existing RWL Headquarters building to provide standard accommodation for existing staff supports Strategic Objective 5.4 – Ensure Regional programs and services are efficient, effective and provide value for money.

**Financial Implications:**

There is potential to include the Library Expansion in the next Development Charge Background Study. This would allow the Region to recover a portion of the capital costs from Regional Development Charges (RDC) once the next RDC By-law is approved and implemented. Initial calculations suggest that a recovery of approximately \$125,000 to \$150,000 could be realized. Staff recommend including \$125,000 of growth related debentures in the financing plan for the project.

If the full amount of \$800,000 were debentured, the cost per year to the RWL Operating budget (based on 10 years, 2.5% interest rate) would be \$91,407 beginning in 2019.

However, there is \$350,000 available in the Library Capital Reserve fund to use towards funding this project. There are two options available to pay for the remaining cost of \$450,000.

1. Issue debentures of \$450,000 in the fall of 2018 (affecting 2019 budget). For a 10 year debenture at 2.5%, the annual cost is \$51,416 per year or \$1.52 per average household.
2. Increase the contribution to the Library Capital Reserve by \$15,000 in 2017, along with incremental increases of \$15,000 in each of 2018 and 2019. The cumulative cost per year in 2019 is \$45,000 or \$1.33 per average household (spread over 3 years). In 2019, the contribution to the capital reserve would be converted to debenture expense to allow for payment of a 10 year debenture. At this point \$400,000 would be available in the reserve (due to the additional reserve contributions). A debenture of \$400,000 at 2.5% for 10 years would cost \$45,704 per year.

The final decision to proceed with the project would be made by Committee and Council later in 2017. However, the second option, which provides a more gradual impact on the operating budget, has been included in the Draft 2017 Budget Plan for discussion.

**Other Department Consultations/Concurrence:**

This report has been prepared in consultation with Facilities and Fleet Management, and Finance staff.

**Attachments**

Attachment 1: Existing Library Headquarters Plan

Attachment 2: Existing Staff Areas

Attachment 3: Existing Materials Processing Flow

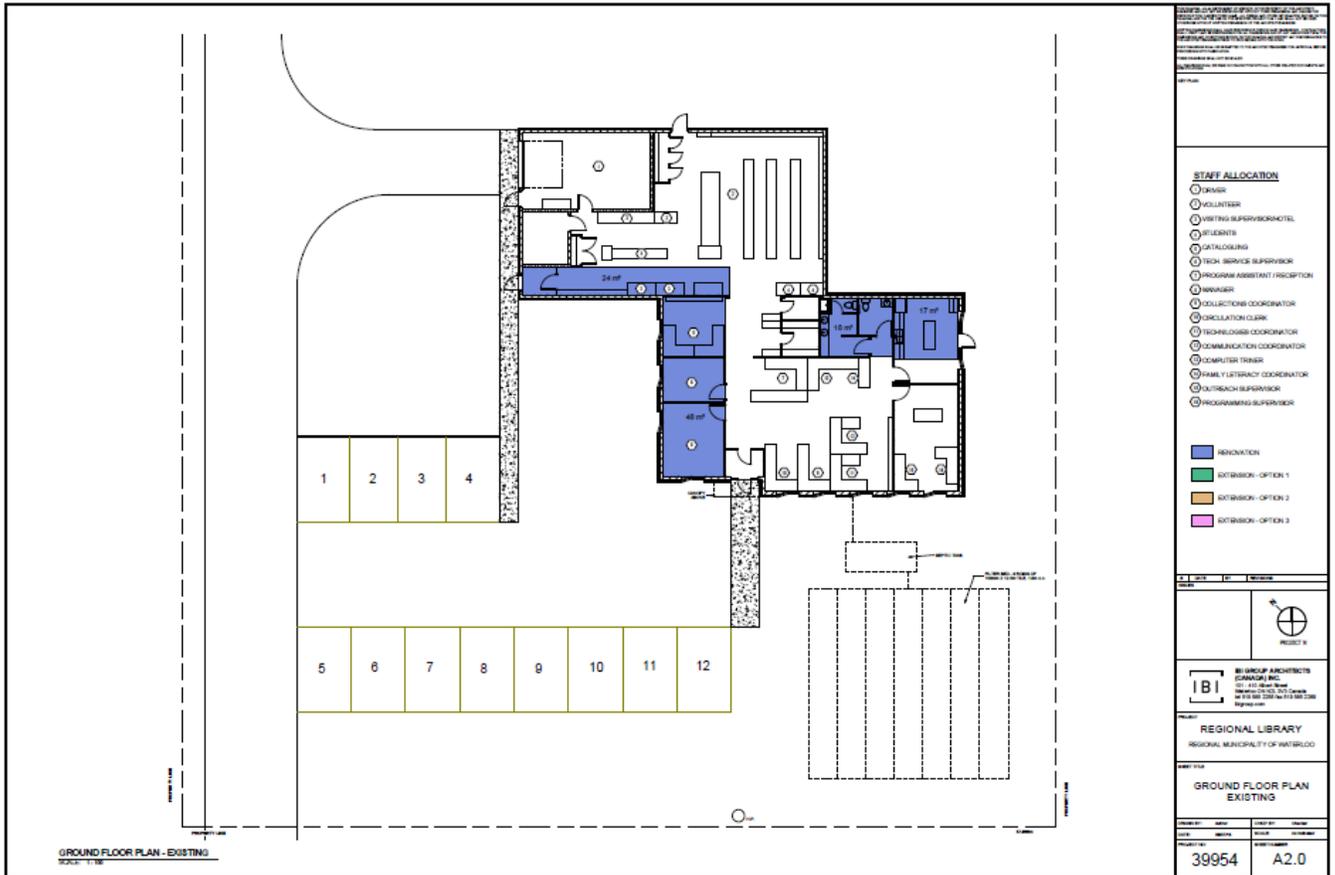
Attachment 4: Proposed Expansion Plan

## Attachment 5: Possible Layout for Expanded Space

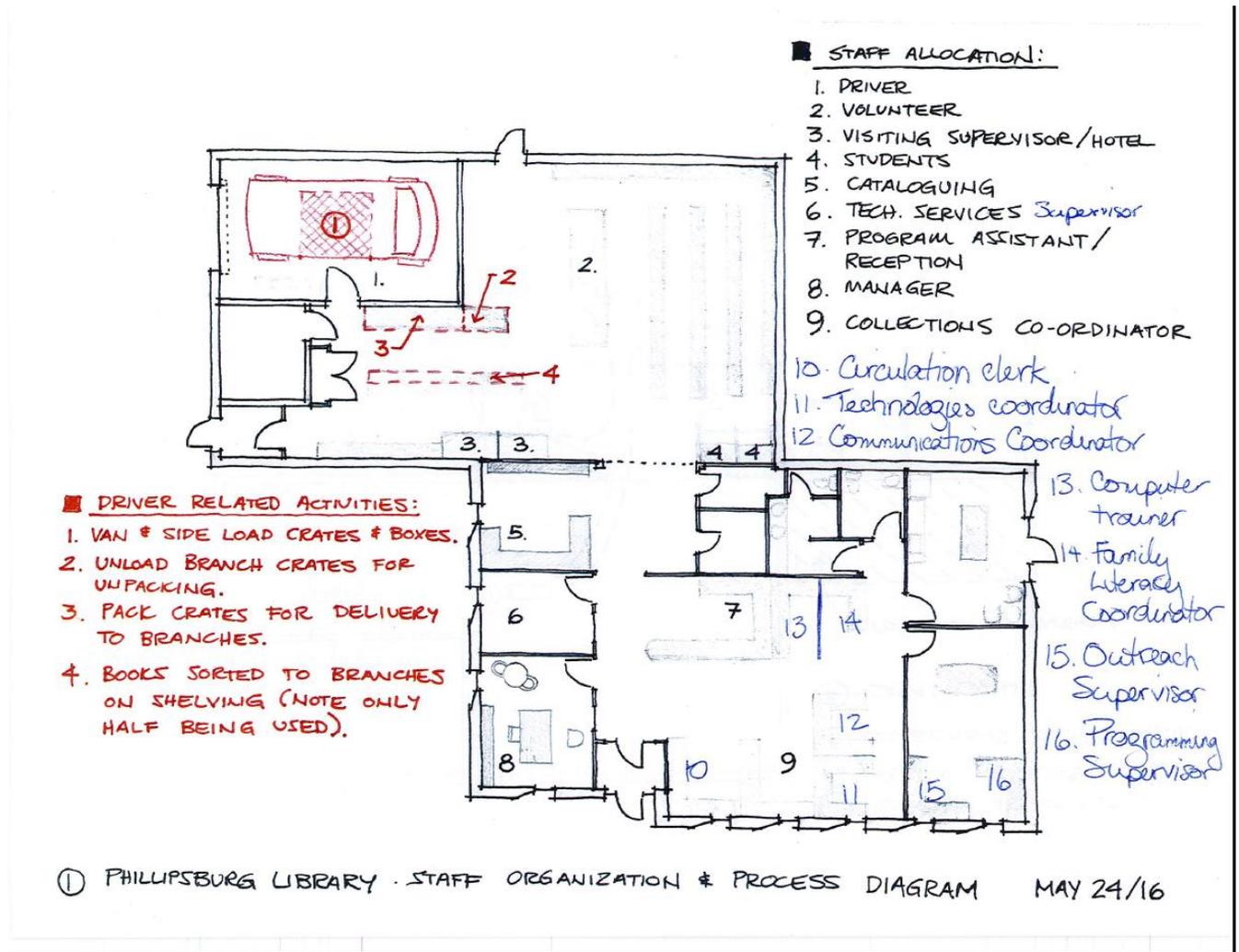
**Prepared By:** Lucille Bish, Director, Cultural Services

**Approved By:** Rod Regier, Commissioner, Planning, Development and  
Legislative Services

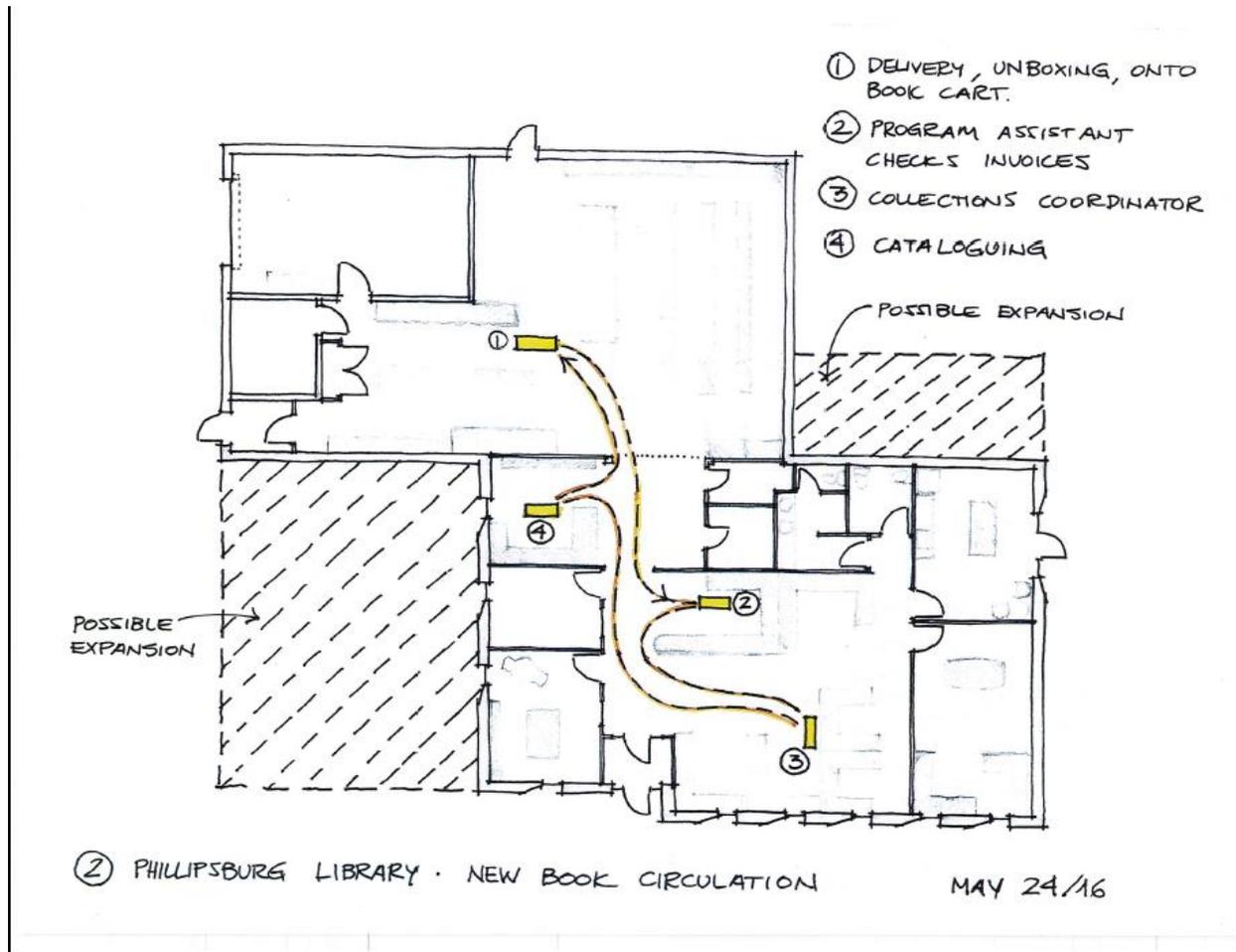
Attachment 1: Existing Library Headquarters Plan



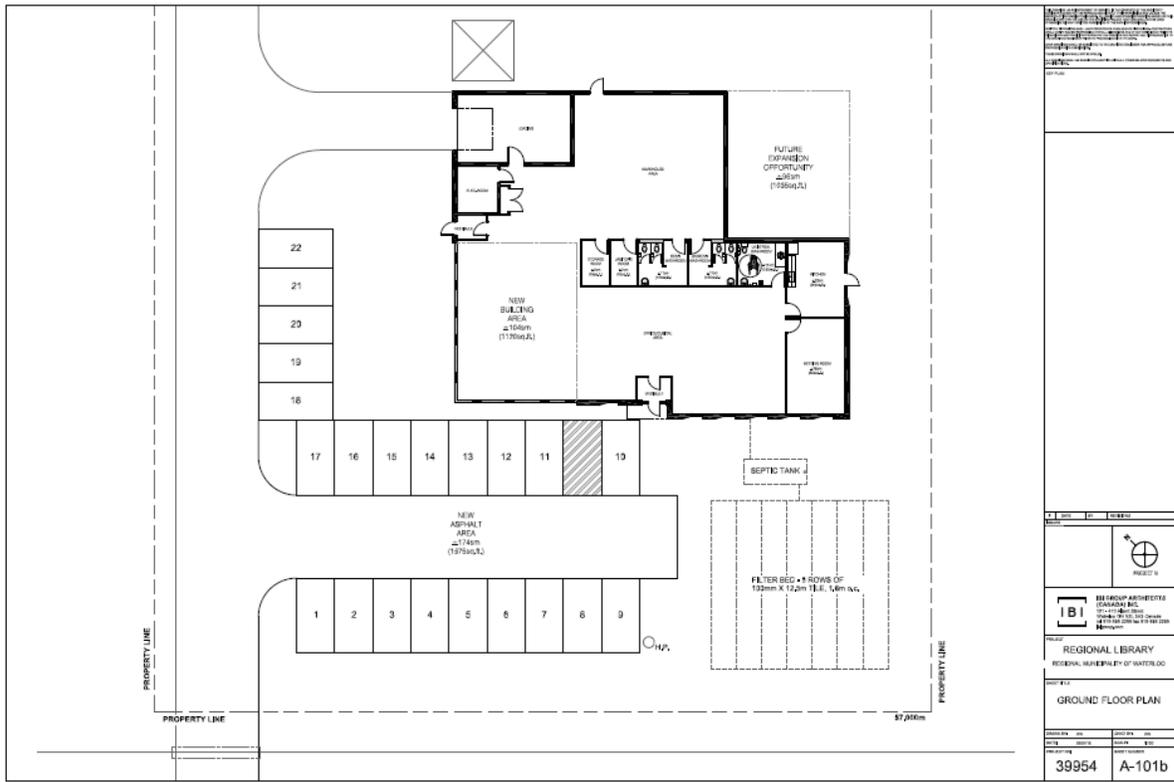
Attachment 2: Existing Staff Areas



Attachment 3: Existing Materials Processing Flow



Attachment 4: Proposed Expansion Plan



Attachment 5: Possible Layout for Expanded Space

Library Headquarters Blocking Plan





Report: PDL-LIB-16-16

## Region of Waterloo

### Planning, Development and Legislative Services

### Cultural Services

**To:** Chair Les Armstrong and Members of the Library Committee

**Date:** December 6, 2016                      **File Code:** R09-90

**Subject:** 2017 Region of Waterloo Library Budget Report

#### Recommendation:

That the Library Committee approve the following with regard to the Region of Waterloo Library Budget, as described in Report PDL-LIB-16-16, dated December 6, 2016:

- a) The 2017 Library Operating Budget with a net levy of \$\_\_\_\_\_ (\_\_\_%);
- b) The 2017 Library Capital Budget, as amended, to include \$44,000 to replace Early Literacy Stations (to be funded from the Library Capital Reserve)
- c) The 2018-2026 Library Capital Forecast, as amended, to change the funding source for the Library HQ Addition/Renovation (project 20024) from 100% debentures to a combination of Library Capital Reserve, debentures, and growth related (RDC) debentures;

And That the matter be referred to Budget Committee for consideration.

#### Summary:

The proposed 2017 Region of Waterloo Library (RWL) Base Operating Budget and 2017-2026 Capital Program are presented to Library Committee for consideration and approval. The 2017 Base Operating Budget has a net property tax levy of \$2,623,553 which represents an increase of \$9,776 or 0.37% over 2016. The Base Operating Budget position (as published in the 2017 Preliminary Program Budget Book) has been amended to include \$13,347 in grant revenue from the Ontario Library Capacity Fund, and \$2,590 in increased rental (utility) costs related to the Linwood branch. The proposed 2017-2026 Library Capital Plan expenditures total \$1.88 million, with

\$476,000 in expenditure proposed in 2017. Sources of funding for the proposed 2017-2026 capital plan include Regional Development Charges (\$300,000), Debenture (\$800,000 – proposed through this report to be changed to a combination of Library Capital Reserve, debentures and growth related debentures), Library Capital Reserve Funds (\$652,000) and the Fleet Maintenance Equipment Reserve (\$130,000). The \$1.88 million does not include the \$44,000 for the capital budget issue for replacement of the 10 year old Early Literacy Stations.

The 2017 base operating budget increase includes adjustments for salary and benefit cost increases which are largely offset by savings related to Library reorganization. Facilities interdepartmental charges have increased overall mainly due to increase in electricity costs. Preliminary rural assessment growth for all four Townships is estimated to be 1.2% in 2016 for the 2017 budget and taking this growth into account, the net tax impact for Library Services is -0.82%. For an average household valued at \$312,500 in 2016, this represents a decrease of \$0.48 on the average property tax bill for a total average household cost of \$77.35.

Four operating budget issue requests, with a total cost of \$135,200 and an increase of 1.8 FTEs, are proposed in this report for Library Committee's consideration. If all were approved, the tax impact after assessment growth would be 4.3% or \$3.50 per Township household. As well, one capital budget request with a total cost of \$44,000 has been proposed.

## **Report:**

### **Preliminary 2017 Operating Budget**

The preliminary 2017 Base Operating Budget for the RWL is shown in the Program Summary provided in Attachment 1. This summary also shows the 2016 estimated actual costs and budget variance. Key elements of the Program Summary are discussed below.

For 2016, actual staffing costs are projected to be below budget by \$95,000 or 4.4% due largely to the impacts of introducing the library re-organization during the first six months. As a result of the reorganization implemented in early 2016, the library management structure has changed significantly, Branch Supervisors have more time for supervision, and library programmers have been centralized. Branch staff hours were also reviewed and adjusted to better match demand and provide time for community outreach; this is still a work in progress. Other operating expenses were higher than budget and will be more carefully monitored in 2017. The anticipated 2016 surplus is \$70,000.

The 2017 Base Operating Budget includes compensation savings of \$35,000 due to the

management structure changes, off-set by adjustments for salary and benefit cost increases. Increases in interdepartmental charges are due to utilities, lifecycle costs and decreases to grant revenue related to internet access. The Base Operating Budget includes \$31,000 for initiatives funded from the Taylor Bequest.

The proposed 2017 RWL Base Operating Budget has a net property tax levy of \$2,623,553, which is an increase of \$9,776 or 0.37% over 2016. Preliminary rural assessment growth for all four Townships is estimated to be 1.2% in 2016 and the 2017 RWL levy increase represents a tax impact of -0.82%. For an average household valued at \$312,500 in 2016, the budget increase represents a decrease of \$0.48 on the average property tax bill for an average household cost of \$77.35 in 2017.

### **New Initiatives Implemented in 2016**

RWL's management team was re-structured to create a broader and more effective team. Managers were reduced from two to one, and new supervisor positions for Technical Services and Outreach were created. Branch supervisors were consolidated from four to two. The Programming Supervisor position approved by Library Committee was implemented.

Programming staff were centralized, and now report to the Supervisor, Programming. Working collaboratively, the programming team has been able to provide program support and resources to all ten branches.

Other initiatives in 2016 that did not have a Library levy impact include:

- Artist in Residence program at Ayr Branch
- Increased teen and tween programming
- Expanded technology training for all ages
- Local History digitization and website launched
- MagnusMode digital life skills app introduced

### **Proposed 2017-2026 Capital Program**

The proposed RWL 2017-2026 capital Program is provided in Attachment 2. The table has been adjusted to include carry-forwards for funds not spent in 2016.

Recommended capital expenditures in 2017 include:

- contribution to materials budget (from Development Charge and Reserve Funds)
- branch furnishings including new carpet in Elmira
- replacement of the Library Van (deferred from 2015)
- completion of electronic signage in each branch (installation delay in 2016)
- projects in Ayr and New Hamburg financed by donations

- initiation of Library Headquarters expansion and renovation, subject to Design Study and final approval in 2017.

## **Proposed 2017 Capital Budget Issue Requests**

### **Replace Early Literacy Stations (ELS)**

The Early Literacy Station computers are a well-loved resource at Region of Waterloo Library branches, and account for over one-third of all computer usage. They provide the opportunity for young children to explore a variety of stories and literacy-based activities, using hardware that is appropriately sized. These units were purchased in 2005 and are coming to the end of their life. As machines break down beyond repair patrons express disappointment.

The current ELS units are also an outdated technology. Newer ELS units are available with touchscreens that would appeal to young children and keep RWL's technology offerings fresh and current. RWL programming staff have found alternative, less expensive, options for literacy-based technology (e.g., iPads with literacy-based apps) to be inferior in terms of content and durability.

It is important that these units be replaced in a timely manner. Should replacement be delayed, RWL risks more hardware breakdowns, an inability to maintain this important service and patron dissatisfaction with the library.

Capital Cost	\$44,000 (to be funded from Library Capital Reserve)
FTE	0.0
Priority	High

## **Proposed 2017 Operating Budget Issue Requests**

### 1) Community Outreach

As proposed in report PDL-LIB-16-14 dated December 6, 2016, community outreach in the form of Pop-Up Libraries at one location in each Township would be started as a pilot project in 2017. This would include a weekly library service delivering age-appropriate programs and engaging participants and caregivers in literacy development. Additionally, library service would include hold pick up, mobile circulation (checkout and returns), membership registration, and reference/research assistance. This proposed model provides library services and programming as well as personalized service and relationship development with the community. Operating costs include: staffing costs for 24 hours of staff time to serve four locations each week; mileage; programming supplies; and promotion.

Operating Cost	\$48,000 (\$37,500 staffing + \$10,500 other)
FTE	0.7
Priority	High

## 2) Library Headquarters Addition

As detailed in Report PDL-LIB-16-15, dated December 6, 2016, an expansion to the Library Headquarters building is recommended in order to accommodate existing staff, provide appropriate washroom and parking facilities, and improve materials processing efficiency. The estimated cost including new construction, renovation of existing space, site work and allowances is \$800,000. A final cost estimate and recommendation to proceed would be brought to Committee in 2017 following project design.

The 2017-2026 Capital Plan in Attachment 2 shows this amount to be financed by Debentures. Report PDL-LIB-16-15 indicates the impact of fully debenturing the project would be over \$91,000 per year increase to the operating budget beginning in 2019. If the option described below is preferred, a portion of the financing for this proposed project would shift from Debentures to the Library Capital Reserve.

The option with the least annual impact on the Operating Budget is to increase contributions to the Capital Reserve by annual increments of \$15,000 for three years beginning in 2017(cumulative \$45,000 by 2019). In 2019, the reserve contribution would be converted to a debenture payment to support a \$400,000 debenture at 2.5% for 10 years. This annual cost is \$45,704. As mentioned in the Library Headquarters report, there is potential for recovery of a portion of the capital costs from the Regional Development Charges (RDC) once the next RDC By-law is approved and implemented. Staff recommends including \$125,000 (of the total of \$400,000) of growth related debentures in the financing plan for the project.

Operating Cost	\$15,000
FTE	0.0
Priority	High

## 3) Increase Coordinator, Family Literacy position to full-time

The Part-time Family Literacy Coordinator (FLC) position will be vacant in the new year, providing a good opportunity to review the 24 hour per week position. The position description has not been updated/reviewed since 2006. Its roles and responsibilities have expanded and the role has become more collaborative requiring more hours to complete the work. Adding 11 hours to make this position full-time will attract stronger applicants and increase the duration of staff retention which would help strengthen our system as a whole.

The public survey of library users (2012) found an exceptionally high level of satisfaction with RWL's children's programming, and that is due in large part to the Family Literacy Coordinator. The Family Literacy Coordinator position plays an important role in connecting all of the branches. It provides training and support to 14 staff members who deliver children's programs. Making this position full-time would benefit all townships equally. This role is essential for ensuring consistent, quality early years programming throughout our ten branches.

RWL actively connects to networks of external early years service organizations. These networks are vital for information and resource sharing and to avoid duplication of services. RWL currently participates in the following committees: Early Literacy Alliance of Waterloo Region, Let's Read, Family Literacy Day, Local Low German Literacy Initiatives, the Waterloo Region Library Service for Children & Youth, and the Mid-Western Children's Services Committee. Currently this work is shared between the Family Literacy Coordinator and the Supervisor of Programming. A fulltime Family Literacy Coordinator would be able to assume more of these responsibilities, allowing the Supervisor of Programming to seek out other partnerships/networks focusing on service provision for seniors, adults, teens, and special needs or interest groups.

In addition to staff support and networking, the Family Literacy Coordinator also delivers outreach to schools, daycares and Ontario Early Years Centres, other agencies and special event programs within the Region to promote literacy and libraries. RWL currently receives more requests than staff can accommodate, and several good opportunities for furthering the library's reach are being missed.

Operating Cost	\$30,700
FTE	0.3
Priority	High

#### 4) Increase Program Staff Availability

The four Library Programmers currently work an average of 7 out of 21 hours per week on desk in one of the branches, providing standard circulation and patron services. Adding hours for Library Assistants (at a lower grade level than Programmers) to take on these desk hours would free up programming staff time. This would allow RWL to expand program offerings and provide adequate planning time, as well as increase community outreach and programming connections.

In addition to delivering 5-7 programs at their home branches, Library Programmers are responsible for program planning on a system-wide basis. Their current schedules

allow enough time to plan for core programming to pre-schoolers, but do not allow sufficient time to develop programs for school age children or teens. Of the 833 youth

programs delivered to date in 2016, 651 were for early literacy and early learning, 120 were for family and school-age children, and only 2 were for teens. Teens in particular were identified as a programming focus in the RWL Service Plan 2012-2015. Further program expansion will be extremely difficult without increasing program staff availability.

Operating Cost	\$41,500
FTE	0.8
Priority	High

### **New Initiatives Summary**

The cumulative and total financial impact of these potential budget issue requests is shown in Attachment 3.

Other 2017 Initiatives (No Impact on 2017 Budget)

- 2<sup>nd</sup> Artist in Residence program in Ayr
- New website
- Hoopla

### **Corporate Strategic Plan:**

The proposed Region of Waterloo Library 2017 budget supports the Corporate Strategic Plan Objectives 5.2: Provide excellent citizen-centered services and 5.4: Ensure regional programs and services are efficient, effective and provide value for money.

### **Financial Implications:**

The preliminary RWL 2017 Base Operating Budget is \$2,623,553 an increase of \$9,776 compared to 2016, which represents a decrease of \$0.48 per Township household or - 0.82% after estimated Township assessment growth of 1.2%. The proposed 2017 budget issue requests include additional spending in 2017 of \$135,200. The total proposed Operating Budget increase is \$144,976 (4.3% after assessment growth) or \$3.50 per Township Household. A capital budget issue request for \$44,000 to replace Early Literacy Stations (to be funded from the Library Capital Reserve) is also proposed.

### **Other Department Consultations/Concurrence:**

The report has been prepared jointly by Finance and Cultural Services staff.

**Attachments:**

Attachment 1 – Preliminary 2017 Library Base Operating Budget

Attachment 2 – Proposed 2017-2026 Library Capital Program

Attachment 3 – 2017 Proposed Budget Issue Requests Summary

**Prepared By:**        **Lucille Bish**, Director, Cultural Services

**Approved By:**      **Rod Regier**, Commissioner, Planning, Development and  
Legislative Services

## Attachment 1 – Preliminary 2017 Library Base Operating Budget



### Region of Waterloo Library Divisional Budget Details (Thousands)

	2016			Variance Notes	2017 Budget	Budget		Budget Notes
	2016 Budget	Estimated Actuals	Variance			Change	% Change	
<b>Expenditure</b>								
Compensation	\$ 2,136	\$ 2,041	\$ 95	A1	\$ 2,115	\$ (21)	(1.0%)	B1, C1
Other operating	394	421	(27)	A2	406	12	3.0%	
Transfers to reserves	44	44	-		38	(6)	(13.6%)	
Interdepartmental charges	247	250	(3)		260	13	5.3%	B2
<b>Net expenditure</b>	<b>\$ 2,821</b>	<b>\$ 2,756</b>	<b>\$ 65</b>		<b>\$ 2,819</b>	<b>\$ (2)</b>	<b>(0.1%)</b>	
<b>Revenue</b>								
User Fees	43	43	(0)		46	3	6.9%	
Recoveries from Capital	45	50	5		31	(14)	(31.1%)	B3, C1
Provincial grants & subsidies	119	119	-		118	(1)	(0.8%)	
<b>Revenue subtotal</b>	<b>\$ 207</b>	<b>\$ 212</b>	<b>\$ 5</b>		<b>\$ 195</b>	<b>\$ (12)</b>	<b>(5.8%)</b>	
<b>Property tax levy</b>	<b>\$ 2,614</b>	<b>\$ 2,544</b>	<b>\$ 70</b>		<b>\$ 2,624</b>	<b>\$ 10</b>	<b>0.4%</b>	
<b>Cost to the average household</b>	<b>\$ 78</b>				<b>\$ 77</b>			

Budgeted Staff Complement (FTE's)	2016	2017	Change	Notes
Permanent	29.6	29.6	-	
Temporary	1.8	1.6	(0.2)	C1
<b>Total</b>	<b>31.4</b>	<b>31.2</b>	<b>(0.2)</b>	
Recoveries				
From capital projects	0.7	0.5	(0.2)	
<b>Total recoveries</b>	<b>0.7</b>	<b>0.5</b>	<b>(0.2)</b>	

#### Notes

##### Actuals variance notes

A1 - Savings due to impact of job vacancies, delays in hiring and associated benefit cost savings. Not sustainable in 2017.

A2 - Higher than budgeted spending for programming and promotion.

##### Budget notes

B1 - Reduction in staffing costs related to minor reorganization, as well as decreased programming costs related to Ayr branch.

B2 - Calculated facility occupancy rates adjusted for changes in utilities, property taxes and general building maintenance as well as an increased provision for funding lifecycle works. ITS licencing costs reflected as interdepartmental charge from ITS (previously part of PC reserve contribution).

B3 - Reduction in funding from capital related to Ayr branch programming decrease.

##### Complement notes

C1 - Reduction in programming related to Ayr Branch (funded from Taylor bequest).

Region of Waterloo Library Base Budget has been restated to include Ontario Library Capacity Fund Grant \$13,347 and increase in rental costs for Linwood Branch \$2,590

## Attachment 2 – Proposed 2017-2026 Library Capital Program



## Region of Waterloo Library

Ten Year Capital Budget and Forecast (Thousands)  
2017 - 2026

	2017	2018	2019	2020	2021	2017 - Subtotal	2022 - Subtotal	2017 - Total
<b>EXPENDITURE</b>								
<b>Program Area Capital</b>								
20002 Library Holdings Acquisitions	13	13	13	13	13	65	65	130
20009 Other Branch Furnishings	20	20	20	20	20	100	100	200
20014 Equipment Replacement Vehicles	65					65	65	130
20015 Branch Development	47	20		20		87	60	147
20020 Electronic Branch Signage	22					22		22
20021 Ayr Branch Projects	78					78		78
20022 Purchasing Materials	25	25	25	25	25	125	125	250
20023 New Hamburg Branch - Puddicombe Esta	25					25		25
20024 Library HQ Addition	200	600				800		800
<b>Total Program Area Capital</b>	<b>495</b>	<b>678</b>	<b>58</b>	<b>78</b>	<b>58</b>	<b>1,367</b>	<b>415</b>	<b>1,782</b>
<b>Facilities Managed Capital Renewal</b>								
70001 Library Renewal		50			25	75	25	100
<b>Total Facilities Managed Capital Renewal</b>		<b>50</b>			<b>25</b>	<b>75</b>	<b>25</b>	<b>100</b>
<b>TOTAL EXPENDITURE</b>	<b>495</b>	<b>728</b>	<b>58</b>	<b>78</b>	<b>83</b>	<b>1,442</b>	<b>440</b>	<b>1,882</b>
<b>FUNDING &amp; FINANCING</b>								
<b>Development Charges</b>								
Reserve Funds	30	30	30	30	30	150	150	300
<b>Property Taxes</b>								
Reserves and Reserve Funds								
3980160 Library Capital RF	200	98	28	48	53	427	225	652
3982160 Fleet Maintenance Equipment Res	65					65	65	130
Debentures	200	600				800		800
<b>TOTAL FUNDING &amp; FINANCING</b>	<b>495</b>	<b>728</b>	<b>58</b>	<b>78</b>	<b>83</b>	<b>1,442</b>	<b>440</b>	<b>1,882</b>

**Attachment 3 – 2017 Proposed Budget Issue Requests Summary**

**Waterloo Regional Library  
2017 Draft Budget Plan**

	<u>2017</u>	<u>2017%</u>	<u>Cumulative %</u>
<b>Operating</b>			
Base adjustment (after assessment)	9,776	-0.82%	-0.82%
<b>Issues:</b>			
<u>Priority</u>			
1 Community Outreach Programming (0.7 FTE)	48,000	1.82%	1.00%
2 Library HQ Renovations	15,000	0.57%	1.57%
3 Increase Coordinator Family Literacy to full time(0.3 FTE)	30,700	1.16%	2.73%
4 Increase Program Staff Availability(0.8 FTE)	41,500	1.57%	4.30%
	<u>135,200</u>	<u>5.12%</u>	<u>4.30%</u>
 Total Increase in Net Levy:	<u>144,976</u>	<u>4.30%</u>	<u>4.30%</u>
 Revised Net Levy:	2,758,753		
 Increase in FTE	1.80		
<b>Assumption:</b>			
<b>Township Assessment Growth</b>	1.0120		
<b>Increased Cost per Household</b>	\$3.50		
<b>Total Cost per Household</b>	\$81.33		