



THE CITY OF WINDSOR

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NOTICE OF COUNCIL DECISION

Windsor City Council adopted the following resolution at its meeting held December 2, 2013

CR243/2013

THAT the report of the City Clerk & Licence Commissioner dated November 18, 2013 entitled "Governance Model for the Windsor Public Library," **BE RECEIVED**; and

THAT City Council **AUTHORIZE** Administration to proceed with implementing the reporting structure for the Windsor Public Library arising from implementation of the Mississauga Model of Governance at the Windsor Public Library as documented in this report; and

THAT City Council **APPROVE IN PRINCIPLE**, the "Proposed WPL Service Enhancement Model", (the "Plan") which is attached hereto as Appendix "B" and **APPROVE** a placeholder of \$7,000,000.00 within the five year Capital Budget to implement the plan, and as approved in the enhanced capital plan attached as "Appendix A", subject to detailed reports being **BROUGHT BACK** to Council with the details for each project outlined in the Plan; and

FURTHER that the necessary capital funding for this amount of \$7 million (as approved in the enhanced capital plan attached as Appendix A) **BE APPROVED** as a pre-commitment of \$337,765 from the current five year capital plan (from various Library projects already included in the Capital plan) plus an additional placeholder of \$6,662,235 bringing the total placeholder funding for this initiative to \$7 million.

Carried.

Report Number 16861 ML/10013AFB/11647 ML/10013 AFB/11647 8

Appendices
Model

Steve Vlachodimos

Deputy City Clerk/Senior Manager of Council Services

January 27, 2014

/jr

THE CORPORATION OF THE CITY OF WINDSOR
Office of the City Clerk - Human Resources



MISSION STATEMENT:

"The City of Windsor, with the involvement of its citizens, will deliver effective and responsive municipal services, and will mobilize innovative community partnerships"

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| LiveLink REPORT #: 16861 ML/10013 AFB/11647 | Report Date: November 18, 2013 |
| Author's Name: Valerie Critchley, City Clerk & Licence Commissioner | Date to Council: December 2, 2013 |
| Author's Phone: 519 255-6100 ext. 6434 | Classification #: |
| Author's E-mail: veritchley@city.windsor.on.ca | |

To: Mayor and Members of City Council

Subject: Governance Model for the Windsor Public Library

1. **RECOMMENDATION:** City Wide: Ward(s): _____

THAT the report of the City Clerk & Licence Commissioner dated November 18, 2013 entitled "Governance Model for the Windsor Public Library," **BE RECEIVED;** and

THAT City Council **AUTHORIZE** Administration to proceed with implementing the reporting structure for the Windsor Public Library arising from implementation of the Mississauga Model of Governance at the Windsor Public Library as documented in this report; and

THAT City Council **APPROVE IN PRINCIPLE,** the "Proposed WPL Service Enhancement Model", (the "Plan") which is attached hereto as Appendix "B" and approve a placeholder of \$6,000,000.00 within the five year Capital Budget to implement the plan, subject to detailed reports being brought back to Council with the details for each project outlined in the Plan; and

FURTHER that the necessary capital funding for this amount of \$6 million be approved as a pre-commitment of \$337,765 from the current five year capital plan (from various Library projects already included in the Capital plan) plus an additional placeholder of \$5,662,235 bringing the total placeholder funding for this initiative to \$6 million.

EXECUTIVE SUMMARY:

N/A

2. BACKGROUND:

As Council is aware, all public libraries in Ontario are governed by the *Public Libraries Act*, ("PLA"). The PLA mandates that every public library must have a library board, (the "Board"), whose membership must be comprised of at least five members. Further, the number of Councillors on the Board must be one less than the number required to form a majority. The PLA also mandates that the Board must appoint a Chief Executive Officer ("CEO"), Secretary and Treasurer. However, apart from these stipulations, the PLA does not subscribe a particular model of governance for public libraries and instead provides options available to both Boards and municipalities regarding the framework of the library's operations.

Over the years, Council has received several reports which outline the various governance options which are available to the municipality and the Board. From that information, a summary of the five possible operating models available is as follows:

1. Council may pass a bylaw to establish a separate entity for a public library as is the Corporation of the City Windsor's (Corporation) current process and was thus established in 1894;
2. Two or more municipalities may make an agreement to establish one public library system;
3. A municipality of a lower or single tier municipality may make an agreement with a County Council to establish one public library system;
4. Council may enter into an agreement with an established library board for the purposes of providing library services as set out in an agreed set of Terms and Conditions; or
5. Council may pursue private legislation and a private member's bill to allow Council to serve as the library board pursuant to the PLA and to have the Manager of the Library report directly to Council and not to a library board.

While discussion has occurred throughout the years on various models for the Corporation to explore, including the most recent Shared Services review of the administrative aspects of the Windsor Public Library (WPL), on April 8, 2013 the Corporation received a letter from Dr. Peter Frise, Chair of the WPL Board advising that the Board had been reviewing various library governance models and that it would like to explore with City Council and Administration the possible implementation of governance model used by the City of Mississauga and its' public library. Dr. Frise's letter is attached to this report as Appendix "A" for Council's reference.

In addition to the discussions regarding governance, the WPL Board has also been working to review their services and facilities and has developed a service delivery plan designed to

rationalize its facilities while providing the high quality of library services which the Community has come to expect.

3. DISCUSSION:

A. GOVERNANCE MODEL

What is the Mississauga Model?

The Mississauga model referenced in Dr. Frise's letter is essentially option 4 as referenced above. In this model, the WPL and the Corporation would enter into an agreement setting out the Terms and Conditions regarding the operation of the library and the roles and responsibilities of both parties. This model allows the Library to operate like a City department, this ensuring that:

- the Library's practices are standardized with other City departments;
- the Library's needs are fully considered within the context of routine corporate planning and budgeting;
- the Library is able to access the resources of the City, including finance and human resources supports, legal services, labour relations expertise and purchasing processes; and
- the decisions made by the Library Board are fully informed by the City's corporate and community strategic priorities and objectives and Council approved City policies.

In terms of governance structure and organization, the Library Board is still appointed by City Council in accordance with the PLA and the Board is responsible to hire a CEO, Secretary and Treasurer. While the CEO reports to the Board, he/she also has a solid line relationship into City of Mississauga administration (in this case to the Commissioner of Community Services) and this reporting structure allows the CEO to ensure that the Library operates as a City department, fulfilling the goals and objectives set out above.

Finally, while this governance model allows the Library to operate as a City Department and to be integrated in terms of support services and strategic and financial planning, the model also ensures compliance with the PLA in that the Board retains the following duties within the context of the City's established policies and procedures:

- Overall management and control of the Library
- Appointment of the CEO
- Appointment of a Secretary
- Appointment of a Treasurer
- Appointment and removal of its' employees
- Determination of terms of employment
- Fixing of employee remuneration
- Prescription of employee duties
- Submitting financial estimates
- Establishment of rules for the use of the Library

- Adopting and spending the budget as approved by Council
- Imposing fees as determined necessary
- Reimbursing of Board members for acceptable expenses

How Would the Mississauga Model be Applied in Windsor?

As stated, research has been conducted and reports have been brought to Council throughout the years exploring a variety of options for the governance of WPL vis a vis the City, however, to date, the traditional model of library governance – i.e. having a separate entity which is managed by the WPL Board and funded by the City, has been in place.

If the “Mississauga Model” of governance was to be implemented for the City and WPL, three areas would need to be fully explored and agreed upon. These areas are:

- Governance structure – i.e. Duties of the WPL Board, City Council and City Administration;
- Review of City policies and procedures in the context of application of these policies to the WPL, identification of any operational issues that could arise as a result of this application and making any required amendments; and
- Review of the capacity for the implementation of shared administrative services between the WPL and the City and the development of a human resources plan to address the resulting staffing and labour relations considerations.

Issue 1 – Governance Structure:

It is anticipated that, should this model be implemented, a governance structure similar to that found in Mississauga would apply. Particularly, the WPL Board would continue to be distinct from the City pursuant to the PLA and would remain responsible for the overall management and control of the WPL. The change would be that there would be an agreed upon Operational Agreement which would stipulate that the management of the WPL would be done subject to the policies and procedures of the City and which would also provide the administrative services which the City would provide to the WPL.

Further, in this model, there would continue to be a Library CEO, Secretary and Treasurer, all appointed by the Board. The CEO would report to the Board, while maintaining a solid line relationship into City Administration. Upon a review of the current departmental structures and workloads, it is recommended that this solid line relationship be to the City Clerk/License Commissioner/ Corporate Lead for Public Engagement & Human Services.

Finally, City Council would continue to be the ultimate approvers of the WPL budget, however the advantage with this new model would be that the budget would be prepared and administered having due consideration for, and in accordance with Council approved policies, City operational procedures and Council’s corporate and community strategic goals and objectives. It is noted that in the last year, the library CEO has worked closely with senior administration in the budget development and this has worked well.

Issue 2 – Implementation of City Policies & Procedures vis a vis the WPL:

As stated above, in order to successfully and fully implement the new model being proposed, the WPL would become subject to all Council approved policies and also the procedures which are in place to effect these policies.

The WPL has unique operations and services and there may be instances where City policies and procedures need to be amended in order to meet the operational needs of the WPL or where a library policy may need to be developed or adopted by Council and used solely for WPL. Any necessary revisions or amendments would need to be made and, finally, training on these policies and procedures would be provided to assist the WPL in achieving full compliance.

Issue 3: Implementation of Shared Administrative Services

As explained, implementation of the Mississauga model would involve all administrative support services, such as legal, human resources, and finance being provided to the WPL by the City. In the past, some limited Human Resources services have been supplied by the City to the WPL primarily in the areas of pay equity administration, health & safety and corporate training, as well as assistance in the area of Labour Relations and Facility Operations.

Currently, the unionized staff at the WPL are represented by CUPE Local 2067 and this would continue to be the case as this staff will continue to do the same library-focused work. At the present time, there are 8 approved non-union positions in the WPL complement however at this time, 2 positions are vacant and 6 are filled. It is proposed that the non-union staff, which are already paid in accordance with the City's Non-Union Pay Equity Plan will be integrated into the City's management structure. In doing so, a full review of the WPL management structure and compensation structure including benefits, will be undertaken.

The above are the issues which will need to be fully analyzed and developed should Council wish to move forward with further exploration and implementation of the "Mississauga Model" of governance as requested by the WPL Board. If this is the direction of Council, an Administrative team comprised of the City Clerk & Licensing Commissioner, the Acting CEO of the WPL, the Executive Director of Human Resources, the Manager of Employee Relations and representatives from Legal, Finance, Social Services, and Facilities will work together to fully implement the model as outlined above.

B. PROPOSED SERVICE DELIVERY & FACILITIES RATIONALIZATION PLAN

Attached as Appendix "B" is a report dated November 6, 2013 from the Acting CEO of the Library entitled "Proposed WPL Service Model". This report has been considered and endorsed by the WPL Board.

The report includes a 'Facilities Master Plan' which proposes the following changes to the current system:

1. Budimir And Riverside District Libraries Revitalization, including an expansion of Budimir Library to 15,000 square feet;
2. Creation of a Downtown "Hub" Location which will replace the Central Library Branch and will be "right" sized at 17,500 square feet;
3. Creation of a new, 10,000 square foot Central Library Branch in the Walker Road corridor which will consolidate the Seminole, South Walkerville and Remington park branches;
4. Expansion of the Sandwich Library to 5,000 square feet;
5. Creation of a "satellite" branch in Devonshire Mall of 2,000 square feet; and
6. Purchase and implementation of a Mobile Library Bookmobile.

With respect to the creation of the Downtown "Hub" location and the new consolidated Central Library Branch, as well as the Devonshire Mall site, the proposal is to lease space however exact locations have yet to be determined. Regarding the expansion of the current Sandwich Branch, as there is no room to expand at the present site, it has been suggested that a suitable location for this expansion would be in the old Sandwich Fire hall which would need to be renovated and refurbished. The costs associated with this plan are included in the Financial Section of this report.

4. RISK ANALYSIS:

GOVERNANCE MODEL

As further review and ultimate implementation of this model involves possible changes to job duties and working conditions of staff, there is always the risk that employee grievances could be lodged by both WPL employees and City of Windsor employees. It is also possible that the dual reporting relationship of the CEO could result in a difficult work environment for the individual given the possibility of receiving differing directives. However, all efforts will be made to ensure that these risks are mitigated through ongoing consultation and discussions with all employee and union groups and by ensuring that the CEO responsibilities are clearly defined.

SERVICE MODEL & FACILITIES PLAN

As is the case with the implementation of any new service delivery model, there are inherent risks in terms of citizen and employee concerns, issues encountered with new facilities and issues related to the transition as the Library moves from one model to another. All of these factors will need to be mitigated with an effective communication plan and detailed plans for each expansion/relocation which will include a detailed implementation plans and budget for each project.

5. FINANCIAL MATTERS:

GOVERNANCE MODEL

As stated above, in implementing the new governance model, the current 6 non-union employees of the WPL would be integrated into the City's non-union employee/management structure. As these positions are already paid in accordance with the City of Windsor's Pay Equity schedule, the salaries for these positions would remain the same. However, as the benefit plan for the WPL differs slightly to that of the City, analysis was completed to determine if any costs will be incurred by affording City benefits to these 6 employees.

The Benefit Premium comparison schedule between the WPL and the City of Windsor, which is attached as Appendix "C" indicates the following average rates for 2013 for WPL non union employees vs COW non union employees (please note that WPL is a premium based plan and COW is primarily an ASO plan) :

- WPL Single Coverage cost \$2,110.11 per employee vs COW Single Coverage cost of \$1,955.00 for a savings of approximately \$155.11 per employee on the COW plan.
- WPL Family Coverage cost of \$5,470.55 per employee vs COW Family Coverage cost of \$4,527.00 for a savings of approximately \$943.55 per employee on the COW plan.

Although this analysis is subject to some variability from year to year based on experience, it is a reasonable indicator at this time of the potential cost impacts associated with the WPL non union employees moving to the COW plan. Based on the 2012 or 2013 averages as reflected in the Appendix "C", it appears to indicate a potential cost reduction resulting from the move rather than an increase in cost.

SERVICE DELIVERY MODEL & FACILITIES MASTER PLAN

The estimated capital cost for the items outlined in the attached report is \$2,669,534.50. However, it should be noted that several assumptions were made by the WPL regarding the costs associated with information technology requirements when developing this planning estimate. For example, it has been assumed that the bulk of the IT related costs will be with respect to cabling requirements and that all existing hardware can be re-used at the new sites. Without the exact location and design of each new site, this assumption is difficult to validate. Further, City Administration has advised that the range of costs for renovating and refurbishing the Sandwich Fire hall to house the new expanded Sandwich branch will be in the range of \$1.5-2.0 million dollars. Therefore, the total estimated capital funding is expected to be in the range of \$4.2 to 4.7 million.-. A summary of planning level estimated costs is displayed in the chart below for Council's ease of reference:

| | |
|--------------------------|-------------|
| 1. Budimir Expansion - | \$1,669,535 |
| 2. Riverside Renovation- | 150,000 |

| | |
|--|---------------------|
| 3. Downtown Hub -- Leasehold Improvements | 150,000 |
| 4. New Sandwich Library -- Renovation | 1,650,000-2,150,000 |
| 5. Devonshire Mall -- Leasehold Improvements | 150,000 |
| 6. New Central Library -- Leasehold Improvements | 150,000 |
| 7. Mobile Library Bookmobile | 250,000 |

TOTAL

\$4,169,535-4,669,535

As the above capital costs have been based on preliminary planning level estimates only, it is recommended that the budget placcholder in the five year capital budget for these combined projects be 6.0 million dollars.

The library has projected an annual operating savings once these projects have been completed and are fully operational. However, it should be noted that one of the assumptions made in this projection is that the leasing costs for the new Central branch and Downtown Hub will be approximately \$15.00 per square foot and that the leasing costs for the new Devonshire Mall location will be \$45.00 per square foot. These estimated lease rates were reviewed by the Manager of Real Estate Services who gave the opinion that the projected lease rates used by the WPL for the new Central branch (in the Walker Road corridor area) and Downtown Hub location, are low and provided the following comments:

1. With all lease transactions there are a number of parameters which dictate the base lease rate and the CAM costs (other lease costs) for any given property. These would include but not be limited to the exact location of the space within the City as well as the location of the space within a particular building (ie. ground floor as opposed to upper floors etc.), age of building, amenities to building, parking, and the availability of public transit.
2. Since the use of the space will be "public space" the WPL will likely require more from a landlord than the normal private sector user. This factor will automatically eliminate a number of possible sites in each area. Typically the eliminated sites would be at the low end of any gross lease rates.
3. For a downtown location a planning level estimate of lease costs would use a gross lease rate range of \$20 to \$25.00 per square foot. This may or may not include any amortized costs for leasehold improvements if the Landlord is required to make same.
4. For the Walker/Provincial/Cabana corridor a planning level estimate of lease costs would use a gross lease rate of \$25. to \$30 per square foot. The reason for the increase would be that the buildings in this area would likely be newer than downtown. In addition much of the leasable space in this area would typically be for retail use as opposed to office/institutional use. Since retail space would generally command a higher base lease rate then this would likely be reflected in any space the WPL would wish to occupy. The gross lease rate for this area may or may not include any amortized leasehold improvement costs.
5. Ultimately, conducting an RFP for the non Devonshire Mall sites would likely yield the best gross lease rates.

As the actual cost of the leased space will have an effect on any operating savings that may be realized from this full implementation of the proposal, the exact amount of these savings, if any, will not be known until detailed budgets and implementation plans have been completed for each project.

In terms of funding sources for this work, the attached report references budget placeholders and funds raised through development charges. However, in consultation with the City Treasurer, City Administration advises as follows:

- There are no placeholders in the Capital Budget relative to the \$2,126,395.00 regarding *Budimir and Optimist library branches*.
- The \$3.0 million dollar capital request referenced in the report relative to library right-sizing was put forth in the Capital budget however no funding has been designated for this project within the 5 year Capital Plan and therefore, no approved funding is available for this project.
- An amount of approximately 1.0 million is available within the Library Development Charges Reserve Fund. Administration has recommended approval in the 2014 Capital Budget of \$100,000 per year (2014-17) and \$600,000 in 2018 relative to these funds. The project description indicates that this funding would be used to cover material acquisitions over ten years as well as the acquisition of a mobile unit and mobile technology. An amount of \$250,000 is already recommended for funding within the five year plan under this project for the bookmobile component.
- The current five year Capital Plan also has a number of other projects which have been approved in principal and which may be considered redundant if City Council approves moving forward with the noted Facilities Plan. These project components are as follows:
 - HVAC Seminole & Sandwich Libraries-\$70,000
 - Seminole Refurbishment-\$17,765
 - This amount Totals- \$87,765

Should Council choose to approve the proposed facilities plan it is estimated that that total costs including contingencies could approximate up to \$6 million, Given funding has already been allocated within the 5 year plan in principal of \$337,765 (as noted above), the net required additional funding would be \$5,662,235 in order to achieve a placeholder budget of \$6 million. Given that these projections are high level planning estimates only at this time which could be subject to significant variability as more refined plans are developed, it is recommended that a sufficient contingency amount be included in the overall project thereby bringing the total placeholder amount for this project to \$6 million. On this basis, it is recommended that approval be provided in principle to a placeholder of \$6 million for this project to account for the range of costs outlined above inclusive of an amount for contingencies and that Administration be directed to report back to Council with a detailed budget and implementation plan for each project. This would require a pre-commitment of the noted \$337,765 from the current five year capital plan plus an additional placeholder of \$5,662,235 in order to provide for a total project placeholder amount of \$6 million for this initiative.

This project and the required funding is currently not included within the recommended 2014 Capital Budget five year plan, however as has been indicated in the Capital Budget Report, the Mayor will be bringing forth an enhanced Capital Plan at the upcoming Capital Budget deliberations which will include consideration of Library issues.

6. CONSULTATIONS:


Chris Woodrow, Acting CEO, WPL
City Treasurer
Executive Director of Human Resources
Executive Director of Parks & Facilities
Executive Director of Information & Technology
Manager of Real Estate Services

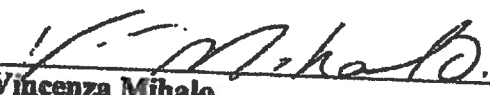
7. CONCLUSION:


The "Mississauga Model" of library governance is one in which the library is able to operate as a City department while still being overseen by a Library Board that remains as a distinct entity pursuant to the PLA. The main benefit of such a model is that the decisions made by the Library Board are fully informed by the City's corporate and community strategic priorities and objectives and Council approved City policies. Further, financial and operational synergies can be realized through the integration of library and City administrative support services, such as finance, human resources and legal services.

Further, the WPL has presented a proposed model for future service delivery and facilities rationalization. While capital funding of this proposal will be required, the proposal provides a facilities plan for the future which will serve to rationalize existing facilities and optimize service delivery to the public.

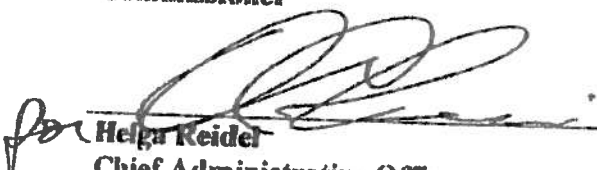
Should Council choose to approve the implementation of the new governance model, Administration will commence implementation of the same and report back to Council should any substantive issues be incurred. Further, should the proposed service delivery model be approved in principle with appropriate placeholders in the 5 year Capital Plan relative to the required funding, further reports will be brought back to Council which will detail the complete budgets and implementation plans for each project.

for 
Valerie Critchley
City Clerk/Licence Commissioner &
Corporate Lead for Public Engagement &
Human Services


Vincenza Mihalo
Executive Director of Human Resources


Jelena Payne
Community Development & Health
Commissioner


Mario Sotego
City Engineer


for Helga Reidel
Chief Administrative Officer


Onorio Colucci
CFO & City Treasurer

APPENDICES:
Appendix "A" – Letter date April 8, 2013 from WPL Board Chair to City of Windsor CAO
Appendix "B" – Proposed WPL Service Model Report dated November 6, 2013
Appendix "C" – Benefits Costs Analysis
Private & Confidential memo enclosed

DEPARTMENTS/OTHERS CONSULTED:
Name:
Phone #: 519 ext.

NOTIFICATION :

| Name | Address | Email Address | Telephone | FAX |
|------|---------|---------------|-----------|-----|
| | | | | |