

## **Relevant Information for Council**

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**FILE:** X014469.004      **DATE:** 25 June 2018

**TO:** Lord Mayor and Councillors

**FROM:** Monica Barone, Chief Executive Officer

**SUBJECT:** Information Relevant To Item 6.2 – Integrated Planning and Reporting Program and Budget 2018/19 - Adoption - Waterloo Library

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### **Alternative Recommendation**

It is resolved that:

- (A) Council note the submissions received from the community and included in Attachment A to the subject report;
- (B) Council adopt the suite of the draft 2018 Integrated Planning and Reporting documents as endorsed by Council on 14 May 2018, subject to the amendments detailed in Attachments B and C to the subject report, incorporating:
  - (i) the Operational Plan 2018/19; and
  - (ii) the Resourcing Strategy 2018;
- (C) Council adopt the draft Operating and Capital Budget, and future years' forward estimates, reflected in the Operational Plan 2018/19 and Resourcing Strategy 2018, subject to the amendments detailed in Attachment B to the subject report. The 2018/19 budgets include:
  - (i) Operating income of \$595.8M, operating expenditure before depreciation and light rail contribution of \$470.2 for an Operating Result of \$125.6M, and a Net Operating Result of (\$0.6M) after allowing for interest income of \$14.0M, capital income contributions of \$82.8M, depreciation expense of \$109.4M, capital project costs of \$11.3M and light rail contributions to the State Government of \$102.2M;
  - (ii) Capital Works expenditure of \$337.8M, increased to reflect the revoted light rail contribution of \$63.6M, and a contingency of \$5.0M;
  - (iii) Plant and Assets net expenditure of \$26.2M; and
  - (iv) Net Property Divestments of \$55.2M;

- (D) Council adopt the proposed Rating structure and policies, Domestic Waste Management Charges, Stormwater Charges and User Fees and Charges;
- (E) Council retain the Waterloo Library and approve the additional costs for the 2018/19 year from the 2018/19 General Contingency for the Waterloo Library:
  - (i) An increase in the annual Library operating budget of \$478,000
  - (ii) A one-off Library operational budget cost for 2018/19 of \$60,000;
- (F) Council note an increase to the 2018/19 Library Plant and Asset budget as follows:
  - (i) An increase in the annual Library Plant & Asset budget of \$100,000
  - (ii) A one-off Library Plant & Asset increase for 2018/19 of \$71,500;
- (G) Council note that staff will report back to Council on actual financial implications once they are reviewed in more detail, as part of the first quarter 2018/19 budget report to Council;
- (H) authority be delegated to the Chief Executive Officer to negotiate and enter into any documentation required to vary existing contracts for library service contracts for the additional equipment and services required to continue the operation of Waterloo Library, up to a maximum of \$150,000 excluding GST per contract; and
- (I) authority be delegated to the Chief Executive Officer to approve any minor editorial corrections prior to publication.

## **Purpose**

To provide Councillors with information about the implications of keeping Waterloo Library open.

## **Background**

On 18 June 2018, the Lord Mayor asked the Chief Executive Officer to identify the cost of keeping Waterloo Library open after the new Green Square Library opens in August 2018.

At the subsequent meeting of the Corporate, Finance, Properties and Tenders Committee, Councillors supported that request.

## **Planned Relocation**

The new Green Square Library is scheduled to open in August 2018, serving the growing population of Green Square, Zetland, Rosebery, Waterloo, Redfern and Alexandria.

The City had previously proposed to relocate the Waterloo library to the new Green Square Library, with Waterloo Town Hall retained for community use.

Retention of Waterloo Library in addition to the new Green Square Library will require additional library staff, collection, technology and equipment, as these were due to relocate to the new library. These involve both one-off and ongoing costs. The opening of the new Green Square library will also depend on the required time for procurement, contract variation, staff recruitment and training.

## Cost Implications

### Increase in Operational Budget - Annual

<b>Item</b>	<b>Description</b>	<b>Cost per annum</b>
Permanent staff	3.2 Permanent FTE	\$286,250
Casual Staff	Casual hours for adequate roster coverage	\$63,750
Public Access Computers	13 PCs, 2 multifunction devices	\$23,000
Software	Library Management System including catalogue and membership database	\$10,000
Collection	Magazine and Newspaper subscription	\$55,000
Library Programs	Including Story time, Rhyme time and school holiday programs	\$40,000
<b>TOTAL</b>		<b>\$478,000</b>

### Increase in Plant & Asset Budget - Annual

<b>Item</b>	<b>Description</b>	<b>Cost per annum</b>
Plant & Asset – Book and Electronic Vote	For Waterloo collection	\$100,000
<b>TOTAL</b>		<b>\$100,000</b>

Increase in –Staffing – One Off

<b>Item</b>	<b>Description</b>	<b>Cost per annum</b>
Contract staff	Additional resource required to manage procurement and contract variations in order to mitigate delay to Green Square Library opening (Band 6 for up to 6 months)	\$60,000
<b>TOTAL</b>		<b>\$60,000</b>

Increase in Plant & Asset – One Off

These items had been proposed for reallocation from Waterloo to the new Green Square and other libraries. This equipment will be required to enable Green Square library to open.

<b>Item</b>	<b>Description</b>	<b>Cost per annum</b>
Security gates		\$16,000
Customer service furniture		\$7,500
Staff IT equipment		\$11,000
Customer payment kiosk		\$18,000
Kronos time and attendance clock		\$3,000
Staff equipment	Eg. Phones and headsets, printers, small IT, trolleys and banners.	\$6,000
Collection	Additional collection (books, CDs, DVDs) for Green Square Library that was previously to be made up of Waterloo collection	\$10,000
<b>TOTAL</b>		<b>\$71,500</b>

## **Other Implications**

### **Staffing**

Retaining Waterloo library will require some changes to staff rotation and allocation to branches, and recruitment of around four new staff. The time required to recruit, induct and train staff might impact the opening timeframe for the new Green Square library.

### **Contracts**

Given the contracts for Library services typically apply to branches across the network, a detailed review of these contracts will be required to determine the nature and extent of variations required to give effect to the additional resources and equipment needed to continue Waterloo Library operations as outlined in the cost implications above. For example, the City will need to vary its contract to enable the delivery of additional public computers and associated equipment and software, to enable Green Square library to open fully fitted out.

## **Memo from Monica Barone, Chief Executive Officer**

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Approved

A handwritten signature in black ink, appearing to read "M. Barone".

**MONICA BARONE, CHIEF EXECUTIVE  
OFFICER**