Agenda – Standing Policy Committee on Protection, Community Services and Parks – March 8, 2019

BUDGET REVIEW

Item No. 5 GoLibrary Pilot Project for Old Kildonan Community

STANDING COMMITTEE RECOMMENDATION:

On September 17, 2018, the Standing Policy Committee on Innovation referred the matter to the 2019 Capital Budget process.

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 17, 2018, the Standing Policy Committee on Innovation referred the matter to the 2019 Capital Budget process.

ADMINISTRATIVE REPORT

Title: GoLibrary Pilot Project for Old Kildonan Community

Critical Path: Standing Policy Committee on Innovation

AUTHORIZATION

Author	Department Head	CIO	CCSO	CFO	CAO
E. Cuddy/D. Bell	C. Fernandes	M. Legary	M. Jack	B. D'Avignon, Acting CFO	D. Wardrop, Acting CAO

EXECUTIVE SUMMARY

The Community Services Department is requesting funding from the 2018 Innovation Capital Fund to run a two-year GoLibrary pilot project in the Old Kildonan community.

The Library Services Division currently does not provide service to the Old Kildonan community through a dedicated library branch within the community. Sir William Stephenson, St. John's and West Kildonan branch libraries are located in areas adjacent to the community but are not designed to meet the needs of the entire northwest Winnipeg area and they are not geographically convenient for Old Kildonan residents.

The Council-approved Library Redevelopment Strategy identifies the replacement of the existing West Kildonan library with a new leased facility in 2021 (design) and 2022 (construction). As the replacement of the West Kildonan Library is 4-5 years out, the Library Services Division would like to run a two-year pilot project to install and operate a GoLibrary automated kiosk system in the community to provide citizens with four (4) primary library services:

- access to pick up requested material
- the ability to search the library catalogue and access digital resources
- the ability to request library material
- a place to return borrowed material

The estimated total cost to be funded from the 2018 Innovation Capital Fund for the two-year pilot project is $242,450 including Manitoba Retail Sales Tax and Corporate Interest and Administrative overhead charges. Annual operating costs beginning in 2021 (year three), should the project be extended, are estimated at $45,000 and would require additional mill-rate support to the Community Services Department. The Library Services Division will assess the two-year GoLibrary pilot and report back with recommendations on next steps in late 2020.

RECOMMENDATIONS

1. That an expenditure of $242,450 from the Capital Innovation Fund for a two-year pilot project GoLibrary kiosk system installation in the Old Kildonan community be approved.

2. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Standing Policy Committee on Innovation approval is required for an expenditure of funds from the Capital Innovation fund.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no general, regulatory, environmental or human resource implications associated with this recommendation.

The estimated project cost of $242,450 inclusive of Manitoba Retail Sales Tax and Corporate Interest and Administrative charges, would require funding from the 2018 Innovation Capital Fund. Annual operating costs beginning in year 2021 (year three), should the project be extended, are estimated to be $45,000 and would require additional mill-rate support to the Community Services Department.

HISTORY/DISCUSSION

The GoLibrary modular system builds and expands on the Library Services Division's successful experience with similar SmartLocker technology that allows library customers to pick up their holds from a locker outside of library hours. A customer scans their library card to gain access to a specific locker which is holding their item(s). Once they remove the items from the locker and close the door the items are automatically checked out to them.

The GoLibrary would include a SmartLocker unit encompassing 79 lockers. Further, the GoLibrary system offers additional features that are not currently available in existing Library SmartLockers:

- a locker unit where customers can return borrowed materials
- the ability to search the library catalogue, access digital resources and request material

The GoLibrary modular system represents a new form of remote library service that will be unique to the City of Winnipeg. The modular unit provides the customer with the ability to search for materials, access digital resources, request specific titles, pick them up and then return their borrowed items – all from the same GoLibrary kiosk.

In 2014, Library Services installed a SmartLocker system inside the Cindy Klassen Recreation Complex, which houses the Harvey Smith Library. Additional locker units were added in 2016 due to increased demand. Also in 2016, a second SmartLocker system was installed inside the

Fort Rouge Leisure Centre, which houses the Osborne Library. Most recently, Library Services installed a SmartLocker system in the Skywalk on the second floor of Millennium Library. Library customers at all three locations have embraced this self-service option.

The GoLibrary system provides innovative, easy to use, convenient service to customers. It offers a positive step towards more equitable, accessible library service in northwest Winnipeg by balancing service distribution. As it is modular technology, it is flexible and portable to allow relocation or expansion as required.

As the development and completion of the West Kildonan Library is 4-5 years away, the Library Services Division would like to pilot the GoLibrary service in the Old Kildonan community for two years starting in 2019.

The most suitable location for the GoLibrary installation is a central public facility with opening hours that at least match the hours of a Winnipeg Public Library community branch. The location should be fully accessible and adjacent to transportation routes for vehicles, Transit and pedestrians.

The Garden City Shopping Centre would provide an ideal location for the kiosk as it is centrally located, accessible and has hours of operation that extend beyond existing library branch hours. The Planning, Property and Development Department's Real Estate Division has contacted the Garden City Shopping Centre's property manager, who has expressed interest in providing public retail space for the GoLibrary system.

There are other options for a GoLibrary location in the Old Kildonan community, including a community centre, Seven Oaks Arena or other recreation facility or centre.

Installation of a GoLibrary modular system will provide temporary library service to an underserved Winnipeg community ahead of future capital investment in a branch library. The two-year GoLibrary pilot also provides the City with an opportunity to deliver library service using a unique and innovative self-service technology in a busy, accessible public centre.

The total cost of the two-year GoLibrary pilot project includes the capital cost of IT equipment, network and related systems as well as the operating costs associated with renting public space in Garden City Shopping Centre, maintaining the automated kiosk and daily delivery/pick-up of library materials.

These costs are summarized in the table below:

GoLibrary 2019 – 2020 Pilot Project Cost Summary	
Capital Expenses	
9-pedestal SmartLocker with 79 lockers and return bin (includes touchscreen, software, graphic wrap, shipping/handling and installation	$115,000
Apple iPad with Wi-Fi	$500

GoLibrary structure including signage and kiosk-style secure mount for iPad	$10,000
Network hardware including router, network rack	$2,500
Installation of duplex receptacle for power and Cat6 cable	$2,500
Total before taxes:	**$130,500**
Operating expenses for two year pilot	
SmartLocker maintenance at $18,000 per year	$36,000
Networking costs at $1,200 per year	$2,400
Preliminary estimated lease costs for Garden City Shopping Centre at $750 per month over 2 years (subject to negotiation)	$18,000
Contract delivery and pickup costs at $15,000 per year	$30,000
Total 2-year operating costs	**$86,400**
Two year GoLibrary Pilot Project Costs	**$216,900**
Manitoba Retail Sales Tax	**$17,352**
Project Costs before Corporate Interest and Administrative Overhead	**$234,252**
Corporate Interest and Administrative Overhead	**$8,198**
Two year GoLibrary Pilot Project Costs	**$242,450**

FINANCIAL IMPACT

Financial Impact Statement

Date: August 27, 2018

Project Name:

GoLibrary Pilot Project for Old Kildonan Community

First Year of Program **2019**

	2019	2020	2021	2022	2023
Capital					
Capital Expenditures Required	$ 242,450	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	242,450	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ 45,000	$ 45,000	$ 45,000
Less: Incremental Revenue/Recovery	8,198	-	-	-	-
Net Cost/(Benefit)	$ (8,198)	$ -	$ 45,000	$ 45,000	$ 45,000
Less: Existing Budget Amounts	(8,198)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ 45,000	$ 45,000	$ 45,000

Additional Comments: The estimated cost of the two-year pilot project is $242,450 including project costs of $216,900, RST of $17,352 and Corporate Interest and Administrative costs of $8,198. If approved the project would be funded from the 2018 Innovation Capital Fund. Incremental revenue of Interest and Administrative costs are offset by recoveries in the Corporate Finance department budget. Should the project be extended after the two year pilot, additional mill rate support of $45,000 annually would be required by the Community Services Department for operating costs.

Original signed by K.Lemoine

Kelly Lemoine, CPA, CA
Manager, finance and Administrative Services
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

Planning, Property & Development Department - Real Estate Division
Business Technology Services (City of Winnipeg)

OURWINNIPEG POLICY ALIGNMENT

This project is consistent with OurWinnipeg policy direction that speaks to providing library users with access to new and enhanced services through the use of technology and to using technology to make library information and materials more accessible.

SUBMITTED BY

Department:	Community Services
Division:	Library Services
Prepared by:	Ed Cuddy, Debbie Bell
Date:	August 29, 2018
File No:	CMS-2018-15