Steering Committee Report for Recommended Consolidation Options for the Charlotte Mecklenburg Library

November 29, 2010

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Preface

Background

During the FY11 budget process, the Mecklenburg Board of County Commissioners (BOCC) established a contingency for providing funding to the Charlotte Mecklenburg Public Library. Part of this contingency called for "the Library Board of Trustees agreeing to pursue with Mecklenburg County the consolidation of some Library functions under the direction of the County Manager and the management of County departments.   The areas to evaluate for possible consolidation include but may not be limited to the following functions:"[1]

- Financial Management (finance and budgeting)
- Human Resources
- Information Technology
- Capital Projects Management
- Public Information/Communications

Consolidation Process Outline

"County Staff and Library staff will be appointed by the County Manager and Library Director to serve on a Steering Committee that oversees the process and develops recommendations for consideration by the County Manager and Library Director.

The Steering Committee will assemble staff working teams for each of the functions considered for consolidation. Staff teams will provide respective recommendations to the Steering Committee.

Steering Committee recommendations endorsed by the County Manager and Library Director will be provided to a subcommittee comprised of three members of the Board of County Commissioners and three members of the Library Board of Trustees. The subcommittee will make final recommendations to the Board of County Commissioners and the Board of Trustees for final decisions."[2]

In accordance with the Board's contingency, the County Manager and the Library Director have appointed the following to the Steering Committee:

County Manager Appointments
- John McGillicuddy, General Manager (co-chair)
- Danny Diehl, Public Information Director
- Dena Diorio, Finance Director
- Mark Hahn, Real Estate Service Director
- Chris Peek, Human Resources Director

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[1] Board of Commissioners Contingency for Library funding agreement
[2] Board of Commissioners Contingency for Library funding agreement

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- Jerry Pinkard, IST Director
- Hyong Yi, Management and Budget Director

Library Director Appointments
- Sean Hogue, Library Financial Consultant (co-chair)
- Cordelia Anderson, Deputy Director Marketing and Communications
- Brian Beavers, Director of Organizational Resources (Property Management)
- Frank Blair, Director of Research, Innovation and Strategy (IST)
- Mark Kutny, Library Legal Representative
- Chuck Mallas, Finance Officer
- Rick Ricker, HR Manager

Phase 1 – Design

The goal of the design phase is to develop a project plan and timeline that describes the key steps and deliverables for this process. This phase also includes developing criteria for evaluating consolidation options. Criteria could include but not be limited to the following:

- Service Drivers and Service Features – the conditions that result in demand for service and the characteristics of service components and methods of service delivery
- Current Performance – the status of service performance (e.g., are there any existing customer service problems, service gaps, duplications, etc.)
- Effectiveness of Service – the impact on customers (service quality and customer satisfaction)
- Efficiency of Service -- cost savings and/or cost avoidance
- Laws, Regulations, Risks -- legal and regulatory constraints, and risk assessment
- Vision, Mission and Goals – alignment with elected bodies' vision, mission and goals
- Strategic Importance – the impact on the organization's ability to maintain control over strategic and core functions
- Accountability – existing and potential accountability (this could be linked closely with laws and regulations, with vision, mission, goals, and with organizational philosophy
- Organizational Philosophy and Culture – alignment with organizational philosophy, business strategy and structure
- Ability to Implement – the availability of talent and expertise needed to be successful; the requirements and impact on internal workload and support services (e.g., IT, human resources, communications, funding sources, equipment and other assets); the anticipated expediency to implement, etc.
- Public Support – the level of support among stakeholders
- Employee Integration – the impact on employee morale and productivity related to integrating employees into a new culture, potential changes in compensation (pay and benefits)

Communication Planning: This step also includes developing a communication plan, particularly initiating communication with stakeholders (internal and external) and continuing to communicate throughout the process.

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Phase 2 – Discovery

The tasks for this phase involve gathering, reviewing, and sharing pertinent data and information. This could include but may not be limited to the following for applicable County and Library functions:

1. Current structures and reporting
2. Job descriptions and qualifications
3. Laws, policies and procedures
4. Current funding and other resource allocations

Phase 3 – Deliberation

This phase will involve analysis and discussion about pertinent data and information, as well as analysis about the current and desired future state. The deliberation phase also will include developing priorities and potential options:

Phase 4 – Decisions

This phase involves developing recommendations for consideration by the County Manager and Library Director. The County Manager/Library Director decision on the recommendations will be provided to a committee comprising three members of the Board of County Commissioners and three members of the Library Board of Trustees. This committee will make final recommendations to the Board of County Commissioners and the Board of Trustee for final decisions.

Phase 5 – Do It

This phase involves identifying key elements or key considerations for a plan to implement recommendations, if approved. As part of providing its recommendations, the Steering Committee should consider and provide general recommendations regarding implementation. This can be in the form of an outline of key steps and a proposed timeline. A detailed implementation plan would be developed based on the final decision.

Additional Considerations

It should be made evident to all parties concerned, especially the governing bodies, that evaluating and implementing functional consolidation often is a labor-intensive and time consuming task. Although it is relatively easy to generate a list of potential candidates for functional consolidation, proper due diligence in developing the business case and making the transition often requires several weeks to months, depending on the subject.

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Executive Summary

Background

The Steering Committee ("the committee") was charged with examining and analyzing the potential for consolidation of certain Library functions with Mecklenburg County departments to achieve cost savings and/or other efficiencies while maintaining the same level of service and functionality as previously existed. The committee agreed upon a process to perform the due diligence and evaluate the efficiencies that could be gained from a consolidation. The agreed upon process emulates the evaluation process that Mecklenburg County has used to perform prior due diligence with consolidations of other County departments and external organizations (e.g., City of Charlotte) and is outlined in the preface of this document.

The committee began its work in mid-August, 2010 and agreed to meet on a twice a month schedule, with the goal of completing recommendations by the end of November 2010. To expedite the process, each functional area developed working teams to perform the due diligence and to report back to the committee the findings of the work. In the view of the committee, a significant amount of time was necessary to perform adequate due diligence. Given the allotment of time to the process, a complete picture of costs savings and efficiencies may not be readily apparent and may or may not materialize over time.

Each subgroup of the committee was asked to perform an analysis to address the following questions and key points:

- Are there alignments in functional areas that could be consolidated?
- Given the separate legal structure of the Library, are there impediments to consolidation?
- Are there costs savings that could be achieved by consolidation?
- Are there efficiencies that could be achieved by consolidation?
- Could the level of service be maintained
- Could services be enhanced to the residents of Mecklenburg County?
- Difficulty in performing a consolidation
- Time required to implement
- Determine options for consolidation ranging from no consolidation to full consolidation

This report will give an analysis of the findings and will breakdown each recommendation into the following areas: Overall Recommendation; Decision Points; Costs Savings; Efficiency of Service; Risk Factors/Ability to Implement and Time to Implement. Full functional area reports are attached to the appendix of this document.

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This report does not address Service Level Agreements (SLA's). Adequate SLA agreements need to be completed to ensure the same level of service is provided to the Library.

Recommendations Summary

The Committee determined that consolidating/outsourcing Library functions and services to Mecklenburg County would result in moderate costs savings, enhanced efficiencies and greater operational support capacity for the Library. Consolidating/outsourcing would result in estimated annualized costs savings of approximately $290,160 (primarily from consolidating HR functions and Public Information/Communications functions), while maintaining or enhancing the level of service currently being provided by Library resources. Although these cost savings are moderate in size relative to the overall annual budget of the Library and Mecklenburg County, they would enable ongoing annual cost avoidance/cost efficiencies in subsequent fiscal years as well. In addition, consolidation/outsourcing to Mecklenburg County would enable the Library to leverage these economies of scale to enhance its operational capacity to support its core functions in serving Library customers. A summary of the recommendations by function/services is below.

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Financial Management

The Finance subgroup performed due diligence to review the feasibility of functional consolidation of the financial management functions of the Library with the County's financial management unit (i.e., Finance Department). The subgroup reviewed the activities that exist within each finance unit, including accounts payable, accounts receivable, cash management, financial reporting, accounting, procurement, budget development, systems, and responsibilities required by the state statutes.

By North Carolina Act, the Library is a separate corporate entity. This necessitates the Library having its distinct financial records and statements (e.g., comprehensive annual financial report).

Based on this obligation as a separate corporate entity, the team developed two recommendations; one recommendation if the Library remains a separate corporation, and another recommendation if the pertinent Act was amended to redefine the Library as a department of Mecklenburg County government. Another major mitigating factor that would be applicable under the constraints of the first recommendation is the inability of the County's current financial system to run financial reports and statement of two distinct organizations.

Overall Recommendation

Full consolidation (i.e., the Library outsourcing the financial management function to the County) is not feasible at this time.   Other individual opportunities for cost efficiencies through consolidation/outsourcing are limited. Full consolidation/outsourcing to the County would be feasible if the County were to change to a financial system that enabled running financial reporting and statements of two separate organizations or if the Library were to become a department of Mecklenburg County. The latter requires changes in state legislation.

The County's finance structure is for the most part decentralized. Financial functions are performed in each business unit of the County for processing accounts payable, accounts receivable, recording revenue, processing accounting entries, performing procurement activities, etc. Cash management, some accounting functions, and some financial reporting functions are centralized within the County finance unit. The Library financial functions for the most part perform the same duties as corresponding units within other business units of the County. The major difference is the reporting responsibility. The Library finance unit has the reporting responsibility to the Library Director and the Library Board of Trustees. The County's Finance Department and other business units have reporting responsibility to the County Manager and the Board of County Commissioners

The subgroup reviewed the possibilities for cost savings if the Library Act remained as is. The subgroup received information on legal requirements from the Library's attorney, reviewed the accounting systems that are in place within County and the Library, and the reporting structure. Due to the financial reporting requirements associated with the Library being a separate corporate entity and the inability of the County's financial system to run financial reporting and statements of two separate organizations,

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consolidation of the two departments would not be feasible at this time. Given the inability to consolidate, the subgroup evaluated the possibility for other cost savings that could occur. The initial recommendation was to consolidate insurance services with the County's policy, as well as use the County's investment advisory to maximize cash management and returns. Upon further due diligence, insurance services could not be consolidated. Ultimately, the only opportunity that the group recommends is that the Library could use the investment advisory service of the County to maximize investment returns.

The subgroup analyzed the potential for consolidation and cost savings if Library Act were amended in such a way that did not necessitate the Library maintain separate financial records. The team reviewed opportunities within financial systems, professional services, payroll, accounting, banking, procurement cards and insurance. If the Library legislation were amended or repealed, the subgroup recommends the following:

1. Library financial systems could be consolidated with County's alleviating the need for duplicative systems. Costs savings are minimal, however noted below.
2. The Library would not be required to have a third-party auditor, as they would be audited by the County's auditing firm.
3. Payroll could be consolidated into County payroll creating efficiencies with Library staff. This would require fewer resources since there would be no need to maintain a separate company for the Library's for payroll.
4. Some of the accounting functions of the Library's finance department could shift to the County's finance department alleviating the need for the Sr. Fiscal Analyst position at the Library.
5. Currently, each branch of the Library maintains a separate bank account for deposits. The subgroup recommends that the Library use the County's armored car service and deposit the funds in the County's main depository account.
6. The Library would participate in the procurement program of the County. There would be no net savings as result, since the Library receives a 1% rebate on purchases and the County does not.
7. The Library could consolidate insurance services with the County. Savings could be achieved by eliminating most third-party insurance and participate in the County's self insurance pool. Directors and Officers Liability Coverage would still need to be maintained by the Library.

Costs Savings/Efficiency of Service

- There are no apparent costs savings that can be achieved as long as the Library remains a separate corporate entity and/or unless the County's financial system is able to run financial reporting and statements of two separate organizations. There are opportunities for the Library to use the County's investment officer expertise in cash flow management to possible achieve greater returns on its cash and cash equivalents.

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- If the Library legislation were amended or repealed, the potential costs savings are outlined in the table that follows.

Savings		Costs	
Sr. Fiscal Analyst position	$78,000	Armored car	$68,000
Audit	$57,000	P-Card Rebate	$2,000
System Maintenance	$19,000	E-Payables	$20,000
Insurance	$54,000		
subtotal	**$208,000**		**$90,000**
Net Savings: $118,000			

Cost savings with this scenario occur by the reduction of one position, the reduction in need for a separate auditor, the reduction in software maintenance (finance system) and the consolidation of insurance services. The costs associated with a transition include: contract for armored car service; loss of rebate of P-Card; and the loss of rebate from the E-Payables program. The cost may be further marginalized if the County incurs additional costs to perform audits of Library that are not calculated in the net savings. Migration costs of financial systems are not calculated in net savings and may negate any savings in the short term. Legal costs of amending the pertinent legislation may also negate net savings.

Decision Points

The key decision point for recommendations based on the Library's current financial reporting requirements is:

- Should the Library use the County's investment officer to maximize cash flow and investments?

The key decision points for amending/repealing the Library legislation and/or enabling the County's financial system to run financial reports of two separate organizations are:

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- Is amending the Act worth the costs savings and/or would the associated legal costs mitigate any cost savings?
- Will the costs savings be eroded by migration of financial systems and additional audit costs for the County?
- How best can the current level of functionality be maintained or enhanced?

In our estimation, costs savings may or may not be achieved by either option and should not be the primary driver in the decision analysis. Therefore, the key decision on this matter is whether the Library should remain a separate corporate entity or whether it should become a department of Mecklenburg County.

Risks Factors/Ability to Implement

The ability to implement the recommendation of utilizing the County's investment officer is relatively low on the complexity scale. This will take some time, however, for a thorough cash flow analysis to be performed and a strategy implemented.

The ability to implement further consolidation options is predominantly dependent upon the ability to amend or repeal legislation to enable the Library to be a County department or a change in the capability of the County's financial software system to run reports and statement of two separate organizations.   There will be some reasonable complexities in full migration of accounting and financial systems. Decisions maker will need to balance the time and costs of migration with the marginal savings and efficiencies that could be gained.

The risk factors for further consolidation options are:

- Erosion of net savings
- Time and complexity of migrating to one financial system
- The potential loss of the ability to retain and analyze prior Library finance date due to migrating to one set of financial reports.

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Human Resources

The HR subgroup performed due diligence to review the alignment of the Library's policies and procedures, job classification and compensation, benefits administration, employee relations, rewards and recognition, training practices, recruiting and screening, HR administration with Mecklenburg County's HR department. The methodology the subgroup used was to understand if functional alignments existed, and if so, the costs savings and difficulty to implement a consolidation. Based on the team's recommendation, there are opportunities to consolidate services. Under these recommendations, the Library's employees who are served by the County's HR Department would remain employees of the Library. The role of the County HR Department will be to manage the Library's HR policies and processes on behalf of the Library. In this arrangement, the Library would retain the responsibility and decision-making authority to hire, discipline, and reward its employees. The findings are summarized below.

Overall Recommendation

Overall, the recommendation of the team was that enough similarities existed between the departments that a consolidation could occur and that the Library could outsource HR management to the County.

Many of the functions that the Library's HR department performs align with services provided by the County's HR department. In the department's functions that the team reviewed, transition difficulty was rated low –medium.

The Policies and Procedures of the Library differ from the County's Policies. The team agreed that it would be possible for the County's HR Department staff to administer two disparate procedures with proper training of the County's HR Employee Services Center staff. The difficulty of consolidation in this area was rated low.

Job Classification and Compensation of the Library follows the classification and compensation levels of the County. The two differences noted in the report was the difference in the definition of pay week and position hire provisional periods. The transition difficulty was rated low for this area.

The Library has slightly different benefits than the County. Most of the differences occur in the insurance policies of the County and the Library. For example, the County self insures against worker compensation claims and the Library contracts with a third party. The County also offers vision insurance and flexible spending accounts to its employees. The Library offers flexible spending accounts but does not offer vision insurance coverage. There also are differences in the voluntary supplemental insurance options offered by each organization (insurance coverage costs for these options are fully paid for by the employees who choose to enroll, so there is no monetary impact that would occur through consolidation). . Transition difficulty was rated low-medium in this area.

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Employee relations are the area that presents the most differences between the County and the Library. There is a need to educate Library employees and the County HR Service Center Staff for this transition to occur. This area was rated moderate in transition difficulty.

The Library offers an extensive Rewards and Recognition program. The team acknowledges that ownership of the process would need to be determined, but the current recognition process could continue. This area of focus was rated low in transition difficulty.

Training is an area that many of the Library needs are already being met by the courses offered through the County's training resources with registration being provided via the County's automated myHR site. Library-specific training (e.g., training on the Horizon system) will be coordinated by current County HR training staff in partnership with County or Library IT staff (depending on the outcome of the IT consolidation decision). Currently the Library has one trainer who offers the specific training to employees. This function would no longer be needed once consolidation occurs. The difficulty in a transition was rated low in this area.

Employee recruitment and management of the process differ between the County and the Library. Most of the differences revolve around the software management piece for recruiting employees. Transition was rated moderately difficult; however, recruitment activities at both the County and the Library are low at the present time.

Administrative functions required to manage the HR services of the Library was rated low in transition difficulty. Administrative function includes Employment Law, Parking, Information Technology, etc. The major difference between the Library and the County is in capacity to resolve workers compensation claims. The County has legal counsel on staff that handles employment issues for the County, whereas the Library has an insurer that typically hires outside counsel to handle workers compensation claims at the insurer's expense after any deductible has been met. Given the separate legal structure of the Library, counsel will need to give advice on the ability of the County to provide this service.

Costs Savings/Efficiency of Service

If the Library consolidated/outsourced HR services with Mecklenburg County, costs savings could occur through the elimination of a Library Training Coordinator and a Library HR Specialist position. Total savings to the library for these positions would be approximately $137,478.24. Two current Library Hr positions (HR Manager and HR consultant) would be transferred to the County's HR Department. These resources will be used along with other County HR staff to provide the Library HR services consistent with the variety and level of HR services being provided at this time.

Decision Points

The key decision points for a consolidation are the following:

- Determining the need for continued Legal counsel for employment-related legal issues versus this function being provided by the County.
- How best can the current level of functionality be maintained or enhanced?

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Risks Factors/Ability to Implement

The primary risk factors to both the County and the Library that need to be balanced are:

- Maximum efficiencies to maximum flexibility

The time required to implement a consolidation is relatively moderate. An effective transition could occur within 90 days to allow for adequate training of respective staffs, depending on the time of year this transition occurs. For example, it would be best to avoid undertaking this transition during a time when major HR activities are occurring such as a reduction-in-force and/or open enrollment.

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Information Technology

Information Technology (IT) planning is complex and there are multiple inputs that must be considered in evaluating the benefits of consolidating/outsourcing Library IT functions within the County's Information Services & Technology Department (IST). To understand the complexities and the opportunities of consolidating IT functions, the Information Technology subgroup performed due diligence to understand if functional alignments existed in the following core services currently provided to the Library.

- Desktop Support/Help Desk
- Servers/Exchange/Imaging
- Network/Voice Over Internet Protocol (VOIP)
- Applications
- Web Development
- Internet/Intranet
- Project Management

The methodology the group used to evaluate the potential for consolidation included: understanding if the prerequisites existed for consolidation; if services were easily commoditized with little impact to the business unit; core application service delivery; and vendor contract expirations.

The major prerequisite to consolidation is fiber connectivity from the main Library's data center to the County's data center. The County has finalized its negotiations with Time Warner Cable to ensure this fiber connectivity will be implemented and the agreement is imminent. A positive resolution of this negotiation and subsequent implementation is necessary before any transition can occur. Installation of the data pipe will take four to six months and adequate planning for a consolidation of this scope will need to be sufficient for a successful outcome.

Services that are easily commoditized typically can be outsourced without direct impact to the business unit. For example, services such as desktop support, help desk, server hosting and data connectivity are types of services that can be consolidated/outsourced to IST easily. Services such as business specific applications are not always easily commoditized and need to be provided by application providers with the business and applications knowledge to host such solutions.

Core applications typically require expertise that is usually only found within vendors who provide mission critical systems or business units who have developed the expertise. The Library's ILS (Integrated Library System) is an example of a system that requires such expertise.

Another consideration (though not a significant factor when considering that the Library qualifies for E-rate with dedicated circuits) that the team evaluated was the ability to consolidate if vendor contracts are present. Data connectivity is an example where consolidation will need to be planned well in advance. Currently, the Library has data contracts that extend out 2-3 years for each of the branch locations. An opportunity to consolidate data connectivity with County at present may not be feasible, but could present opportunities in the out years when contracts expire.

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The subgroup evaluated all options from no consolidation to full consolidation. The findings are summarized below. Full recommendation can be found in the appendix.

Overall Recommendation

The overall recommendation is based on the prerequisite of Time Warner Cable agreement being finalized, which is imminent.

The overall recommendation is viewed through the lens that the Library will continue to have increased technology needs while also continuing to have limited staffing resources to fulfill those needs. As a result, the subgroup concluded that the current level of Library IT staffing is not sustainable in meeting the Library's future IT needs. Informal benchmarking of library IT staffing conducted in 2007 by Library staff compared several large urban public libraries with Charlotte-Mecklenburg Public Library. This benchmarking indicated that the Charlotte-Mecklenburg Public Library IT department was under-staffed at that time. Library IT staffing has been reduced by three positions since that time by Reductions in Force (RIF) and other actions. Based on this assessment that current staffing levels do not allow a sustainable IT function, the subgroup recommends consolidation of several IT functions. Mecklenburg County IST has committed to providing the level of services that is the same or better than the current level of IT services and functions being provided by the Library's IT staff at this time.

Helpdesk/Desktop Support Services

The Library's helpdesk/desktop support group consists of 3 IT support technician that support approximately 1,500 PC's and PC related incidents at all 20 of the Library's locations. The recommendation is to consolidate/outsource this service to IST. Three IT support technicians and one project manager would transfer to IST to support the Library.

Network, Server & Telecommunications Services

The Library's network, server & telecommunications support group consists of 3 technical analysts who provide support IT infrastructure of the Library. This service group supports:

- E-Mail administration
- Internet administration
- Network monitoring, maintenance, and administration
- Server operating systems
- Virus protection
- Spam filtering
- Branch connectivity
- Unity call platform for VOIP

The group recommends consolidating/outsourcing this function to IST's Technology Service Center. Two technical analysts will transfer to County IST to provide support to the Library.

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Applications Support and Development

The Library IT services group provides application support for a number of key lines of business applications including finance systems, Library ILS system, and automation services, as well as web server maintenance.   Web site development and maintenance, including primary Library website, intranet site, local history and genealogy sites, etc. is done by Application Development staff who report through the Marketing & Communications Department. See the Public Information/Communications section for details.

The recommendation for Applications Support and Development is two-fold: First, the subgroup recommends retaining three IT positions (one Technical Analyst and two Project Managers) in the Library to support core applications that require "expert" knowledge in the current systems. The positions would be re-classed to Sr. IT Business Analyst/IT Business Analysts and responsibilities would shift to solely support direct line of business applications and traditional business analyst duties required by the Library.

The second part of the recommendation is to transition two IT Programmer/Analysts from the Library's Marketing & Communications staff to County IST to support existing web applications and web development. The County will dedicate one It Programmer/Analyst to support the needs of the Library.

Project Management

IT project management at the Library as a dedicated group is a new function for Library IT.   The subgroup recommends that the Library outsource IT project management to IST for projects exceeding $25,000, including staff time. As outlined in the previous section, due to the lean current Library IT staffing, existing positions would be re-aligned to support current vendor systems, through re-classification. Three would remain Library employees and continue training, including lean Six Sigma Green Belt certification, to support the County's business process management methodology. There will be a need in the near future (three to five years) to upgrade the Library's ILS system and the recommendation would be to transition to a SAAS (Software as a Service) model. The subgroup expects that the Library will utilize resources from IST PMO to support the ILS transition.

Other Recommendations

The subgroup recommends transitioning the core line of business applications to SAAS based delivery model based on the business justification. This transition will take some time to implement. The Library's core ILS system is slated to transition in 3-5 years when funding is available.

Costs Savings/Efficiency of Service

Given the leanness of the Library's IT department, the subgroup identified no costs savings. Typical IT consolidations incur costs in the front years as an investment in achieving more efficiency and costs

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savings in later years. Therefore, costs savings should not be the primary consideration in evaluating this recommendation. Note: County IST does not have any immediate plans requiring added costs.

The subgroup determined that enhanced capacity and better service is a more realistic outcome to consolidation/outsourcing.   With projections of constrained budgets and increasing technology demands in the near future, capacity and service should be the primary driver in the decision process.

Decision Points

- Are efficiencies from standardizing web applications worth the potential risks of competing for resources in core application development?
- Would it be better to maximize the efficiency and effectiveness of current web applications by having the County professionally manage the web application staff? This would also enhance the supportability of these web applications by assuring that sound work methods and documentation are done. Web application staff is currently being supervised by the PIO manager.
- How best can the current level of service be maintained or enhanced?

Risks Factors/Ability to Implement

- Consolidation is contingent on fiber connectivity between the Library's main data center to the County's data center.
- The Library may need to deviate from current County enterprise architecture to acquire applications that best fit the business needs. IST will make exceptions where there is a good business reason to do so.

The Library receives $260,000 in e-rate reimbursement for data connectivity. It is essential to understand if this will continue in a consolidation. In other N.C. communities where the library is managed by the county, the e-rate reimbursement for the library continues to apply, so this does not appear to be an issue. For example, Wake and Horry Counties IT departments manage their libraries communications and they still get the e-rate. As a result, there is strong evidence to indicate that the Library will retain the e-rate as well as long as Mecklenburg County does not co-mingle the Library's communications, which the county does not plan to do. IT consolidations are complex in nature. Components of a transition can occur more easily than others. It is absolutely essential to adequately plan a transition for successful outcomes. The subgroup estimated it would take 60 days to adequately plan a transition and it could take 6 to 12 months to implement. IST has successfully completed three IT consolidations within the past five years of similar size and complexity and its service measures and productivity remain at extremely high levels of performance.

Note: On November 19, 2010, County and Library staff presented these recommendations to the County's Information Services & Technology Advisory Committee (ISTAC). ISTAC is a volunteer committee appointed by the Board of County Commissioners to provide advice on the County's IT

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functions and operations. The ISTAC is composed of IT executives and professionals from the private sector and other organizations. After reviewing the recommendations, the ISTAC unanimously endorsed the recommendations as presented.

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Capital Projects Management

The Capital Projects Management subgroup performed due diligence to evaluate the potential for consolidation and/or outsourcing capital projects. The group analyzed the following to derive its recommendation:

- Effectiveness of Service
- Current Performance
- Laws, Regulations, and Risk
- Accountability
- Organizational Philosophy and Culture
- Ability to Implement

Recommendations may not have a direct impact in the short –term, as capital projects are projected to be frozen for some period of time. However, an understanding of the potential capabilities and core mission of the Library should be thought out ahead of a future capital cycle.

Overall Recommendation

The subgroup evaluated various options from no consolidation to full outsourcing of capital projects to the Mecklenburg County Real Estate Services Department (RES) and outlined each scenario in its final report. The final report can be found in the appendix.

In our view, capital projects seem to be out of scope of the Library's core mission. RES has the experience, expertise and resources to provide complete project management services to the Library. The recommendation is to outsource this function to RES.

Given the statutory requirements, the Library would need to enter into contracts for design and construction with RES administering the contracts on behalf of the Library. Contracts, designs, and budgets would be the responsibility of the Library Board of Trustees to approve. RES would need to understand the Library's organizational philosophy and culture so that project plans fulfill the Library's design criteria. This is consistent with how RES operates now to serve the varied facility needs of County departments.

The Library will have the responsibility for design approval and for ensuring that RES implements designs and spaces that meet the core mission of the Library. RES should be responsible for delivering projects on time and within budget to the satisfaction of the Library.

The only variance, in our view, to this recommendation is whether the Library should maintain some capacity to manage small capital projects below some threshold. The group denoted an amount of projects less than $25,000. Ultimately, decision makers will have to determine how important it is to retain the current staff (and for what purposes) in comparison to the savings and cost avoidance that would be gained by complete outsourcing.

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Costs Savings/Efficiency of Service

Since there are no major capital projects in the near future, costs savings may or may not exist for outsourcing at this time. However, efficiencies may be gained by reassigning Library staff currently performing these duties to other areas core to the Library's mission.

Some costs savings may exist for the Library, if not all of the current staff performing these services are needed in the future. Decision makers will need to evaluate organizational need to understand if any costs savings exist.

Decision Points

The primary decision points are:

- Should the Library maintain some capacity for capital projects below a threshold of $25,000?
- Can the Library achieve greater efficiencies by assigning staff to other core functions?
- Based on organizational need, do the costs savings and/or efficiency gains outweigh the value of redeploying existing staff to other functions?
- How best can the current level of service be maintained or enhanced?

Risks Factors/Ability to Implement

There is very little complexity associated with the ability to implement this recommendation. An education process would need to occur to ensure RES understands the Library's organizational philosophy to effectively implement projects in the future. The Library would need to approve projects and contract out services to RES; however, this should not be an impediment to providing services.

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Public Information/Communications

The Public Information/Communications subgroup performed due diligence to understand if functional alignments existed between the Library's Marketing and Communication (M&C) group and Mecklenburg County's Public Service and Information (PS&I) Department.   During the discovery phase the subgroup evaluated: Structure; Budget; Strategic Priorities; Functions; Outliers; and Websites and Domains.

The subgroup concluded that the departments have some differences in how they are structured and in some of the services they provide.   PS&I provides services to support the communication and information needs of Mecklenburg County and its departments.   This includes communicating with external and internal audiences. The Library's M&C's core functions are similar to PS&I's core functions but also has additional responsibilities, some of which may be out of scope of a communications function. For instance, the M&C is responsible for development of web apps and ordering Library cards. Aside from these "outliers", the subgroup found that similarities existed in core functions of the departments.

The source of funds for M&C and PS&I differ as well.   While 100% of funding for PS&I comes from Mecklenburg County, M&C is funded by a combination of Mecklenburg County funds (54% to pay for salaries/benefits) and non-County funds (46% to pay for non-salary expenditures).

The subgroup found that there are alignments in the strategic priorities and needs of PS&I and M&C, including the importance of websites as a communication tool, importance of internal communications, and the emergence of social media as a tool for communicating with audiences.

The subgroup found that some functions (e.g. - direct communications, media relations, and internal communications) are very similar.   Functions such as "online branches", involvement with web architecture and web servers that are the responsibility are not performed by PS&I; instead, the web services in the County are provided by the County's IST Department.   However, PS&I provides web content management services for the County. Functions such as dedicated photography and videography are provided by PS&I, but M&C does not have staff resources to provide these services.

Fundamental differences appear to exist in the areas of web services, advocacy support, provision of supply items (i.e. Library Cards). Each of the options has similarities in recommendations for non core functions. For core functions of the Library, the subgroup outlined four options from no consolidation, with more functional alignments with PS&I; to full consolidation/outsourcing of functions to PS&I.   M&C is a core asset to the Library. Decision makers will have to balance costs savings with organizational needs when considering the recommendations.

Overall Recommendation

The recommendations below are divided into two sections. The first section provides recommendations for the disposition of functions that are within M&C but are not core to a marketing and communications mission or function and other functions in M&C that are not common to PS&I. The

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second section provides recommendations regarding functions of M&C that are core to marketing and communications and are common with PS&I.

M&C Non-Core Functions and Functions Not Common to PS&I:

1. It is recommended that functions not core to M&C, such as maintaining supplies, be hosted elsewhere within Library or be outsourced. Library cards are example of a function that is not core to effective communication strategies. The Library should shift this responsibility to a procurement specialist to process.
2. Web app development should be consolidated/outsourced to the County along with a decision to consolidate Library IT functions within the County. Under this scenario, the two positions performing web applications development would be transitioned to Mecklenburg County IST department to support web application development.
3. Shift responsibility for signage to operations with either PS&I or M&C providing consulting services for branding and nomenclature.
4. Given the need to shift reliance on other sources of revenue, greater emphasis should be placed on support of advocacy/fundraising/volunteerism. This can occur by outsourcing functions to either a third party, to County PS&I, and/or by embedding a communication specialist within the Library's development group.

M&C Core Functions Common to PS&I:

The overall recommendation is to consolidate M&C core functions with PS&I. This recommendation provides two scenarios for consolidation.

1. The Library could fully outsource consolidate/outsource M&C within PS&I. Under this scenario, one Library Public Information Specialist and one Library Deputy Director I would be consolidated into PS&I. These resources, along with existing PS&I resources, would provide services to meet the Library's marketing and communications needs while also continuing to provide the County's communications needs. at the current level. Two of the current Library Public Information Specialists positions would be eliminated. Costs savings of approximately $152,682 could be saved by the elimination of the positions. The Library and County PS&I would need to develop a Service Level Agreement (SLA's) to articulate the services provided by PS&I to the Library. Internal communications would be transitioned to the Library LEDR group with support of County PS&I. The Library would transition approximately $70,000 from library funds to County funds to support the communication efforts.
2. The second scenario would be the same as the first scenario above with one change. Under this second scenario, the Deputy Director I position would remain a Library employee. The rationale for the Library retaining this position would be that the Library has a significant need for a position to conceive and initiate communications strategy for consideration by Library leadership. Currently, this is done by the existing Deputy Director I position. This function could be done either by the Library Director or another designee within the Library leadership in

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liaison with PS&I. It also could be done by PS&I as part of the responsibilities assigned to the Deputy Director I position that would transition to PS&I in a consolidation/outsourcing. Still, the importance of this strategic function requires considerable thought about the right fit relative to the Library's culture.   Although PS&I would be able to manage in either scenario 1 or scenario 2, it is likely that scenario 2 will require more effort to coordinate services and the division of duties in this "split staffing" model than in scenario 1. Cost savings in this scenario would be the same as the first scenario above (from the elimination of two positions).

Two other options were considered by the subgroup but these were not deemed as favorable at the two scenarios above. The overviews of all the options are below and a full recommendation can be found in the appendix.

Communications is core to any organization. Therefore, careful consideration of the pros and cons of each option should be examined. If costs savings and efficiency of services are the primary drivers, then scenario 1 should be pursued because it provides the greatest savings without reducing service level. Although, the second scenario provides the same cost savings, it addresses questions about if the Library chooses to initiate communications strategy. Scenario 2 also presents some coordination and resources management challenges that do not exist in Scenario 1 due to a "split staffing" model.

Costs Savings/Efficiency of Service

Both scenarios above provide cost savings and will maintain the current service level of core communications functions, though the second scenario provides greater coordination challenges. In addition to the consolidation/outsourcing of services, recommended resource sharing (e.g., photography, video production services provided by PS&I -- see the appendix) also will increase the level of communications services provided to the Library. Costs savings and annual cost avoidance are estimated to be $152,682. Since communications is core to an organization, costs savings is not the only driver in the decision analysis.

Decision Points

The decision points are as follows:

- Should the Library realign purchasing of materials to a purchasing unit?
- Should the Library outsource app development to County IST?
- Should the Library realign signage to operations?
- Should the Library fully load the development team with additional resources to support development activities or outsource this function?
- How vital is it that the Library retain a communications position to initiate communications strategy versus the challenge of coordinating a split staffing model?
- How best can the current level of service be maintained or enhanced?

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Risks Factors/Ability to Implement

Mecklenburg County PS&I has experience in managing the consolidation of department-specific public information/communications staff into one department. This experience will be useful in implementing the scenarios above, thereby enhancing the ability to implement. Therefore, the risk factors should be considered more pertinent than the ability to implement. The key risk factor is whether PS&I can understand the mission and philosophy of the Library to represent the marketing and communications interests of the Library sufficiently. Although this is a core competency of communications professionals (to objectively analyze a communications need and design communications strategies and tactics to suit those needs), it is recognized that the County and Library are two separate organizations. Therefore, PS&I staff may be expected at times to "wear separate hats" in providing communications services to both organizations. Although this is a common practice in private communications firms that serve multiple clients, it is reasonable for the Library to consider this risk in its decision making.

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Conclusion

The Steering Committee performed a significant amount of due diligence in a relatively short period of time. There appears to be moderate costs savings, greater efficiencies and greater capacity that could be gained by outsourcing and consolidating services between the Library and Mecklenburg County. Functional areas that are non-core to the Library will be easier to transition to a consolidated/outsourced model. For areas that are core to the Library, careful consideration of the alternatives will have to be considered. Ultimately, decision makers will have to balance organizational need with constrained budgets in making their final analysis.

If recommended consolidation/outsourcing occurs, it would be reasonable for the Library Director to reassess the leadership structure within the organization. Because the consolidation/outsourcing would result in changes in resources and oversight needed, corresponding changes and realignment of leadership reporting and reporting structure would be warranted. Since this reassessment is beyond the scope of the Committee, it was not addressed in this analysis.

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Appendix

Appendix 1- Financial Management Findings

<u>**Library Functional Consolidation**</u>

<u>**Financial Management**</u>

<u>**Overview**</u>

For purposes of the project, the following process were analyzed:
Accounts Payable

Accounts Receivable

Cash Management/Banking/Investments

Financial Reporting

Accounting

Procurement

Budget Development

Prospects for consolidation were analyzed from two perspectives; 1) if the Library's Act remains in place, what opportunities exist for functional consolidation and the associated savings and efficiencies; and 2) if the Library's Act is amended, what opportunities exist for functional consolidation and the associated savings and efficiencies. As a side note, the County already processes the Library's payroll through the PeopleSoft system so although this process was not considered part of the scope of the project, there were still some tasks that were analyzed.

<u>**Structure**</u>

The Library's Act was established in 1903 and amended from time to time over the years. At some point since that time the Act was amended to require that the Library's Treasurer:

1) Keep a correct detailed statement of all receipts and disbursements;
2) Cause funds belonging to the Library to be deposited in a depository designated by the Board of Trustees;
3) Render such statements of the financial condition of the Library as may be required;

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4) Assist the members of the Board of Trustees to prepare an annual budget.

Based on this, it was assumed that the Act requires that the Library maintain its own financial statements that are subject to audit by an independent CPA firm on an annual basis. Therefore, if the Act remains in place the Library would be required to maintain separate financial records and report to the State independent from the County.

Mecklenburg County's financial structure is for the most part decentralized. Each department has a fiscal staff that is responsible for processing payables, recording revenue, processing accounting entries, performing procurement activities and managing grants. The Library is structured similarly to a County Department in that fiscal staff is assigned to perform these functions. Those functions that would be considered centralized include cash management/ banking/ investments, some accounting functions and financial reporting.

The Library currently maintains eight funds in its financial structure; general (county funds), library, state, federal, 2 grant funds, capital projects fund and a GASB34 fund. Each fund is designed to account for either a specific funding stream or accounting presentation. This fund structure differs from the County in that funds are generally designated for a specified program, not funding stream. The Library also maintains a chart of accounts that differs from the County.

The County maintains a single bank depository account and the larger departments have a subsidiary account to allow for tracking of individual department transactions. The County holds investments in a variety of instruments which are tracked through a separate investment system, Sungard. At June 30, 2010 the County had $397.4 million in cash and investments. The Library maintains two depository bank accounts. At June 30, 2010, cash and investments totaled $7.5 million. In addition, the Library maintains a separate bank account for each Library branch. Branches use the accounts to deposit funds received from Library fines and fees. The branches are free to select any bank that is close to the branch. Currently, there are 19 branch bank accounts.

Financial Systems

Currently, the Library uses Munis as its financial system and completed that conversion two years ago after a $100,000 investment. The Library pays annual maintenance of $19,000 which includes license fees, system and software maintenance, backup, disaster recovery, and technical support. The County uses CGI/Advantage and completed an upgrade to the system in 2009. The cost of the upgrade was $572,000.   The investment by both entities in their financial systems has been significant.

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Staffing

The Library has five staff assigned to its financial operations.

- Senior Fiscal Administrator: provides executive oversight and management of the unit.
- Senior Fiscal Analyst: performs high level tasks to support payroll, systems administration, financial reporting, accounting, procurement cards, and e-payables.
- Fiscal Analyst: responsible for accounts payable other than books, accounts receivable for the Main branch, payroll processing, and data analysis.
- Fiscal Support Assistant III: responsible for banking and cash handling, accounts payable, credit card processing, and fixed assets.
- Administrative Support Coordinator: responsible for inventory management and procurement.

The County Finance Department has 36 staff that performs fiscal and administrative functions on an enterprise-wide basis. Staff approves transactions including payables, receivables and journal entries which are originated by the Departments. Staff also manages debt and capital spending, accounting and financial reporting, processes payroll, administers the procurement card program, supports IT systems, and manages cash and investments.

If Financial Reporting Requirements Remain

If the existing Act remains, functional consolidation opportunities are minimal. Because both entities would need to maintain separate financial records, a full consolidation of the financial systems is not possible. However, the Library could migrate to the CGI/Advantage system assuming discrete financial records can be maintained.

Since the CGI/Advantage system does not allow for two separate companies to operate simultaneously, in the event of a migration the Library's financial records would be part of the County's, but maintained using the fund structure it currently uses. This is in addition to the transactions the County currently tracks for the Library. The Library would be able to generate reports for its designated funds that would be used for financial oversight and management reporting.

However, some drawbacks to this migration include:
1)   Library would need to convert to the County's chart of accounts.

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2) Historical data from Munis may not be available for reporting and analysis.

3) Library would need to transition to the County's closing schedule which includes a 14th period. This closing schedule may impact the timeframe for the Library to complete its annual audit.

4) Library would not have the ability to add new vendors to the vendor file.

5) The County would need to change programs for generating 1099's. The vendor provided program will not allow 1099's to be generated using two different EIN numbers.

6) The ability to control access to ensure that only that only the Library's transactions are processed through its specific funds. The integrity of the financial reports is jeopardized if erroneous transactions flow those funds and vice versa.

With the obstacles associated with migrating to CGI/Advantage, minimal opportunities exist if the Library's Act remains intact.

1) Investments: While the Library's cash available for investment is small compared to the County, the Library would benefit from the expertise of the County's investment officer. The County would work with the Library on a cash flow analysis that would provide the core liquidity needed to maintain its daily cash position. The remaining funds would be available for investment and the Investment Officer would create an investment strategy for the Library and help place the investments. This could result in additional investment income to the Library than it currently receives.

If Financial Reporting Requirements are Eliminated

If the existing Act is amended to eliminate the requirement for segregated financial reporting it is assumed that the Library would become a County department. While in some ways the Library currently operates like a County department, the enterprise-type functions would be absorbed by the County Finance Department. Under this scenario, there are some opportunities to save money and improve efficiency.

1) Financial Systems: as a County Department, the Library would no longer need to maintain separate financial statements and could migrate to CGI/Advantage without the drawbacks cited above. There still may be issues with the historical data maintained in Munis and our ability to move it into a data warehouse for reporting and analysis. The savings and efficiency would be derived through the elimination of the annual maintenance of Munis ($19,000) and the

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associated staff time to maintain the system (Sr. Fiscal Analyst).

2) Professional Services: as a County department, the Library would no longer need the services of an independent audit firm to prepare its annual audit ($57,000). Additionally, the staff time associated with preparation of the annual audit would no longer be required (Sr. Fiscal Administrator, Sr. Fiscal Analyst).

3) Payroll: the County currently processes the Library's bi-weekly payroll. As a County department, payroll processing would be consolidated into the larger County payroll which would result in additional resources for the County's payroll staff to perform additional payroll activities. In addition, the time dedicated by Library staff to payroll activities would no longer be necessary. These activities include payroll journal entries, payroll wires for taxes, 401K/457 and retirement plan contributions, and external reporting of payroll and related taxes to federal and state agencies (Sr. Fiscal Analyst).

4) Accounting: Library staff are engaged in other accounting activities including the compilation of annual 1099's , vendor maintenance, accounts payable and receivable, check runs, voided checks and escheats, bank reconciliations and related banking activities, and fixed asset accounting. While portions of these activities would still be required, many would be assumed by the County Finance Department and performed on an enterprise-wide basis (Sr. Fiscal Analyst, Fiscal Analyst, and Fiscal Support Assistant III).

5) Banking: If incorporated as a County department, the banking structure would be changed and the 19 branch bank accounts would be closed and funds deposited into the County's main depository account. Consistent with County policy, employees would no longer transport funds to the bank. The County's armored car contract would be revised to include pick-ups either daily or as needed. The cost for this service ranges depending on the number of pick-ups needed and would exceed $68,000 per year.

6) Procurement Cards: The Library currently has 58 procurement cards through a program provided by the Bank of Montreal. The Library receives approximately $2,000 annually in rebate for purchases made with procurements cards. The Senior Fiscal Analyst serves as the Procurement Card Administrator which includes monitoring spending, coding charges to the correct accounts, setting up and deactivating cardholders and reconciling the monthly statement. Since the County also has a Procurement Card program, efficiencies would be gained by transitioning the Library to the County's program. Cardholders would be maintained on an enterprise basis, and the Library's activity would be included in the County's total spend for rebate purposes. However, the Library would still be responsible for coding and approving its own transactions. Under this scenario the County would lose the rebate currently received by the Library (Sr. Fiscal Analyst).

7) Insurance: As a County department, the Library would become part of the County's insurance program and savings totaling approximately $54,000 could be achieved. The Library currently purchases insurance through the Risk Management Division. The Library is fully insured and pays premiums totaling $191,000 per year. The organization has a $2,500 deductible on its policies.

If the Library became a County Department, it would become part of the County's program and

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be self-insured for all of its coverage's. The self-insured retention for workers compensation and excess liability would be $800,000 and $1.5 million respectively. The Library's losses would be spread across the entire County and the risk would be minimized. The Library would have to retain its Directors and Officers Liability Coverage as the County Public Officials Coverage would not apply to appointed Library Board members.

<u>Conclusions & Recommendations</u>

The existence of the Library's Act limits opportunities for functional consolidation. While the Library could migrate to the County's financial system, it would be cumbersome and confusing to run their financials in this manner. The costs associated with making the required adjustments outweigh the potential savings. The transition to the County's investment program would yield some benefits but appear fairly small.

The true benefits are realized in the event that the Act is amended and the Library becomes a County department. There would be savings associated with moving to the County's financial system, insurance programs, and a reduction in the need for independent auditors. In addition, fewer staff resources would be needed to perform enterprise-type transactions as these would be absorbed by the County Finance Department. These savings will be offset by the costs associated with the expansion of the armored car service as well as any additional resources that may be needed by the County Finance Department to absorb the additional work.

In conclusion, unless the Library's Act is amended the benefits of consolidation are few and should not be considered. In the event, the Act is amended to eliminate the requirement for segregated financial reporting; a full functional consolidation is feasible and would result in some savings and efficiencies.

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Cost Analysis

Savings		Costs	
Sr. Fiscal Analyst	$78,000	Armored car	$68,000
Prof. Services	$57,000	P-Card Rebate	$2,000
System Maintenance	$19,000		
Insurance	$54,000		
subtotal	**$208,000**		**$70,000**
Net Savings: $138,000			

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Appendix 2- Human Resources Findings

Executive Summary

At the request of the Board of County Commissioners and the Mecklenburg County Executive Team, staff from the County's Human Resources (HR) department and staff from the Library's HR department met weekly for eight weeks in August and September of 2010 to look at the feasibility of consolidating Human Resources services.

This study evaluated the Human Resources services provided by the Library compared to those offered by the County to identify transition complexities.   The following processes and procedures were reviewed during this study:

- Policies and Procedures
- Benefits Administration
- Employee Relations
- Rewards and Recognition
- Training
- Recruitment
- Administrative Issues/Other issues
- Staffing

Below are the key findings of the study:

- After a review of each of the services listed above, and the similarities and differences associated with each, all Library services can be consolidated within the County's existing HR service provision model with low to medium difficulty. There are no significant barriers to consolidation.
- There would be no direct costs associated with consolidation although there would be time and productivity costs. While difficult to quantify, these costs would be low.
- Should consolidation occur, two Library positions could be eliminated by County staff assuming the duties currently assigned to the Library's Training Coordinator and their HR Specialist. A reduction of two positions would result in a cost savings of approximately $137,478.
- Additional cost savings could be realized by reviewing the Library's legal fees and Worker's Compensation fees. The Library currently has attorneys on retainer, and Worker's Compensation claims are handled by Travelers Insurance. The County maintains its own legal staff for employment law issues and works with Risk Management to handle Worker's Compensation claims. To ensure consistent administration of Employee Relations and Worker's Compensation issues, and to potentially reduce costs by utilizing County resources, current contracts and retainers should be evaluated for obligation of services.

Conclusions

- This study suggests that consolidation of the two areas is feasible, with a low level of difficulty and with costs mainly in time and productivity.
- Should consolidation of the services occur, this analysis has identified the current staffing assignments as an area for potential cost savings. The functions provided by two positions from the Library Human Resources staff could potentially be absorbed by the County's current Human Resources staff.

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- Further analysis is recommended to review the scope of services and costs associated with the Library's Employee Relations and Worker's Compensation service delivery models. Potential cost savings and consolidation opportunities should be identified.

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Introduction

At the request of the Board of County Commissioners and the Mecklenburg County Executive Team, staff from the County's Human Resources (HR) department and staff from the Library's HR department met weekly for eight weeks in August and September of 2010 to look at the feasibility of consolidating Human Resources services.

The Public Library of Charlotte & Mecklenburg County is an independent operating entity with its own policies and procedures, benefits, operating systems and business processes. This study evaluated the Human Resources services provided by the Library compared to those offered by the County to identify transition complexities. The following processes and procedures were reviewed during this study:

- Policies and Procedures
- Benefits Administration
- Employee Relations
- Rewards and Recognition
- Training
- Recruitment
- Administrative Issues/Other issues
- Staffing

The analyses of these policies and procedures will include noted differences in practice and the transition issues that may occur.

History

The Public Library of Charlotte & Mecklenburg County is an independent statutory corporation created by an Act of the North Carolina General Assembly in 1903 (Chapter 16, Private Laws of 1903). The body corporate was continued by acts of the General Assembly in 1939 (Chapter 366, Public-Local Laws of 1939) and 1965 (Chapter 710, 1965 Session Laws).

The Act of 1979 repealed legislation enacted in 1973 which authorized the Board of County Commissioners to assume direct control over the Library (Chapter 218, 1973 Session Laws).

Under Chapter 710 of the 1965 Session Laws, the Board of Trustees of the Library was conferred the following powers:
- To adopt rules, regulations and bylaws for the government of the Library and the exercise of its powers;
- To fix the duties and responsibilities of Library employees, and the compensation they shall receive;
- To sell, encumber, convey or otherwise dispose of real property, by and with the consent of the Board of County Commissioners and the City Council; and
- To prepare an annual budget.

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Feasibility Review

1. Policies and Procedures

Services provided by the County in the Human Resources Service Level Agreement are currently being provided by the Library Human Resources to its staff, as well. This includes services in HR Consulting, the Employee Services Center (County), Human Resources Management Systems and Employee Learning Services. Human Resources Business Management is addressed by Library operations staff.

Copies of the Policy and Procedures Manuals for both the Library and the County were reviewed and compared for similarities. Library Policies have been created by closely following the County policies; therefore the two documents were very similar in content. The areas of difference were best noted in the service area reviews that follow.

Transition Needs: Mecklenburg County HR Employee Services Center staff would require education on the current policy differences between the County and the Library.

> *Transition Difficulty Level:*   **Low**
> *Cost to implement:*   ***Time/Productivity Investment***

2. Classification and Compensation

The Library works closely with the County's Classification and Compensation manager in setting up positions, job descriptions and compensation rates. The Library and the County utilize the same job titles for same or similar positions. The County currently provides support to the Library by analyzing salary data and recommending adjustments to maintain market based compensation.   The Library is included in the bi-annual review of positions conducted by Class and Compensation staff.

Difference: Definition of the Pay Week
Mecklenburg County recognizes the pay week as Wednesday through Tuesday. The Library recognizes a pay week as Sunday through Saturday. Although the weeks are defined differently, the actual pay date is the same for both and is completed via myHR through the Mecklenburg County Finance department.

Transition Needs: Accessibility to employee data is currently available. Training will need to be in place for the Time Entry functions through myHR.

Difference: Position Equivalencies and Provisionary Periods
Mecklenburg County has identified different provisional periods for positions, based on the amount of time it takes to become productive, meeting specifically defined outcome requirements. All Library positions have 90-day provisional periods.

Transition Needs: Education of the Employee Services Center on Library policies.

> *Transition Difficulty Level:*   **Low**

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Cost to implement: **Time/Productivity Investment**

3. Benefits Administration

Mecklenburg County currently administers the Library's medical and dental benefits programs for its employees.

The County also provides support to the Library in developing and administering vendor contracts, developing and recommending benefits policies and procedures, and conducting benefits surveys.

Difference: While Mecklenburg County is self-insured, the Library is not. The Library currently contracts with Traveler's and Concentra Insurance to handle all Workers Compensation and Return to Work cases. County Human Resources partners with the City of Charlotte's Risk Management department to handle Workers Compensation issues. County HR handles its own Return to Work cases, and partners with Risk Management when issues are Workers Compensation related.

Transition Needs: County Human Resources staff will need education on the Workers Compensation process differences as dictated by the vendor contract with the Library.

Difference: The County currently provides Vision insurance for its employees. The Library does not offer this benefit.

Transition Needs: Library HR employees would need an opportunity to obtain Vision insurance. Educate the County's Employee Services Center on Library policies.

Difference: The Library and the County both offer voluntary Supplemental Cancer and Accident Insurance policies for employees; however carriers for these policies are different. The Library utilizes Aflac and Colonial Insurance Companies, and the County's vendor is The Pierce Group, working as a broker for Colonial Insurance.

Transition Needs: Library HR employees would need the opportunity to participate in the County's Group insurance supplemental policies. County ESC staff would need education on the Library's Supplemental Insurance plans.

Difference: Both the County and the Library offer Flexible Spending programs to their employees. However, the Library runs its program by fiscal year, rather than by calendar year as run by the County.

Transition Needs: The Library's HR staff would need the opportunity to participate in the County's Flexible Spending Programs. Educate the County's Employee Services Center on Library policies.

Transition Difficulty Level: **Low - Medium**
Cost to implement: **Time/Productivity Investment**

4. Employee Relations

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Employee Relations is probably the area where the most differences in procedures occurs. While the procedures for handling issues are different, both include outcomes which are determined by an official source.

Difference: When an employee issue arises at the Library, a dedicated HR employee will utilize Alternative Dispute Resolution techniques to diffuse the issue. If these skills do not diffuse the problem, employees may file a grievance with the HR Manager, who determines the outcome of the grievance. Appeals of these decisions are reviewed and finalized by the Library director. The County utilizes the Employee Panel Review process, allowing grievances to be reviewed by a group of employee peers/co-workers. The outcomes of these reviews are supported or over-ruled by the County Manager.

Transition Needs: Library employees will need education on the Employee Review process. Educate the County's Employee Services Center on Library policies.

> *Transition Difficulty Level:* **Medium**
> *Cost to implement:* **Time/Productivity Investment**

5. <u>Rewards and Recognition</u>

There are many different forms of rewards and recognition for employees. Many employees adapt to the programs which best fit their business areas.

Difference: The Library offers an extensive Reward and Recognition program and a Scholarship program which are administered by the Library HR.

Transition Needs: As within each department within the County, the Library would continue to offer its current recognition process. Ownership of the process would need to be examined. Educate the County's Employee Services Center on Library policies.

Difference: For retiring employees, Library HR administers a process to recognize its retirees. Mecklenburg County does not provide this recognition.

Transition Needs: Educate the County's Employee Services Center on Library policies.

> *Transition Difficulty Level:* **Low**
> *Cost to implement:* **Time/Productivity Investment**

6. <u>Training</u>

The Library and County HR are currently crossing lines for training resource needs. The Library already offers its employees courses through myHR, through which its employees may register. The Library has also asked the County to provide specific training modules (Crucial Conversation, Crucial Confrontations, etc.) for its staff. Additional training is also provided in soft skills development, focusing on the management levels within the Library.

Difference: The Library offers technical training along with soft-skills training for its employees. County HR provides soft skills training only. Technical skills are taught at the department level.

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Transition Needs: Begin education sessions with County Employee Learning Services staff to begin taking ownership of the Library's soft-training needs. The remaining technical training will transfer to an on-line computer-based learning format. Ownership will be determined within Library-specific areas.

Transition Difficulty Level:	**Low**
Cost to implement:	**Time/Productivity Investment**

7. Recruitment & Screening

Recruitment

To track and maintain information for its recruitment process, the Library entered into a contract utilizing ICIMS software. County HR conducts its recruitment process through "Manage Hire" in myHR, utilizing PeopleSoft software.

Recruitment activities are low in both areas.

Transition Needs: Educate the County's Employee Services Center on Library policies.

Transition Difficulty Level:	**Medium**
Cost to implement:	**Time/Productivity Investment**

Screening

The Library has a Drug-free Workforce Policy, very similar to Mecklenburg County's Policy.

*Difference***:** County HR requires a drug test producing negative results:
- Prior to being offered County employment;
- Prior to being offered a higher position;
- After an accident (both drug & alcohol);
- If currently in a Safety Sensitive position, may be randomly selected.

The Library does not drug test applicants or current employees. Similar hiring techniques and philosophies are followed by both the County and the Library.

*Difference***:** County HR submits all new hire Social Security numbers through the E-Verify process, established by the federal Homeland Security Department and the Social Security Administration. The Library does not utilize the E-Verify process, but utilizes a third party vendor to conduct background checks on all new hires and volunteers.

Transition Needs: Library HR staff to be drug tested prior to employment with Mecklenburg County. Educate the County's Employee Services Center on Library policies.

Transition Difficulty Level:	**Low**
Cost to implement:	**Time/Productivity Investment/Drug Test Charges**

8. Administrative Issues

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1.   Information Technology

The Library currently utilizes myHR for employee files and position information.

*Difference***:** County positions and Library positions are coded separately in myHR. Researching a position requires the correct designation of PLCMC or MC as an identifying entry.

*Difference***:** Current communication through Outlook and MeckWeb is not available between Library HR and County HR staff.

Transition Needs: The County's Information Services Technology department is currently in the process of eliminating this barrier to communication. This change may be possible within the next six months. IST would also be consulted in the process to make employee information easier to access without specific entry designation.

> *Transition Difficulty Level:*   **Low**
> *Cost to implement:*   **Time/Productivity Investment**

2.   Parking

Library HR staff manages different Parking contracts currently in place for Library employees who work at the Main Library and ImaginOn.

*Difference***:** Parking contracts for the County are generally managed through Mecklenburg County Real Estate Services.

Transition Needs: An owner for the administration of the parking contracts would need to be determined.

> *Transition Difficulty Level:*   **Low**
> *Cost to implement:*   **Time/Productivity Investment**

3.   Legal Counsel

The Library currently has Attorneys on retainer with expertise in Employment Law. Workers Compensation claims with the Library are handled by Travelers Insurance.

*Difference***:** Mecklenburg County maintains its own legal staff for issues including Employment Law. The County is in partnership with the City's Risk Management department to handle Workers Compensation claims.

Transition Needs: Employment issues handled by Human Resources should have consistent legal support. Current contracts and retainers should be evaluated for obligation of services.

> *Transition Difficulty Level:*   *Low*
> *Cost to implement:*   *Time/Productivity Investment*
>   *-Potential for Cost Savings*

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4.   Funding Sources

The Library has multiple funding sources which include:

- o   Mecklenburg County
- o   Mecklenburg County ABC Board
- o   Revenues from fines and fees
- o   Grants
- o   Endowments

Some of these sources dictate how the funding is to be utilized. Funding for HR programs such as Scholarships ($7500), Training & Travel, and Rewards and Recognition ($88,000) come from non-County Library funds. Library HR is responsible for this total of $95,500 of non-County, Library funds to administer these programs.

I.   <u>Staffing</u>

Based on the information determined in this study, the consolidation of County HR and Library HR could be completed with low to medium transition difficulty. Time would be needed to develop and implement a workable plan that could see the consolidation proceed as directed.

Actual cost savings can be realized by the following:

1. With the County's Employee Learning Services already offering soft-skills training to Library staff, there is a potential to eliminate the current Library Training Coordinator position.
   Cost Savings: **Salary: $59,332.00   Salary + benefits: $80,098.20 @ (35%)**

2. The County's Employee Services Center provides assistance to all County employees for all their HR-related needs. By removing the daily service needs from the HR Consultant role, the staff-to-employee ratio can be much higher than in the past. The July 2010 RIF saw 295 County positions lost. The Employee Services Center remained at the same number of resources. The Library has 310 employees. The Employee Services Center could begin supporting the Library employees for resolution of daily service issues without adding additional resources.

   The HR Specialist position for the Library currently handling these issues can be eliminated.
   Cost Savings: **Salary: $42,504.00   Salary + benefits: $57,380.04 @ (35%)**

   Total cost savings based on salary + benefits for the two positions would be **$137,478.24.**

Appendix 3- Information Technology Findings

Library IT Consolidation

Introduction

The Library Consolidation Steering Committee requested that the Library Research Director and the County IST Director assess the feasibility of consolidating the Library's IT functions with the County's IT department (IST). Weekly meetings were conducted from August through October to gather information and determine the feasibility of consolidated services.

Options to consider were complete consolidation of Library IT services, partial consolidation or no consolidation. Major criteria used were cost impact, service level impact and whether or not a service could be commoditized. Service commoditization is an important consideration because it indicates which services can be outsourced with the least impact to the business.

The following groups of services were assessed:

- Desktop Support/Help Desk
- Servers/Exchange/Imaging
- Network/Voice Over Internet Protocol (VOIP)
- Applications
- Web Development
- Internet/Intranet
- Project Management

Issues and Constraints

- Lack of fiber connectivity to Library Main limits ability to consolidate technology and services. The County anticipates being able to establish this connectivity within the next six months but it is subject to approval by the County Board of Commissioners (BOCC).
- E-rate funding – Library receives revenue based on communications costs which is reimbursed under this program. Can they retain this revenue if the County provides service? Wake and Horry counties both have their central IT organization managing communications for their libraries and still receive the E-rate so it appears this will not be a problem.
- Multi-year Telecommunications Contracts – the Library has long term contracts for Internet connectivity and MetroE communications for their branches as well as other multi-year contracts. There may be an opportunity for small cost savings once these contracts expire but this is not expected to be significant.
- Current Library IT staffing is well below benchmarks with other urban libraries. A survey in 2007 revealed that Library IT staff was 74% of similar urban libraries. Staff cuts since 2007 have reduced current staffing to 65% of the 2007 survey. This level of staffing is challenged to just "keep the lights on" and significantly reduces capacity for major improvements and new technology solutions.

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- Library Operating Hours – Extended operating hours including Saturday require on-site support (Sunday currently only requires on-call support). County IST would have to expand its current schedule to provide support for Library operating hours.
- IST believes the Library could improve efficiency by standardizing its products more, and relying on off-the-shelf products such as SharePoint for web content.
- The report recommendations assume the current budget levels for IST and the Library. Any future budget reductions will require analysis to determine their specific impact.

Library and County IT Structures

- Library IT Organization Chart (see attached)
- County IST Organization Chart (see attached)

Services Assessment

Library:

Group: Helpdesk /Desktop Support Services

The Helpdesk / Desktop Support group consists of 3 IT Support Technicians that support s approximately 1500 PC's. PC related incidents for all 20 locations are submitted through the Numara Footprints system, email, and direct contact with the support resources. Most support requests are initiated through the Footprints system. On instances of high volume, 1.5 IT Project Managers offer additional support services. Metrics on the actual support time per technician is not available at this time. Typical support incidents for Helpdesk / Desktop are as follows:

- Printer issues
- Reimaging a PC
- Updating a PC image
- Typical PC issues (audio, video, monitor, power supply, keyboard, CD/DVD, spyware issues, wireless, Etc.)
- Software installation and support

For the first quarter of 2010, the Desktop support group received approximately 510 support request incidents.

Group: Network, Server & Telecommunication Support Services

The Network, Server & Telecommunications support group consists of 3 Technical Analysts who supports the Library's IT Infrastructure; including Data, Voice, and Servers. Infrastructure related incidents for all 20 locations are submitted through the Numara Footprints system, email, and direct contact with the support resources. Most support requests are initiated through the Footprints system. Metrics on the actual support time per technician is not available at this time. Typical support incidents for Voice, Data, and Server are as follows:

- E-Mail administration and support

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- Internet administration and support
- Network monitoring, Maintenance, Administration and support
- Server Operating Systems (Windows, Linux)
- Virus protection
- Spam filtering
- Branch connectivity
- Unity Call platform support for VOIP

For the first quarter of 2010, the Voice, Data, and Server group received approximately 1,060 support request incidents.

Outside of support, this group also manages a great deal of other day-to-day responsibilities. These include (but are not limited to):

- Management of Unity Call Management System
- Management of POTS lines for Fire and other Security alarms
- Bandwidth provisioning
- Procurement process
- Contract negotiations
- Management of the Integrated Library Management System (ILS)
- Performance metrics reporting for the organization
- IT budget planning
- Creations and management of system documentation

Groups: Applications Support and Development

Library IT services provide application support for a number of customer applications and web sites. Typical functions include application support of core library systems (Finance, Integrated Library System (ILS), and Automation Services), web site development and support (Primary Library web site, employee intranet, local history and genealogy sites, etc), PC desktop applications, and database operations.

Applications support at the Library consists of support for core library systems (e.g. Finance, ILS and Library Automation Services). Core library systems are largely purchased systems. Systems are configured on diverse, vendor-driven platforms including Microsoft, Linux, and other open source operating systems, databases, and development tools. Application support is typically divided by server or desktop operations. A Technical Analyst II position provides application tier and database support for the ILS, Financial, and Library Automation systems and client tiers/applications are primarily supported by existing IT Project Manager 1 positions. Adaptive maintenance (software upgrades, database upgrades, etc) for the application and database tiers are provided via support agreements with software vendors. Risk profile for the ILS system is high due to limited vendor development for the existing product line, and the ILS is tightly-coupled/integrated with other applications, requiring significant expert system knowledge.

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Groups: IT Project Management

IT Project Management at the Library as a dedicated group is a new function for Library IT. The Library expects that an ILS migration in the 3-5 year timeframe will require project management resources, as do on-going deployments of technology acquisitions funded by grants and Technical Reserve. The three IT Project Managers are currently working on lean Six Sigma Green Belt certification to align the Library with the County's Business Process Management methodology.

Groups: Web Development

Web application and development support for a number of customer applications and web sites. Typical functions include web site development and support (Primary Library web presences, employee intranet, local history and genealogy sites, etc.), PC desktop applications, remote and in-house access to on-line resources provided by third-party vendors, and database operations. The web sites supporting the Library's organizational identity (e.g. www.cmlibrary.org) are primarily developed and maintained via two IT Programmer Analyst positions that report to the Marketing & Communications Unit of the Library. Web sites which support public access to the Library's catalog (e.g. catalog.cmlibrary.org) are vendor-supplied products tightly integrated into the ILS. Vendor and Library business requirements mean that web presences have been developed and deployed on a mixed platform of Microsoft, Linux, and other open source operating systems, databases, and development tools. Web developers provide support across all layers of the application including web, application, and database tiers. Some sites are classified as legacy in nature due to the age of the development platform/tools, and lack of content management features. Much of the work is split between updates of the main library site, new small project development for customers, including ImaginOn and other local agencies, development of a new Intranet system using a open source content management solution, and maintenance of existing web sites.

County IST:

IST services are organized differently than the Library. The following IST units would provide services as follows if service is consolidated:

Service	IST Division/Team	Description
Desktop Support	Technical Services/Desktop Team	Performs all PC hardware and software installations/moves/adds/changes and provides 2nd level support for incidents.
Help Desk	Technical Services/Technology Services Center (TSC)	TSC is the single point of contact for managing incidents and facilitates the restoration of normal operational service to minimize customer business impact.
Network/VOIP	Technical Services/Network Team	Provides consulting, planning, design, implementation, monitoring, and troubleshooting of all County data communications infrastructure. Manages a diverse network of several hundred network devices providing connectivity within the County and to numerous other

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		State and local agencies. The network is monitored 24/7/365 to assure availability.
Servers/Exchange	Technical Services/Server Teams	Multiple teams are setup to install, deploy and support servers and related technologies including Active Directory, e-mail, terminal services, VMWARE, and patch management.
Security	Information Security (Policy) and Technical Services/Security Operations	Information Security is split into two groups: one for policy and governance and another for security operations (infrastructure, firewalls, etc.).
Applications	Applications/Data	Provides application development and support for all County applications on all platforms. Support includes a database team that provides data administration and support.
Project Management	PMO	Provides project management of all County projects using certified project managers. Use a project management methodology and standards based upon Project Management Institute guidelines.
Business Process Management (BPM)	PMO	An enterprise BPM Team conducts Six Sigma projects for County business units to improve business processes and organizational efficiencies.

Library and County IST Balanced Scorecard FY10 Data:

Measure – Library	Description	Target	Results
% of Non Escalated Calls	First Call Resolution*	20%	40%
Tickets Closed w/in 24 hours	Incident Tickets Closed w/in 24 hours	49%	62%
Customer Satisfaction	Quality, Timeliness, Communication, Respect	85%	88% (FY09)**
Measure - IST	**Description**	**Target**	**Results**
% of Non Escalated Calls	First Call Resolution	70%	72%
Tickets Closed w/in 24 hours	Incident Tickets Closed w/in 24 hours	90%	96%
Customer Satisfaction	Quality, Timeliness, Communication, Respect	84%	94%
Network Uptime	Network Uptime	99.9%	99.98%
Applications Uptime	Major Applications Uptime	99%	99.99%
Projects w/in +/- 20% Budget	At end of Requirements Phase	86%	97%

*For Library, this represents resolutions in less than an hour, as most of our tickets are submitted through a web-form and not through a phone call.

**Customer satisfaction data not collected in FY10

Recommendations

- It is recommended that the following services be consolidated with the related Library IT staff (FTEs):
  Desktop Support/Help Desk (4) – Three IT Support Technicians and one Project Manager will transfer to the IST Desktop Team which will provide desktop support for the Library and ImaginOn. The IST Technology Services Center will provide help desk services to the Library.

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Servers/Exchange/Imaging (1) – one Technical Analyst II position will transfer to the IST Server Team which will assume support of all Library servers.

Network/VOIP (1) – one Technical Analyst II position will transfer to the IST Network Team which will provide support for the Library's networks and communications systems.

Web Applications (2) – two IT Programmer Analysts will transfer to the IST Applications Division that will assume responsibility for Library ASP application support and development. .

Project Management (0) – IST can provide project management services from its existing staff for any projects exceeding $25,000 in cost (including staff time).

- Retain Three Positions in the Library organization - Reclassify one Technical Analyst II to a Senior IT Business Analyst and two IT Project Manager I positions to IT Business Analysts. These positions would be reconfigured as Business Analysts to support core business applications, and would eliminate some of their current technical responsibilities. All three positions should participate in the training provided as part of the planned Business Analysis Center of Excellence which will provide standards, best practices and processes for Business Analysts countywide. It is expected these positions can also conduct small BPM projects and provide other automation support to the Library.

- Consolidation Requirements:

  E-rate funding – Other jurisdictions are getting E-rate funding for communications where their county's IT organization manages Library communications. This must be confirmed for Mecklenburg to ensure the continuation of E-rate funding. Otherwise, the Library could lose up to $260,000 of revenue.

  Fiber communications from the County network to Main Library – High speed fiber connectivity must be in place to effectively consolidate Library IT services.

- Consolidation advantages:

  New services and capability – The County offers specialized Business Process Management and project management services. The Library does not have anyone dedicated to providing BPM process services. However, three Library IT Project Managers are currently enrolled in the Six Sigma Green Belt (SSGB) class. Working under the direction of a Six Sigma Black Belt, one or more of the SSGB can begin working to improve the processes within the Library. The County also plans to establish a business analysis Center of Excellence that is expected to improve the effectiveness of the business analysis function within the County, which includes implementing standards, skills enhancement, training and certification.

  Sustainability – The Library has a small IT staff as compared to comparable urban libraries and recent staff reductions limit its ability do anything more than support current systems. Consolidation will provide a structure, skills and capacity to enable the Library to leverage technology to sustain and grow its business.

  Standardization – Consolidate technologies, products and methods with resultant efficiency and reliability.

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Proven and sound business practices and processes - IST has developed mature processes and methodologies to ensure the delivery of high quality and reliable services as evidenced by its exemplary Balanced Scorecard performance (See attached, 14 of 17 Scorecard measures were exemplary and the other 3 were successful in 2010).

Specialization – Due to the scale of a much larger organization, IST has specialists in its functional areas that can help the Library deploy complex solutions, leverage technology to a greater degree and troubleshoot problems in areas such as networks, servers, security, database and others. Most IST staff has certifications for their field of specialty.

Professional IT Management – IST management provides professional management oversight of its staff, ensuring that staff work is done according to standards and best practices with proper documentation. Without the technical expertise to properly oversee staff work, there is risk that applications or other technology cannot be supported by other people if that becomes necessary.

Depth (backups) and improved resource capacity. Technology people must come in pairs and IST always has backups to assure minimal impact with the lack of availability of any specific IT resource. There is also a much larger resource pool that can adapt to the peaks and valleys of business needs.

IST can provide greater training opportunities as well as mentoring from senior staff. The IST Enterprise Agreement with Microsoft gives the County access to Microsoft's E-learning library of training curriculum for all of their products which can enable staff to achieve certifications in their functional areas. When needs dictate, IST can contract with expert instructors to train a large number of staff at more affordable rates as opposed to more expensive offsite training?

Long-term Service Improvements – Server virtualization, "State-Of-The-Art" Data Center facility located at Peak10 (utilizing high speed fiber optics), Disaster Recovery Services, Change Management, ITIL (IT Service Management "Best Practices" Framework), and Document Imaging. The Library will have a greater opportunity to achieve future efficiencies and service improvements as part of a larger consolidated department.

- Consolidation disadvantages:

No Immediate Cost Savings or Position Reductions – IST would be unable to reduce costs or positions due to the current Library IT austere budget and staffing resources.

The Library Must Compete for Resources With Other County Departments - This should not be an issue with infrastructure and operational services but will be more of an issue with applications and project management resources which are prioritized along with all other department requests to assure the highest priority requests, based upon business need, are done first. IST would propose dedicating at least one application resource to Library applications support and maintenance to assure adequate support to the Library. The Library also foresees a need for significant project management support when it replaces its ILS in the next few years.

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The Library has stated that there may be needs to deviate from current County Enterprise Architecture standards to acquire applications that best fit their business needs. IST will make exceptions to its Enterprise Architecture standards if the only good fit for Library needs is outside the scope of the Enterprise Architecture standards and will assure that technical support is provided.

- Commoditize Services Classification

Service	Commoditize (H-M-L)	Consolidate
Desktop Support/Help Desk	H	Y
Servers/Exchange/Imaging	H	Y
Network/VOIP	H	Y
Applications	M	Y
Web Content	L	N
Project Management	M	Y
Business Analysis	L	N

- Other Recommendations:

IST can provide Business Process Management services to streamline business processes for the Library. This service is intended for larger and more complex business processes, whereas the Library business analyst staff will be trained to conduct smaller, simpler BPM projects.

Use Software As A Service (SAAS) to further outsource core applications. The Library is already using SAAS applications such as its volunteer and fund-raising applications, and is interested in similar options for core business systems such as the ILS, which needs a succession plan within the next two to three years.

Evaluate options for migrating the Library's Internet and Intranet websites. Options should include SharePoint, the County's commercial content management solution, as well as content management systems currently used in the library profession. The County has already invested in the infrastructure and support of this platform. It would only require a small investment in client access licenses to add the Library's users. The site is hosted by the City of Charlotte and provides a high availability infrastructure for the Internet. This system allows the business unit or professional webmasters to publish content directly rather than relying on technical staff. Core Library web presences, such as the on-line catalog, are tightly integrated with the ILS and will likely remain independent of SharePoint.

- Alternate Consolidation Considerations
  If funding for a fiber connection between Main Library and Mecklenburg County IST is not forthcoming, the requirements for full consolidation will not be met. In such a case alternate consolidation scenarios may be required.

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Development of an alternate consolidation scenario is limited by the following requirements:
1) Technical Services requires vertical integration from bandwidth through networks and servers down to the desktop, and
2) IST support for Library application and application development is not feasible unless IST is also providing Technical Services support for the Library.

With these two constraints, the only alternative consolidation scenario would be for the Library to retain application and technical services while outsourcing project management to County IST.

This would enable the Library to re-classify its current IT Project Managers as Technical Analysts and use them to support Technical Service functions, paired with the current Analysts for the sake of providing depth and sustainability.

Like the full consolidation scenario, this approach requires full use of existing Library IT personnel, and does not envision any cost-savings in the near to mid-term.

Next Steps

Develop Transition Plan – IST and Library IT would jointly develop a transition plan that would determine the tasks and timeframe necessary for consolidating Library IT services. It should take about 60 days to develop the plan. This plan would require collaboration with HR and Finance/Budget to assure orderly transition of Library IT staff and proper budgeting. The transition timeframe is to be determined but transition completion is expected to require between 6 and 12 months.

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Appendix 4- Capital Projects Management Findings

County/Library Consolidation

Project Management Final Report

Project Management Description: The process for managing the planning and construction of new buildings, renovations, and expansions. Items of the process include the preparation of design/construction budget estimates for capital requests, selection of consultants and fee negotiations for architectural/engineering design services, review & approval of design and construction document phase submittals from consultants, management of the bidding phase & hiring of construction contractors, and management of the construction phase of projects.

Executive Summary: Mecklenburg County Real Estate Services (RES) has the experience, expertise and resources to provide complete project management services to the Library. RES project management staff possesses the qualifications and demonstrated performance to provide the Library with efficient and effective services at a high level of customer satisfaction. Proposed options for consolidation include a range from RES providing full project management services for the Library to providing only professional advice. The information and findings described below mirror the process for exploring a consolidation of project management services.

Discovery Phase:

The following table illustrates a comparison of key discovery phase items between Mecklenburg County Real Estate Services staff and Library staff.

Item	County RES	Library
Project Management (PM) Staff	6 total PM staff: 3 Sr. Project Managers, 3 Project Managers	2 part- time PM staff: 1 Division Director (part time PM), 1 Assoc. Project Manager (part time PM)
Qualifications	Professional licensure required (current staff have licensure as 3 architects, 2 engineers, 1 landscape architect)	Professional licensure is not required, but is preferred (current staff have licensure in electrical and maintenance related fields)
Project budget range	$5 K to $150 million	$5K to $33.6M
Average annual dollar amount of capital projects managed	$72.4 million annual average (4 year average)	$4M annual average (3 year average)
Performance Metrics	Based on 5-year average: • Customer Satisfaction Rating: **97.5%** • Construction Project On-Schedule Completion Rate (n=236 projects): **94.9%** • Construction Projects Completed within Budget Rate (n= 247 projects): **98.4%**	•Internal/External Customer Satisfaction Surveys (3-year average): **97.5%** Based on 3-year average: • Construction Project On-Schedule Completion Rate (n= 20 projects): **95.83%** • Construction Projects Completed within Budget Rate (n=20 projects): **99.17**%

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Because County Real Estate Services has a larger, more experienced staff, potential options focused on RES providing project management services to the Library. After reviewing and comparing discovery phase items, the project management team considered the opportunities and constraints of consolidating project management functions.

Deliberation Phase:

Opportunities:

- RES can offer significant experience, expertise, and resources to provide design/construction project management services for the Library

- RES can provide guidance to the Library to assist in formalizing and standardizing the Library's Architect/Engineer selection process

- RES can provide information to the Library on the contractor prequalification process, as well as Consultant RFQs and RFPs.

Constraints:

Statutory requirements: Because the Library is a separate legal entity from the County, the Library would need to enter into contracts for design and construction with RES administering the contracts. Although not a barrier to consolidation, it would require that contracts be approved by the Library Board of Trustees, rather than the County Commission.

Decision Phase:

After discussion of opportunities and constraints the project team prepared potential options for consolidation.

Potential Options:

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1. Complete consolidation: RES provides full project management services to the Library in defined collaboration with the Library's Board, Leadership Team, and designated project management liaison
2. Partial consolidation-A: RES provides full project management services for all capital projects over $25K in collaboration with the Library's Board, Leadership Team, and designated project management liaison
3. Partial consolidation-B: RES provides project management services for projects that are beyond the capacity of Library project management staff to manage. These projects would be identified by the Library during the regular capital request process
4. No consolidation – RES to provide professional advice only on a limited basis with the services defined in scope and time in adequate detail and within a reasonable timeframe for RES to determine resource allocation for the fiscal year

Criteria for evaluating consolidation:

Note: No substantive cost savings were anticipated for reductions in positions due to the other duties of Library staff. (i.e. Library has no positions dedicated solely to project management)

- Effectiveness of Service – the impact on customers (service quality and customer satisfaction)

    o   RES has demonstrated excellent performance in service quality and customer satisfaction with 5 year averages above approximately 95% on three metrics of performance (see Discovery Phase table above)

- Current Performance – the status of service performance (e.g., are there any existing customer service problems, service gaps, duplications, etc.)

    o   RES has demonstrated high levels of efficiency and effectiveness in project management services with high customer satisfaction ratings (see Discovery Phase table above).

    o   CML: Existing Library staff has limited perspective on managing government design/construction projects from beginning to end (i.e. from consultant selection to project occupancy), but projects managed by staff to date have been satisfactorily completed. (see Discovery Phase table above).

- Laws, Regulations, Risks -- legal and regulatory constraints, and risk assessment

    o   No demonstrable barriers to consolidation exist in this area. Both entities are bound by the same State Acts for design and construction procurement. The Library's status as an independent legal entity would require it to hold contracts with consultants and contractors, with RES administering the contracts.

- Accountability – existing and potential accountability (this could be linked closely with laws and regulations, with vision, mission, goals, and with organizational philosophy)

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- o CML: In a consolidation, Library staff would be accountable for architectural programming and determination of space needs as required, fulfilling its mission. The Library Board is ultimately responsible for all contracts entered on behalf of the Library.

- o RES: County staff would be accountable for delivering projects on time, within budget, and to the satisfaction of its customers.

- Organizational Philosophy and Culture – alignment with organizational philosophy, business strategy and structure

- o The Library's philosophy as related to its facilities place in the community (i.e., sense of destination/place for a community) would need to be understood and promoted by RES in order to satisfy the Library's design criteria.

- Ability to Implement – the availability of talent and expertise needed to be successful; the requirements and impact on internal workload and support services (e.g., IT, human resources, communications, funding sources, equipment and other assets); the anticipated expediency to implement, etc.

- o RES has more than adequate capacity and resources to provide full project management services to the Library. If the Library were to receive funding for multiple design/construction projects at one time, their project management capacity may be challenged to complete projects in a satisfactory manner. Existing Library PM staff have other duties (i.e. maintenance related) that would need to be balanced with project management duties.

END OF PROJECT MANAGEMENT CONSOLIDATION REPORT

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DRAFT County/Library Consolidation Report

Consolidation Study Subject:
County Public Service & Information,
Library Marketing & Communications

Subcommittee:
Danny Diehl, Cordelia Anderson, Sarah Poole,
Brian Cox & Andy Fair

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Report Overview

What this plan does

This report comprises the subcommittee's recommendations for four scenarios, including summary, overview and pros/cons.
1. Consolidate all Library M&C functions with County PS&I and/or IST and internally restructure remaining functions.
2. Consolidate most Library M&C functions with County PS&I and/or IST and internally restructure remaining functions.
3. Consolidate some Library M&C functions with County PS&I and/or IST and internally restructure remaining functions.
4. Consolidate no Library M&C functions with County PS&I, but share resources and consider structure changes.

What this plan doesn't do
1. Does not develop a service level agreement.
2. Does not delve into consolidation tactics or organizational structure.
3. Does not address HR-related issues and dynamics.

Summary of Findings from "Discovery" and Assessment

Library M&C/County PS&I Discovery
- **Structure:** Departments are structured differently, but there are similarities.
- **Budget:** County PS&I budget includes costs such as personnel (salaries/benefits), telephones, equipment, etc. that are "distributed" at the Library and not in the Library M&C budget.
- **Strategic Priorities:** There are some definite alignments in strategic priorities, including the importance of the website as a communication tool, importance of internal communications, and emergence of social media as a tool for communicating with audiences.
- **Functions:** Some functions – direct communications, media relations, and internal communications – are clearly very similar. Some functions in Library M&C – specifically, the development of "applications" (web-based software tools for internal/external customers), delivery of services via "online branches," and involvement with web architecture and web servers – do not reside in County PS&I, but in IST (see below). Some County PS&I functions – ex. dedicated photography, videography resources – do not exist at Library M&C.
- **Outliers:** Fundamental differences appear to exist in the areas of web services, advocacy support, provision of supply items (like library cards, applications) and level of strategic organizational involvement expected from the departments.

Joint Discovery with Library IT/County IST
- **Sites and Domains:** At County, domain registrations are handled by IST. Unique domain names (ex: wipeoutwaste.com) redirect to sub domains on the main County site (ex: wipeoutwaste.charmeck.org). At Library, Library M&C maintains the domain registrations. Unique domain names (ex: bookhive.org) redirect to sub domains on the Library site (ex: cmlibrary.org/bookhive). Library at one time had 17 websites; now have scaled back to 10, and

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are continuing to scale back. For a full list, go to
http://www.plcmc.org/services/plcmcwebsites.asp .

- **Content Management:** County has a distributed architecture: centrally managed in County PS&I, but with locally created content, contributed by about 70 trained staffers throughout the County organization. County uses SharePoint as a CMS. Library websites are centrally managed in Library M&C, but some content is locally created by staff in other departments and in the branches, while other content is managed centrally in Library M&C. Home page content is managed by Communications staffers (PIOs) in Library M&C through a maintenance interface (CMS). Content on subpages (ex: cmlibrary.org/locations) is updated by Web developers in Library M&C.
- **Infrastructure:** At County, web infrastructure has been outsourced to the City. That includes web servers, database service, indexing, search, some domains, etc. At Library, infrastructure is maintained in Library IT, with some collaboration with Library M&C Web developers.
- **Applications/Systems:** At County, "homegrown" web-based applications are developed by IST and GIS. IST supports all apps for Mecklenburg County except the Library and Register of Deeds. That includes new app development, app support, databases, integration with web servers. At Library, "homegrown" web-based applications are a function of Library M&C. (Examples: security incident database and interface, an internal tool developed for staff; online giving tool, for public to make online donations to Library.) Library manages IIS side of web servers and does most of backups. Exceptions: Library online catalogs are managed by Library IT. Third party applications/systems are managed by various departments.
- **Customer Service:** The County's Technology Services Center (help desk) provides support for the web. The technicians determine whether the issue is a problem with an application, content, or infrastructure. Application issues are routed to IST and GIS. Content-related items are sent to one of the five Webmasters in County PS&I depending on which department it resides in. Infrastructure issues are routed to the City's help desk. At Library, internal customers contact either Library IT via the Help Desk, or contact the Web developers in Library M&C directly. Those staff members then route the problem or request to the appropriate person.
- **Process:** Library M&C process follows research, planning, implementation, evaluation. They do a needs assessment first. Then estimate # of hours it will take, set timeline, begin implementation, including several layers of testing before it goes live. After project is complete, debrief and discuss lessons learned. All handled by same Web Developer (IT programmer/Analyst, Paul/Curtis) and a Communications Specialist if communications support is needed. County IST process: If they get a request, they triage, project manager is assigned, planning, development, interactive feedback. Strict project management process. Develop – implement – support. Help Desk does communication. SLAs that tie up to Balanced Scorecard.

Discovery from Other Consolidations
- **Wake County:** Library participated in a fact-finding meeting with the Wake County Library System, a County Department. (For the purposes of this report, we will not delve into the similarities and differences between the two systems, other than to say Wake County is a County Department, with 20 locations, with no Main Library or ImaginOn, and a very different budget structure.) WCPL is a Division, which reports up through the Department of Community Services. Their communications are handled by the County communications department, in a different Division. WCPL has an in-house IT department, with 8 total staff, including one web manager, who they are just hiring, to manage direct services to library customers through the

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web. WCPL does not do communications at the level of the Charlotte Mecklenburg Library; they also do not do fundraising, advocacy, or library cards. More discovery is needed to do a true comparison; but this is a general overview.

- **Maintenance and security consolidations:** Library/County consolidated two departments at the start of Fiscal Year 2011. We have used these consolidations as models for discovery as well. A quick, high-level summary of both models:
  - **Maintenance:** most maintenance functions were outsourced to the Keith Corporation; some Library maintenance staff were laid off or employed by the KC; and some were retained by the Library (Walt Smith and two others) to handle maintenance functions not covered by the KC.
  - **Security:** Library Security staff were moved to Mecklenburg County Security in the Real Estate Services department. The current plan is to eliminate the remaining security positions (RIF) and outsource Library Security to Wackenhut under the supervision of Mecklenburg County Security.

Assessment:

For the purposes of assessment, the subcommittee created a matrix of functions performed by Library M&C and COUNTY PS&I, and looked at which functions were performed in one or both. They also looked at which functions exist in the PR/Communications profession, as defined by PRSA (Public Relations Society of America). This matrix is available as supporting documentation, but is not included in this report. Using this methodology, the subcommittee identified several "outliers," meaning they do not exist in either one department or the profession as a whole. These include: applications development, earned revenue, maintaining supplies, physical/digital signage, support of advocacy/fundraising/volunteerism, and video/photography. Although internal communications exists in both departments and in the profession, it is an outlier in both consolidation scenarios, due to the fact that the Library is still an independent entity, and we don't know if Library HR will be consolidated. We will deal with these outliers in each scenario.

Overview of Library Resources

- There are currently six positions in Library M&C: four communications positions (one Deputy Director Div 1 and three Public Information Specialists), and two web developer positions (IT Programmer/Analysts).
- Library M&C has a budget of approximately $210,000 that comes from Library (non-County) funds, which covers items ranging from Library cards to web hosting to third-party software applications. (In the Library's overall budget, this budget line item is called Printing & Duplication.).

Overview of Library Budget

The Library has multiple funding sources which include:
- Mecklenburg County
- Mecklenburg County ABC Board
- Revenues from fines and fees
- Grants
- Endowments

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- Other Sources

For the purposes of our discussion, all of the sources listed above, except Mecklenburg County, are called "Library Funds." The Library M&C Budget, $210,513 at the start of Fiscal Year 2011, consists entirely of Library Funds. A further breakdown of the budget was prepared by the Subcommittee, and is available for review, but is not included in this report.

Scenario 1: Consolidate all Library M&C functions with County PS&I/IST.

Summary: This scenario has the following financial impacts: saves approx. $152,682 by eliminating 2 positions; transfers approx. $70,000 from Library funds to County funds; and results in costs ranging from $76,341 (retaining a person) to $113,100 (outsourcing) to replace current number of hours (29/week) of communication support to fundraising/advocacy/volunteerism. It also transfers 2 web positions, and moves 2 communications positions into PS&I to manage Library communication needs and provide capacity for other County departments.

Overview:

- 1 Library Public Information Specialist and 1 Library Deputy Director Div 1 consolidated into County PS&I to support Library and other County departments.
- 2 IT Programmer/Analysts would be consolidated with either County IST or COUNTY PS&I to support .php and .asp web development and/or application development. (May need further analysis by COUNTY PS&I and IST.)
- 2 Public Information Specialist positions would be eliminated (RIF).
- Library/County develop SLAs with County PS&I and IST to address consolidated functions.
- Portion (approx. $70,000) of the Library M&C budget would be transferred from Library funds (budget # 03-5010) to County to cover the functions that are consolidated.
- Communication functions would be outsourced to County PS&I, including direct communications, press agentry, web content, media relations, etc (list of functions in matrix, not included here).
- The Library would outsource .asp web development, .php web development, and app development to COUNTY PS&I/IST.
- Responsibility for web- or app-related SLAs with County, are transitioned from Marketing & Communications to Library IT. If Library IT is fully consolidated, transitions to Library Experiences.
- Library/County develop SLAs to address consolidated functions.
- Outliers:
  - Maintaining supplies transferred to Library purchasing, with some consultation with County PS&I on branding/nomenclature.
  - Physical signage outsourced to County Real Estate Services and Library Operations, with some consultation with County PS&I on branding/nomenclature.
  - Digital signage content management outsourced to third party, managed by Library Operations, with some consultation with County PS&I on branding/nomenclature.
  - Support of advocacy/fundraising/volunteerism outsourced to third party.

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- o Responsibility for internal communications transferred to Library LEDR group, in cooperation with Library HR and County PS&I.
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Pros	Cons
• Cost savings in the elimination of 2 Public Information Specialist positions (avg. salary $56,549 + 35% fringes = $76,341 per position). *Note: without knowing which RIF policy would be used (Library or County), we can't identify which individuals will be impacted, and so calculations are based on averages. • Library would become better aligned with County priorities and funding. • Increased efficiency and sharing of resources. (Continued on next page)	• Challenges presented by restructuring: changing staff positions, changing reporting structure, changing processes. • No dedicated library communication PIO. • Time for staff to adjust to changes. • Loss of 2 positions (RIF). • Greater impacts to library customers in the deprecation of services and websites - level of impact unknown until more analysis can be done. (Continued on next page)

Pros	Cons
• Ensures Library structure more in alignment with County. • Potential for earned revenue through shared web advertising. • Potential for cost savings in shared advertising purchases (Library currently does minimal advertising), and Library not needing to outsource video/photography	• Cost of outsourcing digital signage content: needs research. • Cost of outsourcing support of fundraising/advocacy/volunteerism, based on current level of 29 hours per week in support of those functions: 29 hours per week, at $75 per hour (standard industry rate), equals $2,175 per week, or $113,100 per year, to outsource. • **Alternate option:** Library Community Engagement could opt to retain RIFed Public Information Specialist in their department (avg. salary $56,549 + 35% fringes = $76,341 per position). This would increase hours in support of these functions from 29 to 40 per week, with less cost. (Reference: Maintenance model.)

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Scenario 2: Consolidate most Library M&C functions with County PS&I/IST

Summary: This scenario has the following financial impacts: saves approx. $152,682 by eliminating 2 positions; transfers approx. $70,000 from Library funds to County funds; and results in costs ranging from $76,341 (retaining a person) to $113,100 (outsourcing) to replace <u>current number of hours</u> (29/week) of communication support to fundraising/advocacy/volunteerism. It also transfers 2 web positions, moves 1 PIO into PS&I to manage Library communication needs, and leaves 1 communications person at the Library to provide direct consultation, messaging and media relations support.

Overview:

- 1 Library Deputy Director Div 1 remains located at Library, and either:
  - Reports to County PS&I, handling Library-specific needs (minus outliers as outlined below).
  - Is retained by the Library, handling Library-specific needs (possibly including outliers, different from outline below).
- 1 Library Public Information Specialist is consolidated into County PS&I to support Library and other County departments.
- 2 IT Programmer/Analysts would be consolidated with either County IST or COUNTY PS&I to support .php and .asp web development and/or application development. (Needs further analysis by COUNTY PS&I and IST.)
- 2 Public Information Specialist positions would be eliminated (RIF).
- Portion (approx. $70,000) of the Library M&C budget would be transferred from Library funds (budget # 03-5010) to County to cover the functions that are consolidated.
- Most communications functions would be outsourced to County PS&I, including direct communications, press agentry, web content, media relations, etc (list of functions in matrix, not included here).
- The Library would outsource .asp web development, .php web development, and app development to COUNTY PS&I/IST.
- Responsibility for web- or app-related SLAs with County, are transitioned from Marketing & Communications to Library IT. If Library IT is fully consolidated, transitions to Library Experiences.
- Library/County develop SLAs to address consolidated functions.
- Outliers:
  - Maintaining supplies transferred to Library purchasing, with some consultation with County PS&I on branding/nomenclature.
  - Physical signage outsourced to County Real Estate Services and Library Operations, with some consultation with County PS&I on branding/nomenclature.
  - Digital signage content management outsourced to third party, managed by Library Operations, with some consultation with County PS&I on branding/nomenclature.
  - Support of advocacy/fundraising/volunteerism outsourced to third party.
  - Responsibility for internal communications transferred to Library LEDR group, in cooperation with Library HR and County PS&I.
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Pros	Cons
• Cost savings in the elimination of 2 Public Information Specialist positions (avg. salary $56,549 + 35% fringes = $76,341 per position). *Note: without knowing which RIF policy would be used (Library or County), we can't identify which individuals will be impacted, and so calculations are based on averages. (Continued on next page)	• Challenges presented by restructuring: changing staff positions, changing reporting structure, changing processes. • Time for staff to adjust to changes. • Loss of 2 positions (RIF). (Continued on next page)

Pros	Cons
• Library would become better aligned with County priorities and funding. • Increased efficiency and sharing of resources. • Ensures Library structure more in alignment with County. • Potential for earned revenue through shared web advertising. • Potential for cost savings in shared advertising purchases (Library currently does minimal advertising), and Library not needing to outsource video/photography • 1 position embedded at Library to stay abreast of organizational changes and needs.	• Greater impacts to library customers in the deprecation of services and websites - level of impact unknown until more analysis can be done. • Cost of outsourcing digital signage content: needs research. • Cost of outsourcing support of fundraising/advocacy/volunteerism, based on current level of 29 hours per week in support of those functions: 29 hours per week, at $75 per hour (standard industry rate), equals $2,175 per week, or $113,100 per year, to outsource. • **Alternate option:** Library Community Engagement could opt to retain RIFed Public Information Specialist in their department (avg. salary $56,549 + 35% fringes = $76,341 per position). This would increase hours in support of these functions from 29 to 40 per week, with less cost. (Reference: Maintenance model.)

Scenario 3: Consolidate some Library M&C functions with County PS&I/IST

Summary: This scenario has the following financial impacts: saves approx. $76,341 by eliminating 1 position; transfers approximately $70,000 from Library funds to County funds; and results in cost of approximately $28,275 to replace current level of communication support to fundraising/advocacy/volunteerism. It also transfers two web positions, and leaves 3 communications positions at the Library performing various communication duties.

Overview:

- 2 Public Information Specialist positions and 1 Deputy Director Div 1 would remain in Library M&C to support media relations, consult with Library leadership on communication issues, and support Library priorities and outliers as listed below.
- 1 Public Information Specialist position would be eliminated (RIF).
- Portion (approx. $70,000) of the Library M&C budget would be transferred from Library funds (budget # 03-5010) to County to cover the functions that are consolidated.
- Some communications functions would be outsourced to County PS&I, including some direct communications, press agentry, etc.
- Library M&C and County PS&I would share resources on video/photography, advertising, distribution, earned revenue, etc.
- 1 IT Programmer/Analyst would be moved to Library IT as a webmaster to support .php development and other Library-specific web functions.
- 1 IT Programmer/Analyst would be consolidated with either County IST or COUNTY PS&I to support .asp web development and/or application development. (Needs further discussion between COUNTY PS&I and IST.)
- The Library would outsource .asp web development and app development to COUNTY PS&I/IST.
- Responsibility for Library website development, and web- or app-related SLAs with County, are transitioned from Marketing & Communications to Library IT.
- Library/County develop a SLA to address consolidated functions.
- County PS&I and Library M&C help support each other's initiatives through regular communication about key projects, and leverage each other's direct communications tools as needed.
- Library/County can benefit from joint communications planning on shared initiatives (ex: Task Force, shared facilities planning, etc.).
- Outliers:
  - Responsibility for maintaining supplies transferred to Library purchasing, with some consultation with Library M&C on branding/nomenclature.
  - Responsibility for physical/digital signage shared by Library M&C and Operations.
  - Responsibility for support of advocacy/fundraising/volunteerism retained as duty of Library M&C, with greater need for third-party outsourcing.
  - Responsibility for internal communications transferred to Library LEDR group, in cooperation with Library HR and Library M&C.

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Pros	Cons
• Cost savings in the elimination of 1 Public Information Specialist position (avg. salary $56,549 + 35% fringes = $76,341 per position). *Note: without knowing which RIF policy would be used (Library or County), we can't identify which individual will be impacted, and so calculations are based on averages. (Continued on next page)	• Challenges presented by restructuring: changing staff positions, changing reporting structure, changing processes. • Time for staff to adjust to changes. • Loss of one position (RIF). (Continued on next page)
Pros	**Cons**
• Library would become better aligned with County priorities and funding**.** • Increased efficiency and sharing of resources. • Remaining Library structure more in alignment with County. • Potential for earned revenue through shared web advertising. • Potential for cost savings in shared advertising purchases (Library currently does minimal advertising), and Library not needing to outsource video/photography • Remaining Library M&C staff can cover functions that don't exist in County PS&I.	• Definite impacts to library customers in the deprecation of services and websites - level of impact unknown until more analysis can be done. • Cost of outsourcing support of fundraising/advocacy/volunteerism, based on a 25% reduction of current levels of 29 hours per week in support of those functions: 7.25 hours per week, at $75 per hour (standard industry rate), equals $543.75 per week, or $28,275 per year, to outsource.

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Scenario 4: Consolidate no Library M&C functions with County PS&I, but share resources and consider structure changes.

Summary: This scenario has no savings, transfers, or costs that can be explicitly enumerated; but does offer potential savings and efficiencies by PS&I providing services to the Library, and Library sharing resources. It requires no RIFs.

Overview
- County PS&I structure and staffing remain the same.
- Library M&C structure and staffing remain the same, or: Library M&C aligns its functions more closely with County PS&I and the PR profession by moving 2 IT Programmer/Analysts move to Library IT to support .php and .asp development, and web app development.
- Library and County will benefit from improved communication, cooperation and understanding .
- Library M&C and County PS&I would share resources on video/photography, advertising, distribution, earned revenue, etc.
- County PS&I and Library M&C can help support each other's initiatives through regular communication about key projects, and leverage each other's direct communications tools as needed.
- Library/County can benefit from joint communications planning on shared initiatives (ex: Task Force, shared facilities planning, etc.).
- Outliers:
  - Responsibility for maintaining supplies transferred to Library purchasing, with some consultation with Library M&C on branding/nomenclature.
  - Responsibility for physical/digital signage shared by Library M&C and Operations.
  - Responsibility for support of advocacy/fundraising/volunteerism retained as duty of Library M&C, with current level of third-party outsourcing.

Pros	Cons
- Library M&C and County PS&I more closely aligned going forward. - Increased efficiency and sharing of resources. - If 2 positions are moved, remaining Library structure more in alignment with County. - Potential for earned revenue through shared web advertising. - Potential for cost savings in shared advertising purchases (Library currently does minimal advertising), and Library not needing to outsource video/photography	- Cost savings are minimal. - If 2 positions are not moved, Library M&C is not aligned with County PS&I structure. - If 2 positions are moved, challenges presented by restructuring: changing 2 staff positions, changing reporting structure, changing processes

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