

**HIGH PERFORMANCE GOVERNMENT TEAM
LIBRARY STATUS UPDATE**

**SUBMITTED TO THE INDIANAPOLIS MARION COUNTY PUBLIC
LIBRARY BOARD
JUNE 10, 2010**

➤ **FUNCTION OF THE HIGH PERFORMANCE GOVERNMENT TEAM**

The High Performance Government Team (HPGT) was established by ordinance and charged with the purpose to review the operations of all taxing units in the City of Indianapolis and Marion County, to assist those units in finding ways to operate more efficiently and effectively, and to make recommendations to the Mayor, City-County Council, relevant elected officials and taxing units regarding how to implement the team’s findings. The HPGT consists of 13 members and an advisory council to assist with reviews and recommendations.

➤ **HIGH PERFORMANCE GOVERNMENT TEAM**

Member	Affiliation	HPGT Role
Holbrook Hankinson	Indianapolis Consulting Group	Co-Chair
David P. Lewis	Eli Lilly and Company	Co-Chair
Deanna Malatesta	IUPUI	Member
Hugh McGowan	McGowan Insurance Group	Member
Wayne Patrick	Professional Data Dimensions	Member
Jean Richcreek	Citizens Energy Group	Member
Ed Simcox, Jr.	Clarian Health	Member
John Countryman	Raymond James and Associates, Inc.	Member
Betty Cockrum	Planned Parenthood of Indiana	Member
John R. von Arx	Sport Graphics	Member
Gretchen K. Gutman	Taft Stettinius & Hollister LLP	Member
Bruce Schumacher	Indianapolis Indians	Member
Vacant Position		Member
Angel M. Rivera	City-County Councilor	Ex-officio
Jackie Nytes	City-County Councilor	Ex-officio
David Reynolds	Controller, City of Indianapolis	Ex-officio

➤ **HIGH PERFORMANCE GOVERNMENT TEAM ADVISORY COUNCIL**

Member	Affiliation	Role
Kim Garriott		Advisory Council Member
Cathy Herr	Eli Lilly and Company	Advisory Council Member
Rose Popovich	Community Health Network	Advisory Council Member
Sean Fahey	ASC, A Xerox Company	Advisory Council Member
Mike Shaver	Wabash Scientific	Advisory Council Member
Tom Zurek	OneAmerica	Advisory Council Member

➤ **HPGT CHARGE FOR THE LIBRARY REVIEW**

On April 8, 2010 the leadership staff of the Indianapolis Marion County Public Library (IMCPL) presented budgetary information to the Library Board's finance committee for their review. The leadership team of IMCPL presented an overview of current library operations and fiscal state, a summary of all of the efficiency steps the leadership had taken to cut costs, and options for the committee to consider for IMCPL to achieve fiscal solvency. These options outlined the possibility of up to six branch closings by the end of 2012. It was estimated that if the Library maintained the status quo with current operations and projected revenues, expenses would exceed revenues by \$7.3 million by 2014.

To answer the call for assistance, Mayor Gregory A. Ballard and City-County Councillor Jackie Nytes requested the High Performance Government Team members engage to assist the Library. The full team engaged and a subset of members led the charter to conduct a full fiscal and operational review and study long term solutions.

The HPGT was charged with taking a comprehensive look at every aspect of the library operation and all opportunities for efficiencies and partnership opportunities that existed, with the immediate focus on the 2011 budget, but more importantly a true re-engineering that brings cultural and systemic change for the long term benefit of the library system and our city.

➤ **SHORT TERM ANALYSIS AND REVIEW**

A subteam of the HPGT conducted a high level review of all library operations, concluding the library staff has made thoughtful, strategic adjustments and found efficiencies throughout the organization. The results of an in-depth review by internal library staff lead to effective changes such as retirement incentives, tighter contract negotiations, additional revenue options, etc. While it is believed additional improvements can be found, the overall consensus by the HPGT subteam is that the library leadership should be commended for already making tough decisions and operating with efficiency.

In addition to the efficiencies found by the library leadership, the HPGT recommends additional steps that could help mitigate the forecasted fiscal deficit and allow for a more sound short term solution to the pressing issues facing the library structure, including potentially alleviating the need to close six (6) branches. These steps are summarized below.

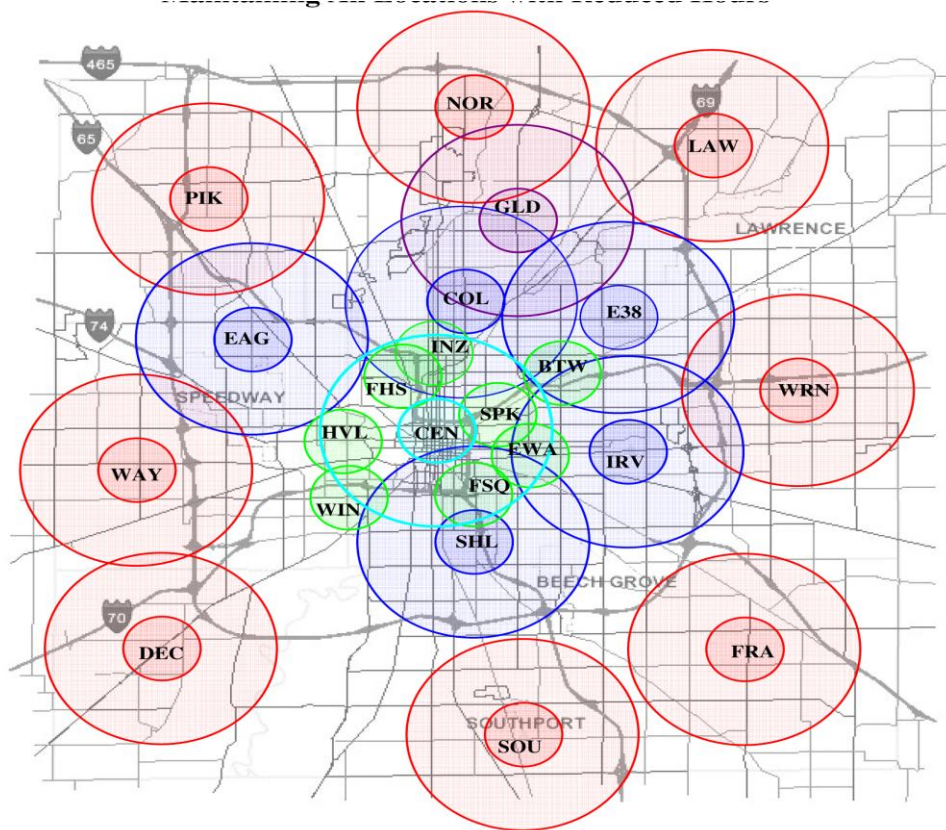
➤ IMCPL FLEXIBLE SERVICE HOURS STUDY- PROPOSED HOURS- ESTIMATED SAVINGS

The HPGT subteam, working with a Six Sigma blackbelt and library personnel analyzed data associated with the current use of libraries and the possible ability to find savings to cover the \$1.5 million short fall forecasted for 2011.

The objective in this study was to evaluate a possible solution, short-term or otherwise, by analyzing operating hours, costs, facility use and the impact to customer service by making changes in operating days/hours for Central Library and 20 branch locations (see map below for locations). As indicated, the goal of the HPGT was to discover a minimum of \$1.5 million in savings for the 2011 fiscal year.

The HPGT sought to find these short term solutions working under the following assumptions:

- All current sites are under stable lease agreements and will not be relocated
- Infozone & Flanner House locations are excluded from possible service hour cuts as they operate under the hours of their host organizations
- Decatur & Franklin branches could be changed to operate under potential regional branch hours
- Sunday staff rotation is to be excluded from Central and regional branch cost estimates



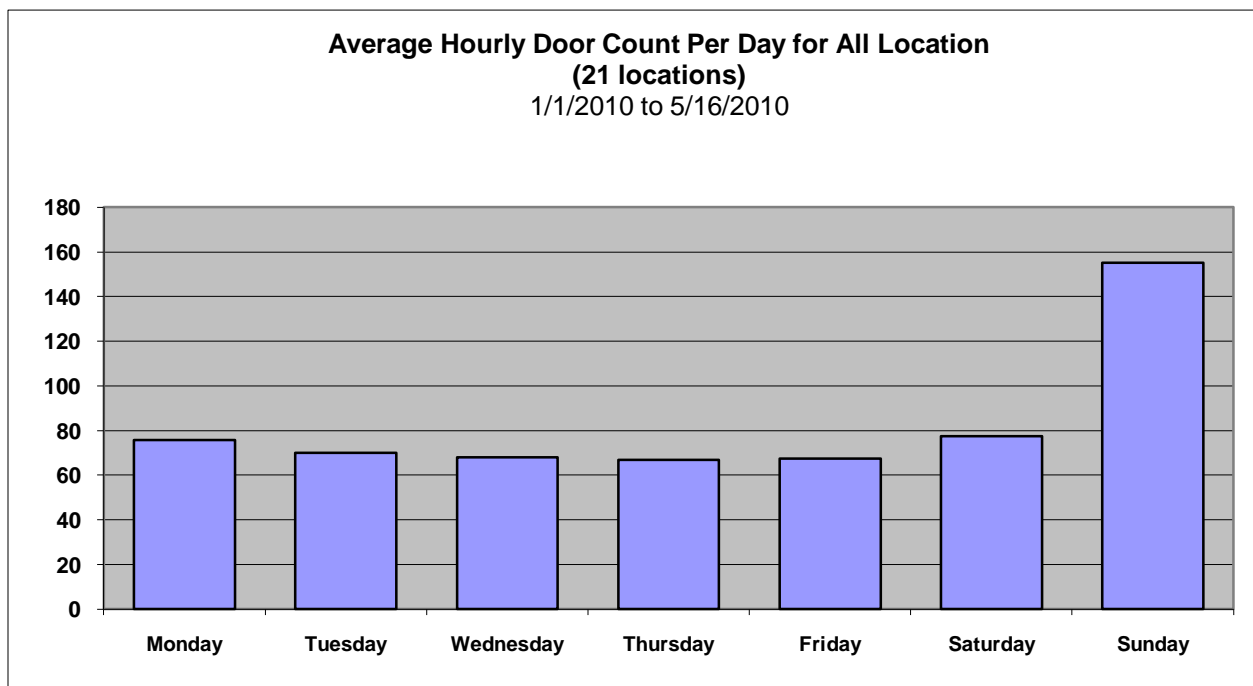
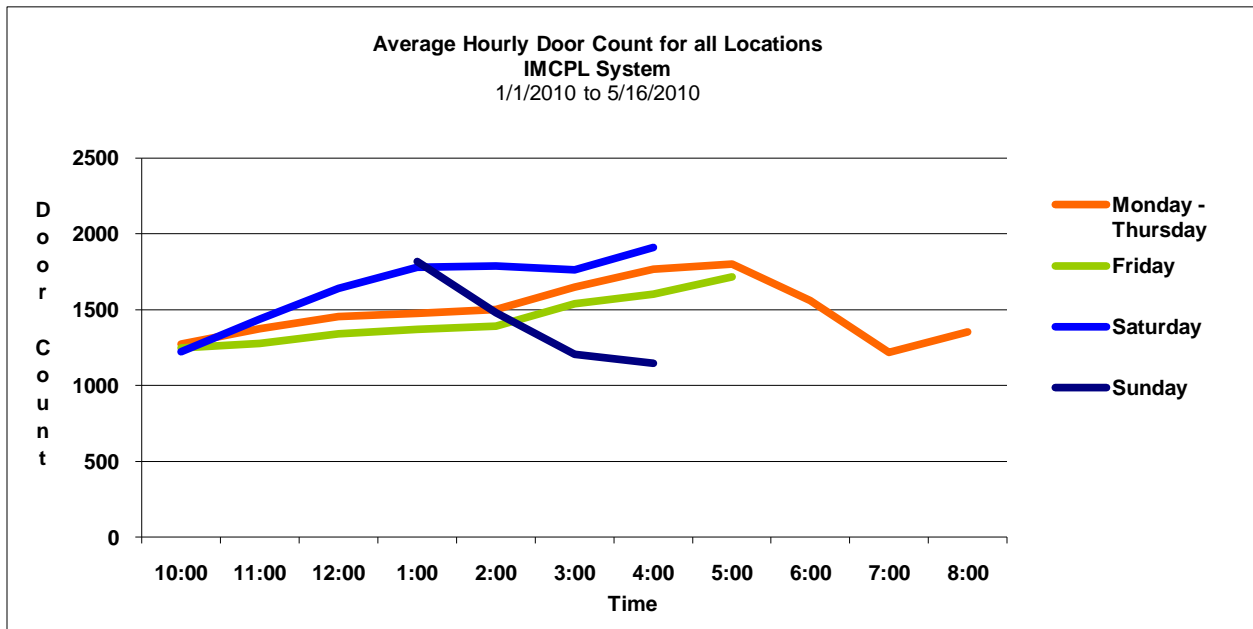
Regional = Red

Community = Purple

Neighborhood = Green

In conducting the above analysis, consideration was given to the fact the Library Board held public meetings on May 10th and May 12, 2010 in an effort to gauge public opinion on the future of its library branches. Comment received included:

- The desire of the public to keep all libraries open
- The need for the board to find permanent solutions while continuing to work on a short term fix for the immediate future
- The public was in favor of reduced service hours in lieu of closing branches
- The public was in favor of the possibility of reduced service days as a last resort



Based on the data available to the HPGT, two scenarios for revised hours/days of service were developed, as summarized below:

➤ **SUGGESTED SERVICE HOURS #1**

Current	Weekly Hours	Proposed Hours
Central	69	60
Regional	63	57
Community	55	40 Variable
Neighborhood	55	40 Variable
Realignment of hours to extend on high use days		
6 day service instead of current 7 day service - opting to rotate according to volume		
4 day delivery instead of 5 day		

➤ **ESTIMATED SAVINGS #1**

Current	Weekly Cost	Proposed Cost	Savings/Year
Central	\$89,910	\$78,031	\$617,724
Regional (7)	\$107,535	\$97,014	\$547,128
Community (7)	\$61,258	\$44,258	\$884,019
Neighborhood (6)	\$28,541	\$20,908	\$396,894
Total \$2,445,765			

➤ **SUGGESTED SERVICE HOURS #2**

Current	Weekly Hours	Proposed Hours
Central	69	68
Regional	63	57
Community	55	40 Variable
Neighborhood	55	40 Variable
Realignment of hours to extend on high use days		
7 day service for Central Library opened 7 days – other facilities to go to 6 day operation schedule		
5 day delivery		

➤ **ESTIMATED SAVINGS #2**

Current	Weekly Cost	Proposed Cost	Savings/Year
Central	\$89,910	\$87,163	\$142,856
Regional (7)	\$107,535	\$97,339	\$530,222
Community (7)	\$61,258	\$44,258	\$867,104
Neighborhood (6)	\$28,541	\$21,148	\$384,431
Total \$1,924,613			

➤ **ESTIMATED IMPACT OF FLEXIBLE OPERATING/ DAYS OF SERVICE SCENARIOS:**

- Estimated savings of \$2.0 – \$2.4 Million Annually
- All libraries remain in service
- Longer Sunday hours for Central & regional branches
- Variable hours allow branches to adjust per location according to special needs of the community and population being served
- 250 fewer service hours per week for the total library system
- Possible FTE reduction in force and hours- 13 Branches will move to 40 hour work weeks
- Additional event hours for events held during closed hours at Central for increase in revenue
- Realignment of hours and reduction in hours that effect the fewest users as possible

The study summarizes the effects of a realignment of operating hours/days of service to achieve the \$1.5 million amount to bridge the gap for 2011. The HPGT recommends the external effects of the hours of change be examined prior to adjustment. The HPGT analysis serves as a baseline starting point. It is recommended that the library staff make adjustments to operating hours/days of service to achieve a minimum of \$1.5 million in needed savings.

➤ OTHER ONGOING REVIEWS

Purchasing and Procurement Review - The HPGT will continue to work with library staff to determine efficient ways to manage their purchasing agreements, such as:

- The HPGT utilized the City’s purchasing teams to review all library contracts to determine if further savings could be found. The City and Library have many areas of similar contract, such as trash pickup, mowing, copiers and printers, mail services, etc. The HPGT will continue to study the possibility of consolidating shared services, i.e. IT, HR, purchasing, etc. In addition, several purchasing contracts are in the due diligence phase and analysis will be conducted to determine the impact of adjusting or “piggy backing” off of the City contracts that might be available for Library use.
- The HPGT has also requested that the City/County’s Information Services Agency (ISA) add the Library to their current scope of consolidated entities to examine if the consolidation will allow the Library to provide the services at a lower cost.
- Finally, in addition to the positive work the Library has conducted on energy savings, a continued analysis on energy usage is underway.

Human Resources Review – The HPGT will continue to assist library staff with a full review of its organizational structure and will assist with reorganization recommendations. Additionally, a comprehensive review of HR benefit packets and rate information is ongoing.

Leases/Debt Services Review - The HPGT will continue to assist the library staff with discussions/analyses of leases at the Glendale, Fountain Square, Brightwood and Flanner House locations to ensure that library operations continue at current facilities until long-term plans and solutions are determined.

Other - Additionally, the HPGT conducted an in-depth review of library spending allocations, debt structure and refinancing. While the review exposed little inefficiency, the HPGT members will continue to work with staff to explore all options of future debt competition and creative ideas to leverage current cash flows.

➤ **RECOMMENDATIONS AND NEXT STEPS**

The High Performance Government Team concludes after a short term analysis and review that the Indianapolis Marion County Public Library has realized efficiencies throughout the organization and made numerous adjustments in the face of fiscal insolvency.

The HPGT recommends that the Library implement the Flexible Service Hours Study Model to bridge its 2011 funding gap and avoid permanent branch closures.

The HPGT will assist with continued operational reviews to confirm and carry out other short term savings through the 2011 fiscal year.

The HPGT will focus on identifying long term solutions to assist in creating a sustainable library system, engaging library leadership in examining fiscal and operational adjustments that could facilitate a lasting impact on the daily operations of the library system.