



**Town of Aurora
General Committee Report No. CMS20-012**

Subject: Library Square – Governance Review
Prepared by: Phil Rose-Donahoe, Manager of Library Square
Department: Community Services
Date: June 16, 2020

Recommendation

- 1. That Report No. CMS20-012 be received; and**
- 2. That the Not-for-Profit/Municipal Hybrid Model be approved as the governance model for the future operation of Library Square; and**
- 3. That staff work with stakeholders to develop a fees and charges schedule for Library Square and report back to Council at a later date; and**
- 4. That the Director of Community Services form a Space Allocation Working Group comprised of Town staff and key stakeholders that will provide recommendations regarding rental and booking responsibilities for Library Square, including all spaces at 22 Church St. School, the New Addition, Outdoor Square, Bridge and Aurora Public Library; and**
- 5. That the Director of Community Services form a Collaborative Programming Working Group comprised of Town staff and key stakeholders that will provide recommendations regarding program delivery strategies and create a programming and performance schedule for Year 1 and Year 2 of Library Square operations; and**
- 6. That the Director of Community Services form an Information Technology Working Group comprised of Town staff and key stakeholders that will provide recommendations regarding the delivery of IT Services for Library Square, including all spaces at 22 Church St. School, the New Addition, Outdoor Square, Bridge and Aurora Public Library.**

Executive Summary

This report makes recommendations regarding the adoption of the Not-for-profit (NFP)/Municipal Hybrid Model as the preferred option for Library Square and details next steps in implementing this model.

- The Library Square Governance Review was influenced by a number of key messages that emerged during consultation with stakeholders
- As directed by Council, staff further analyzed the feasibility of the Direct Delivery and NFP/Municipal Hybrid models as options for Library Square governance
- Based on the additional analysis, staff believe the NFP/Municipal Hybrid Model is the most viable governance structure for the optimization of cultural service delivery and the overall management of Library Square
- Some of the challenges associated with the NFP/Municipal Hybrid Model can be mitigated by adopting key improvements aimed at enhancing the efficiency and effectiveness of the current structure
- As a first step in implementing the NFP/Municipal Hybrid Model, staff recommend forming three (3) working groups with the purpose of developing the necessary policies, plans and strategies to serve as the operational framework for the NFP/Municipal Hybrid Model and report back at a later date

Background

On March 31, 2020, Council passed the following resolution in regards to Library Square governance:

“That staff be directed to continue to explore the feasibility of the Direct Delivery and Not-for-profit/Municipal Hybrid governance models and report back with further recommendations regarding the most appropriate model for the operation of Library Square.”

Council also determined that given the numerous challenges associated with implementing the Municipal Service Board Model, it was the least feasible model for the future governance of Library Square, and should be removed from further consideration.

Since receiving Council's direction in March, staff have undertaken additional research, consultation and analysis in determining the best governance model for Library Square, the results of which are detailed in this report.

Analysis

The Library Square Governance Review was influenced by a number of key messages that emerged during consultation with stakeholders

One approach to governance or governance model is not innately superior to another. Rather, governance is a function of an organization's unique competencies, history and mandate. In the case of Library Square, each of the key stakeholders involved in determining the most appropriate governance model for the project – including the Town, Aurora Cultural Centre (ACC) and Aurora Public Library (APL) – operate under particular styles of governance that make it challenging to select one overarching model that is adaptable enough to effectively manage the facility's numerous functions and multiple stakeholders.

While there is not one perfect governance model to choose from, one of the consistent messages throughout the governance review process was that the Town should leverage the resources, skills and expertise already available to it. Each of the Town's main partners on the Library Square initiative have historically exhibited good governance practices and possess proven track records of delivering quality programs and services to the community. Rather than start from scratch, therefore, the Town should adopt a governance model that builds on the past accomplishments and strengths of its partners.

Another common message throughout the review process was that the Town, as owner, is ultimately accountable to the public for the success of this project. Moreover, given the municipality's substantial financial investment in Library Square, the Town should obtain a degree of control over various aspects of the project, such as programming, facility operations, bookings/rentals and IT services. So while the governance model that is chosen should build on earlier successes, it must also allow the Town to exert significant influence over the decision making processes at Library Square once the facility is operational.

One final prevailing message was that the chosen governance model must address whatever duplication of services, programs and processes currently exists. When experiencing all that Library Square will have to offer, the public must receive a unified approach to customer service, parity in rates offered for programs and room rentals, and consistent messaging and communication.

While these messages were driving factors in the continued evaluation of the Direct Delivery and NFP/Municipal Hybrid models, staff also applied the following criteria when analyzing both models:

1. Potential for adverse community reaction;
2. Administrative complexity;
3. Timing;
4. Level of municipal investment;
5. Political sensitivity;
6. Disruption to program and service delivery; and
7. Proven track record of success.

As directed by Council, staff further analyzed the feasibility of the Direct Delivery and Not-for-profit/Municipal Hybrid models as options for Library Square governance

Staff's intention was to host a series of face-to-face workshops with stakeholders, including internal staff, ACC and APL, to undertake a step-by-step analysis of decision-making processes that will occur at Library Square. These workshops were meant to highlight the challenges and opportunities inherent to the Direct Delivery and NFP/Municipal Hybrid models and how they might be mitigated or advanced when applied to the future operation of Library Square. Based on the results of these workshops, and guided by the factors and criteria named above, staff would be in a position to make final recommendations regarding Library Square governance.

However, due to the closures as a result of the COVID-19 pandemic, staff were unable to hold face-to-face workshops as planned, but instead hosted a series of virtual sessions with key individuals. As subject matter experts of their respective fields, each person that was consulted provided insight into how current processes work regarding program delivery, rentals and bookings, IT services, marketing and promotion, museum and heritage services, facility maintenance, and more, identifying the major inputs involved, as well as the deliverables or outputs that are produced.

The following is a list of governance meetings hosted by the Manager of Library Square that informed the content of this report:

- Curator of AMA, April 22, 2020
- Manager of Business Support, Manager of Recreation Services, Manager of Facilities and Curator of AMA, April 23, 2020
- Executive Director, ACC, April 28, 2020

- Manager of Recreation Services, May 4, 2020
- Manager of Business Support, Facilities Booking Administrators, and Supervisor of Customer Service, May 5, 2020
- Aurora Cultural Centre Staff, May 11, 2020
- IT Manager, May 7, 2020
- Director of Community Services and CAO, May 11, 2020
- Chief Executive Officer, Aurora Public Library, May 19, 2020

Based on the additional analysis, staff believe the NFP/Municipal Hybrid Model is the most viable governance structure for the optimization of cultural service delivery and the overall management of Library Square

Direct Delivery Model:

Direct Delivery describes the model wherein the Town, as owner, operates Library Square exclusively as part of the Community Services Department. Under this model, the Community Services Department is responsible for the development and delivery of municipal cultural programming, theatre performances and box office management, museum administration, rentals and bookings, program registration, facility maintenance and repairs, among other responsibilities.

Although the Direct Delivery Model provides some tangible benefits, such as enhanced municipal influence over decision-making and the ability to streamline various processes to better align with current Town practices, transitioning to this model would have major impacts on the Town's relationship with its partners, particularly with the ACC.

Throughout the governance review process, staff regularly heard that the ACC is performing well, have consistently met their key performance indicators, and provide a solid return on the Town's investment. As the Town's main provider of cultural services, it was also suggested that their expertise in delivering cultural services to the community should be leveraged as much as possible. While Direct Delivery allows for this in a limited way, it would also likely have negative impacts on the work being undertaken by the ACC to deliver cultural services on behalf of the municipality, which may in turn result in community pushback to what is perceived as a top-down decision by the Town to "take over" the ACC and cultural programming. Direct Delivery, therefore, poses a number of noteworthy challenges from a political and community perspective that could adversely affect the smooth implementation of this model.

Additional downsides of the Direct Delivery Model include:

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- Potentially adverse impact on fundraising for Library Square since some private donors and granting bodies (e.g. Ontario Trillium Foundation) may be less likely to give to municipalities;
- At least in the short term, some artists, artisans, cultural professionals and others, might be less inclined to collaborate with the Town, thereby limiting local creative expression and audience development efforts;
- Perception that municipal structures are overly rigid, or bureaucratic; and
- The higher salary structure associated with Direct Delivery would either require a smaller staff complement or greater municipal investment as a result of higher operating costs.

NFP/Municipal Hybrid Model:

This model describes how 22 Church St. currently operates where the ACC, a not-for-profit/charitable organization, provides cultural services to the community under a Provision of Cultural Services Agreement and Lease Agreement. As a municipal-run entity, the Aurora Museum & Archives (AMA) shares the historic 22 Church St. School with the ACC, where they provide heritage and museum services as a part of the Community Services Department.

Throughout the consultation phase, there was a unanimous feeling that as co-located organizations, the ACC and AMA have successfully provided cultural and heritage programs/services to the community under one roof. Furthermore, many stated that the hybrid model provides a solid foundation on which to build and should be sustained where possible.

Some benefits of the NFP/Municipal Hybrid Model include:

- Expertise in cultural and heritage program and service delivery;
- Proven governance integrity as demonstrated by the ACC's accreditation from Imagine Canada, an organization whose mission is to strengthen Canada's charitable sector;
- Ongoing development of the AMA's collection and important strides in exhibition development and public access to Aurora's material culture;
- Town oversight through the annual budget process, key performance indicator tracking and participation of two Council members on the ACC's board of directors;
- Awareness among the local community and cultural partners of the AMA and ACC as cultural service delivery organizations that are key to the vibrancy of the creative sector;

- ACC support for maintaining a partnership with the Town in the delivery of cultural services under the current governance structure;
- A strong network of partnerships with artists, artisans, performers, heritage experts, volunteers, cultural organizations and professionals that demonstrate the municipality's commitment to local cultural development;
- Similarly, strong audience development experience necessary to support Library Square programming; and
- Access to fundraising sources (e.g. grants and individual giving) not necessarily available to municipalities via the ACC's not-for-profit status.

For these reasons, and given the concerns associated with the Direct Delivery Model, staff believe the NFP/Municipal Hybrid Model is the most viable governance model for Library Square.

Some of the challenges associated with the NFP/Municipal Hybrid Model can be mitigated by adopting key improvements aimed at enhancing the efficiency and effectiveness of the current structure

Although the NFP/Municipal Hybrid Model provides a solid foundation on which to build, it is not perfect and there is an opportunity for the Town to enhance its accountability to the public by exerting greater influence over key aspects of Library Square's operations.

Some of the challenges with the NFP/Municipal Hybrid Model that need to be addressed include:

- Potential for inefficient customer service due to the absence of centralized leadership and a unified direction for the facility as a whole;
- Greater potential for confusion, duplication, and uneven approaches to service and program delivery;
- Unclear as to how the Community Services Department's programming fits into the hybrid governance model;
- Lack of Town control over space allocation and an inability to offset the municipality's investment via rental and booking revenue of a Town-owned space; and
- Challenges in quantifying the Town's in-kind support (e.g. facility cleaning, maintenance, IT support, etc.) to a non-Town entity (i.e. the ACC) on a zero cost-recovery basis.

Therefore, if Council approves the adoption of the NFP/Municipal Hybrid Model for Library Square, the Town will need to continue to work with key stakeholders to determine how best to address these challenges.

As a first step in implementing the NFP/Municipal Hybrid Model, staff recommend forming three (3) working groups with the purpose of developing the necessary policies, plans and strategies to serve as the operational framework for the NFP/Municipal Hybrid Model and report back at a later date

The implementation of the NFP/Municipal Hybrid Model should begin with the formation of the following three (3) working groups:

Space Allocation Working Group: the purpose of this working group will be to review, assess and report on how space across the entire Library Square facility will be allocated and utilized. It will make recommendations on how requests for space are processed and by whom, and one of its key deliverables will be a Space Allocation Policy.

Collaborative Programming Working Group: the purpose of this working group will be to collaborate to determine which programs will be offered at Library Square and which organization(s) is best suited to deliver them. It will develop an integrated approach to planning, implementation, monitoring, and evaluation of programs and services at Library Square. One of the major deliverables will be a proposed programming and performance schedule for the first two years of Library Square operations.

Information Technology Working Group: the purpose of this working group is to develop the necessary strategies, plans, roadmaps and processes regarding the integration and optimization of IT services for Library Square.

At a minimum, each group will be comprised of Town staff and representatives from the ACC and APL. Additional representatives from the Town's Cultural Partners and other community groups may also be consulted as necessary.

Staff will prepare a third Library Square Governance Review report for the fall that proposes further recommendations based on the work undertaken by these working groups. Additional working groups may also be proposed in the fall as attention turns to opening, staffing, and operating the facility.

Advisory Committee Review

Not applicable.

Legal Considerations

If Council approves the NFP/Municipal Hybrid Model, agreements will be entered into, or modified, to define the roles and responsibilities of the partnership and address any other such matters as may be required.

Financial Implications

At this time there are no financial implications of note. As part of the ongoing review of the Town's desired Library Square Governance model, the financial implications of each will be examined at that time. The Town commenced a three year plan to phase into its core operating budget a total incremental amount of \$720,000 in support of the Library Square's operations including its selected governance model.

Communications Considerations

The Town of Aurora will use 'Inform' as the level of engagement for this project. There are five different levels of community engagement to consider, with each level providing the community more involvement in the decision making process. These levels are: Inform, Consult, Involve, Collaborate and Empower. Examples of each can be found in the Community Engagement Policy. These options are based on the International Association of Public Participation (IAP2) Spectrum and assist in establishing guidelines for clearly communicating with our public and managing community engagement. In order to inform the public, this report will be posted to the Town's website and other means of feedback options of the Library Square governance model will be issued at a later date where all stakeholders can participate.

Link to Strategic Plan

The development of Library Square supports the following Strategic Plan goals and key objectives:

Supporting an exceptional quality of life for all in its accomplishment in satisfying requirements in the following key objectives within these goal statements:

- **Invest in sustainable infrastructure**
- **Celebrating and promoting our culture**
- **Encourage an active and healthy lifestyle**

- **Strengthening the fabric of our community**

Enabling a diverse, creative and resilient economy in its accomplishment in satisfying requirements in the following key objectives within these goal statements:

- **Promoting economic opportunities that facilitate the growth of Aurora as a desirable place to do business**

Alternative(s) to the Recommendation

1. Council may direct staff to continue to explore the feasibility of the Direct Delivery Model.
2. Council may provide further direction.

Conclusions

This report presents recommendations regarding Library Square governance. Based on additional research and consultation, staff are seeking Council's direction to move forward with the NFP/Municipal Hybrid Model as the preferred governance model for Library Square. As a first step in implementing this model, staff are proposing the formation of three (3) working groups dedicated to space allocation, collaborative programming and IT services. The policies, plans and strategies developed by these working groups will be presented to Council in the fall, along with additional recommendations regarding the further implementation of the NFP/Municipal Hybrid Model.

Attachments

No attachments.

Previous Reports

CMS19-005 – Library Square Project Update - GC Template, February 12, 2019

FS19-012 – Library Square – Financial Strategy, March 21, 2019

CMS19-009 – Library Square - Proposed Operating Plan, March 21, 2019

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CMS 20-008 – Library Square – Governance Review, March 3, 2020

Pre-submission Review

Reviewed by Agenda Management Team May 28, 2020

Departmental Approval

Approved for Agenda



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