



ADMINISTRATIVE REPORT

Community & Development Services Department – Museum & National Exhibition Centre Division



Public Document: Yes No

SUBJECT:

Possible Options for operational cost savings – Museum and National Exhibition Centre Division.

RECOMMENDATION:

That should council wish to reduce operational costs relating to the Museum and National Exhibition Centre Division, it consider the cost savings measures relating to part-time staff hours, grants to volunteer organizations, travel, and hydro as outlined in this report.

EXPLANATION:

Council directed staff to examine some options for cost saving measures at the Museum/National Exhibition Centre in light of KPMG's observation that "... *the City has the highest level of investment in museum services among the municipalities included in the comparative analysis.*" Staff must caution council in reading too much into such statements. While it appears easy to make comparisons between museum operations in difference jurisdictions, often such comparisons are misleading as the range and level of service and visitor experience varying dramatically. For instance, the costs to operate the City's Museum is over represented in the consultant report and costs associated with culture-related expenditures in comparator municipalities are underestimated in some cases. Also, the City's operation provides for a full range of services, including exhibitions, public programs, school programs, archival services, research services, art gallery services and other services that are simply not provided by the comparators. This would explain the higher, but definitely justified, costs. The City's operation is no doubt one of the leading institutions in Northern Ontario according to the Ministry of Culture, Tourism and Sport.

It was noted in the Community & Development Services 2016 Budget Presentation that the message of the KPMG observation is contradictory to the recommendations brought forward in the Culture Master Plan recently completed by Sierra Planning Consultants which recommended more significant investment in cultural resources recognizing the Museum as one of the key cultural hubs in the City. It is also noted that the Master Plan involved significant public consultation and stakeholder involvement. As such, having a high level of investment in museum services is not necessarily a negative but can be viewed in a very positive light. In order to realize a healthy, sustainable and complete community the City must continue to invest in the cultural sector.

To this end, staff does not have a sense of what council is ultimately seeking in this regard. However, what seems clear is that council is not in favour of supporting the key cultural investments recommended in the Culture Master Plan and brought forward during the budget process. Staff's approach therefore is to propose cuts that will minimize impacts on the core functions the Museum and National Exhibition Centre offers its residents and visitors.

Before coming to a recommendation on this matter, council should be aware of the current budget, staffing levels, operating hours, grant funding, and potential for restructuring in the very near future. These factors should play an important role before any significant decisions are made to Museum operations.

The Museum/National Exhibition Centre is staffed by 3 full-time (Director/Curator, Programmer and Marketing Coordinator) and 4 part-time (museum attendants) employees. The net operating budget for this Division sits at \$492,500 (2016). The Centre is open to the public on Tuesday (9 am to 5 pm), Wednesday (9 am to 8 pm), Thursday (9 am to 8 pm), Friday (9 am to 5 pm), Saturday (12 pm to 4 pm) and Sunday (12 pm to 4 pm) and is closed on Mondays, which provides staff with an opportunity to plan and prepare for upcoming events and exhibitions.

One part-time museum attendant works 6 hours daily, Monday to Friday, for a total of 30 hours per week. The other 3 part-time attendants operate on a rotational basis and essentially fill a single part-time position based on total hours worked. Two (2) of the 3 museum attendants work 3 hour simultaneous shifts on Wednesdays and Thursdays as well as 4 hour simultaneous shifts on Saturday and Sunday for a cumulative total of 28 hours per week.

Staff must caution council on any future cuts to this Division and its potential impact on the \$36,000 in core funding we receive annually to support the Museum and National Exhibition Centre. Staff's ability to ensure compliance with established standards may be jeopardized based on the magnitude of cuts imposed. In short, cutting too much service could result in associated cuts in this funding. Also, there will be additional restructuring occurring in the very near future and any notable suggestions for cutting this important service should be deferred until this exercise is completed so as not to miss out on potential synergies/opportunities.

In light of the above, staff is reluctantly recommending the following cost savings options for council's consideration:

1. Eliminate part-time hours on Wednesdays (6 hours weekly) = Annual savings in salaries of \$6,240;
2. Eliminate the grant to the Connaught Museum = Annual savings of \$3,000. This annual allocation should be included in the Grants to Volunteer Organization Fund with the other similar requests;
3. Reduce travel (\$5,000 to \$2,500) = Annual savings of \$2,500; and
4. Reduce hydro cost allocation (\$39,100 to \$31,800) based on floor area = Annual savings of \$ 7,300. These costs should be appropriately reallocated to the HGS Centre based on consumption/floor area.

Total Potential Savings = \$19,040 (3.2% expenditure reduction)

It is also important to note that this Division has been recently charged with the responsibility for maintaining the various sculptures that have been placed throughout the community at an additional cost of \$4,750 in consultant costs annually (i.e. a new and imposed cost to this Division by Council). The types of cost allocations result in increasing the Museum Division's budget.

RELEVANT POLICY / LEGISLATION / TIMMINS VISION 2020:

The 2016 Budget, Ministry's Ontario Community Museum Standards and Regulations, Museum Operating Grant, Culture Master Plan (Sierra) and the Core Services Review (KPMG) are relevant to this matter.

CONSULTATION:

The Director/Curator and the Museum Advisory Committee were consulted in finalizing this report.

FINANCIAL AND/OR HUMAN RESOURCE IMPLICATIONS:

X	Please checkmark box to the left if this report has been reviewed by the Finance Division and the funding source has been identified
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Please indicate the funding allocation by account number: 01-2-385100-1101 (salaries); 01-2-385100-7250 (grant to Connaught Museum); 01-2-385340-4104 (travel); 01-2-385100-4501 (hydro); and 01-1-385100-0581 (core funding).

It is noted that during the 2016 budget process, this Division has already proposed a 3.42% reduction in its overall net operating costs. This proposal would see expenditures further reduced by an additional 3.2%.

ACCESSIBILITY IMPLICATIONS (AODA):

N/A

ROLL NUMBER AND/OR REFERENCE NUMBER:

562705002802800

Submitted by:



Mark Jensen, BA, MPL, MCIP, RPP
Director of Community & Development Services

CAO RECOMMENDATION: Yes No

Comments:

Date: February 4, 2016



Joe Torlone
Chief Administrative Officer