

Mission Statement

Freedom to Discover

Strategic Priorities

*A Community Beacon Relevant and Responsive
A Creative and Changing Organization*

HAMILTON PUBLIC LIBRARY BOARD

**Regular Board Meeting
Wednesday, October 16, 2013
Central Library, Board Room**

5:30 p.m. Dinner
6:00 p.m. Meeting

AGENDA

1. Discussion Period

1.1 Hamilton Gallery of Distinction Awards Dinner – KH

1.2 Board Tour of Library Branches - KH

2. Acceptance of the Agenda

3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, September 18, 2013

Attachment #3

4. Presentations

4.1 eBook Demographics - MC

4.2 Overview of Library Technology – LB

4.3 Low Barrier/Customer Access Cards – LB

5. Consent Items

5.1 Staff Day 2014 – LD

Attachment #5.1

Suggested Action: Recommendation

6. Business Arising

6.1 Development Charges – RH/PT

Attachment #6.1

Suggested Action: Receive

6.2 Space Study – PT

Oral Report

7. Correspondence

8. Reports

8.1 Chief Librarians Report

Attachment #8.1

Suggested Action: Receive

9. New Business

9.1 2014 Operating Budget - RH

Attachment #9.1

Suggested Action: Receive

9.2 Waterdown Sorter – LB

Attachment #9.2

Suggested Action: Recommendation

9.3 Digitization of Vernon's Hamilton City
Directories - MC

Attachment #9.3

Suggested Action: Recommendation

10. Private and Confidential

11. Date of Next Meeting

Wednesday, November 20, 2013

Central Library, Board Room, 5th Floor

5:30 p.m. Dinner

6:00 p.m. Meeting

12. Adjournment

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HAMILTON PUBLIC LIBRARY BOARD

Regular Board Meeting
Wednesday, September 18, 2013
Central Library, Board Room
5:30 p.m. Dinner
6:00 p.m. Meeting

MINUTES

PRESENT: Jennifer Gautrey, David Simpson, Nicolas van Velzen,
Suzan Fawcett, Wenda Tulloch, Councillor Pearson,
Clare Wagner, George Geczy, Richard Bagdonas

REGRETS: Councillor Jackson, Mary Ann Leach

STAFF: Paul Takala, Lisa DuPelle, Robin Hewitt, Lita Barrie,
Michael Ciccone, Karen Anderson, Karen Hartog

GUESTS: Ottawa Public Library Representatives, Dawna Wark,
Charles Dune, MHPM, John Alley, MHPM, Julianna McCormick

Ms Gautrey called the meeting to order at 6:03 p.m.

1. Discussion Period

1.1 Ottawa Public Library visit

Ottawa Public Library was welcomed to the meeting to tour the Central Library as looking for a renovation of the Ottawa Public Library Central Library.

1.2 Telling Tales

Ms Gautrey reported on the 5th annual Telling Tales Festival.

1.3 October Meeting, Library Board Picture

A group photo is scheduled for the October 16th Library Board meeting.

2. Acceptance of the Agenda

Move 9.2 to follow 4.2

MOVED by Mr. Geczy, seconded by Ms Fawcett,

THAT THE AGENDA BE ACCEPTED AS PRESENTED.

MOTION CARRIED.

3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, June 19, 2013

MOVED by Mr. vanVelzen, seconded by Councillor Pearson,

THAT THE MINUTES OF WEDNESDAY, JUNE 19, 2013 MEETING BE ADOPTED AS PRESENTED.

MOTION CARRIED.

4. Presentations

4.1 Space Planning Study – PT, J. McCormick, MHPM Guests

Charles Dune and John Alley were welcomed to the Library Board meeting and provided an preliminary overview of the space planning study currently being conducted for Central.

4.2 Summer Reading Program – LB, M. Johnson

Ms Johnson provided the highlights of the 2013 Summer Reading Club program.

5. Consent Items

Library Board members requested that item 5.2 be pulled from consent items and moved to the new business section for discussion.

MOVED by Councillor Pearson, seconded by Mr. Bagdonis,

THAT CONSENT ITEM 5.1 BE APPROVED AS PRESENTED.

MOTION CARRIED.

5.1 Christmas & New Year Closures 2014 – LD

THAT THE HAMILTON PUBLIC LIBRARY BOARD APPROVES THE FOLLOWING CHRISTMAS/NEW YEARS CLOSURE PERIODS FOR 2014:

ALL LOCATIONS OF THE HAMILTON PUBLIC LIBRARY WILL CLOSE SUNDAY DECEMBER 21ST AND REOPEN ON DECEMBER 22ND. ALL LOCATIONS OF THE HAMILTON PUBLIC LIBRARY WILL CLOSE DECEMBER 24TH AT 1300HRS AND WILL REMAIN CLOSED THROUGH TO DECEMBER 26TH AND

THAT THE LIBRARY REOPEN ON DECEMBER 27TH AND SERVICE HOURS BE ADJUSTED THROUGH DECEMBER 31ST AS NOTED BELOW, AND THAT THE LIBRARY WILL RE-OPEN JANUARY 2, 2015.

5.2 YTD Variance Report

THAT BUDGET VARIANCE REPORT AS AT JULY 30, 2013 AND ESTIMATE TO DECEMBER 31, 2013 BE RECEIVED FOR INFORMATION.

6. Business Arising

6.1 Accessibility Policy

MOVED by Mr. vanVelzen, seconded by Ms Fawcett,

THAT THE UPDATED ACCESSIBILITY FOR CUSTOMERS AND EMPLOYEES WITH A DISABILITY POLICY BE APPROVED.

MOTION CARRIED.

7. Correspondence

7.1 2014 Budget Submission

MOVED by Ms Fawcett, seconded by Ms Wagner,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD
CORRESPONDENCE BE RECEIVED FOR INFORMATION.**

MOTION CARRIED.

8. Reports

8.1 Chief Librarians Report

MOVED by Mr. Bagdonas, seconded by Ms Tulloch,

**THAT THE CHIEF LIBRARIANS REPORT BE RECEIVED FOR
INFORMATION.**

MOTION CARRIED.

9. New Business

9.1 Collection Agency Statistics

MOVED by Mr. vanVelzen, seconded by Ms Wagner,

**THAT THE COLLECTION AGENCY STATISTICS REPORT BE
RECEIVED FOR INFORMATION.**

MOTION CARRIED.

9.2 Day Services Pilot Project

MOVED by Ms Tulloch, seconded by Ms Wagner,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD
AUTHORIZES THE CHIEF LIBRARIAN TO ENTER INTO A
MEMORANDUM OF UNDERSTANDING WITH WESLEY
URBAN MINISTRIES.**

THAT AN AMOUNT NOT TO EXCEED \$50,000 FROM THE LIBRARY'S HAMILTON COMMUNITY FOUNDATION SPECIAL GIFTS FUND BE ALLOCATED TO COVER ALL COSTS ASSOCIATED WITH THE HPL DAY SERVICES PILOT PROJECT.

MOTION CARRIED.

9.3 Capital Variance Report

MOVED by Councillor Pearson, seconded by Ms Fawcett,

THAT THE CAPITAL VARIANCE REPORT AS AT JUNE 30TH, 2013 BE RECEIVED FOR INFORMATION.

MOTION CARRIED.

9.4 Binbrook Library Project

MOVED by Ms Fawcett, seconded by Mr. Geczy,

THAT THE PREVIOUSLY PLANNED RENOVATION / EXPANSION OF THE BINBROOK LIBRARY BE REPLACED WITH A COMPLETE REBUILD IN PLACE OF THE EXISTING BUILDING.

MOTION CARRIED AS AMENDED.

9.5 2014 Development Charge Study

Library Board members expressed concerns about the formula for calculating development charges. It was suggested to have a City representative attend a board meeting to answer questions. Library Board members were requested to send any questions to Ms Gautrey.

MOVED by Mr. Bagdonas, seconded by Ms Tulloch,

THAT THE DEVELOPMENT CHARGES SUBMITTED TO THE CITY FOR THE 2014 DEVELOPMENT STUDY BE APPROVED.

MOTION CARRIED.

9.6 2014 Capital Budget Submission

MOVED by Ms Fawcett, seconded by Mr. Geczy,

THAT THE CAPITAL BUDGET SUBMISSION TO REBUILD THE BINBROOK LIBRARY REQUIRING AN ADDITIONAL \$658,500 IN LIBRARY RESERVES (106008 LIBRARY MAJOR CAPITAL PROJECTS) AND \$450,000 IN CITY CAPITAL, BE APPROVED TO BE SUBMITTED TO THE CITY OF HAMILTON FOR INCLUSION IN THE 2014-2023 CAPITAL BUDGET.

THAT THE CAPITAL BUDGET SUBMISSION TO RENOVATE THE DUNDAS LIBRARY BE APPROVED TO BE SUBMITTED TO THE CITY OF HAMILTON FOR INCLUSION AND IDENTIFICATION FOR THE 2015 CAPITAL BUDGET PROCESS.

MOTION CARRIED.

9.7 YTD Variance Report

MOVED by Mr. vanVelzen, seconded by Ms Fawcett,

THAT BUDGET VARIANCE REPORT AS AT JULY 30, 2013 AND ESTIMATE TO DECEMBER 31, 2013 BE RECEIVED FOR INFORMATION.

MOTION CARRIED.

10. Private and Confidential

MOVED by Councillor Pearson, seconded by Ms Fawcett,

THAT THE HAMILTON PUBLIC LIBRARY BOARD MOVE IN-CAMERA TO DISCUSS LABOUR RELATIONS.

MOTION CARRIED.

MOVED by Ms Fawcett, seconded by Mr. Bagdonas,

THAT THE IN-CAMERA SESSION BE ADJOURNED.

MOTION CARRIED.

MOVED by Mr. Geczy, seconded by Ms Wager,

THAT THE NEGOTIATED TENTATIVE AGREEMENT BETWEEN THE HAMILTON PUBLIC LIBRARY BOARD AND THE CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL 932 (CUPE 932) FOR THE PERIOD JANUARY 1, 2013 TO DECEMBER 31, 2016 BE APPROVED.

MOTION CARRIED

11. Date of Next Meeting

Wednesday, October 16, 2013

Central Library, Board Room, 5th Floor

5:30 p.m. Dinner

6:00 p.m. Meeting

12. Adjournment

MOVED by Councillor Pearson, seconded by Mr. vanVelzen,

THAT THE HAMILTON PUBLIC LIBRARY BOAD MEETING OF WEDNESDAY, JUNE 19, 2013 BE ADJOURNED.

MOTION CARRIED.

The meeting was adjourned at 9:30p.m.

Minutes recorded by Karen Hartog.



Date: October 16, 2013
To: Chair and Members of the Board
c.c. Paul Takala, Chief Librarian
From: Lisa DuPelle, Director Human Resources
Subject: **Staff Professional Development Day**

RECOMMENDATION:

That the Hamilton Public Library Board authorize the one-day closure of the system on a date to be determined in 2014 by management in order that a staff professional development day be held.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The Hamilton Public Library conducted a one-day training session in 2008, 2010, 2012 and 2013, plus a half-day session in 2009. All sessions have resulted in very positive feedback from staff at all levels. The purpose of the closure is to allow all staff to attend various training sessions. Staff Day is an efficient means of sharing information and allowing staff to participate in a range of professional development opportunities including seminars relating to delivering public service and discussions about the opportunities and challenges public libraries in future will face.



Date: October 16th, 2013
To: Chair and Members of the Board
c.c. Paul Takala, Chief Librarian
From: Robin Hewitt, Director, Finance and Facilities
Subject: **Development Charge Update**

RECOMMENDATION:

That the attached Development Charge Update be accepted for information.

That staff provide the Library Board with an annual update on the status of Development Charges collected for HPL and the reserve balances.

BACKGROUND:

The Development Charge Report was brought to the Hamilton Public Library Board in September 2013. The report generated numerous questions and a request for follow-up information, which has resulted in the need for this report.

Development Charge Reserve Balances

The current Development Charge By-law came into effect in 2004. As a result, two development charge reserves were set up for the library. The first reserve (110322) is funded by residential development charges, and second (110323) from non-residential development charges.

To date, the Development Charge Reserves are overdrawn by \$1,898,765 combined. \$8,562,074 has been collected and \$10,460,838 has been paid out. The chart below outlines what the development charges have funded. The debt repayment is for the Westdale Branch renovations, the Barton Branch renovations, Central first floor improvements and the construction of Turner Park.



Development Charges	
Life to Date Collected	- 8,562,074
Life to Date Paid	<u>10,460,838</u>
Deficit	<u><u>1,898,765</u></u>
DC's Paid	
Waterdown	6,223,000
Lynden	1,212,000
Binbrook	1,450,000
Dundas	85,000
Debt Repayment	<u>1,490,838</u>
	<u><u>10,460,838</u></u>

A blue curved arrow starts at the right side of the 'Life to Date Paid' value (10,460,838) and points downwards to the right side of the 'DC's Paid' total (10,460,838).

Development Charge Report To Council

As outlined in By-law 09-143 (Development Charge By-law), the General Manager of Corporate Services shall, in each year prior to June 30 thereof, commencing June 30, 2010 for the 2009 year, furnish to Council a statement in respect of the reserve funds required by the Act for the services to which this By-law relates, for the prior year, containing the information set out in Section 43 of the Act and Section 12 of the Regulation. The most recent report, dated May 13, 2013 is attached. The attached report reflects the status of DC reserves as of December 31, 2012 while the table above reflects our balance as of September 31, 2013. The table includes the transfer of \$1.6 million for Waterdown and other transfers made in 2013. Going forward, staff will provide the Hamilton Public Library Board a copy of this report in their annual Development Charge Update.

Hamilton Public Library's Request for Development Charges

The Hamilton Public Library Board submits their requests for development charges for the planned future growth of libraries. The requests are scrutinized by the City's consultant and must be defensible. The requests should coincide with the Library's Facilities Master Plan. The Hamilton DC Growth Forecast (see Attachment B) should be used in conjunction with Library planning.



CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT *Financial Planning & Policy Division*

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: May 13, 2013	
SUBJECT/REPORT NO: Development Charges Reserves Status Report as of December 31, 2012 (FCS13035) (City Wide)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services	PREPARED BY: Adam Smith 905-546-2424 ext .1434
SIGNATURE:	

RECOMMENDATION

- (a) That the “Development Charges Reserves Policy”, attached as Appendix “D” to Report FCS13035, be approved to replace the existing policies for Development Charges Reserves.
- (b) That Report FCS13035 “Development Charges Reserves Status Report as of December 31, 2012” be forwarded to the Ministry of Municipal Affairs and Housing;

**SUBJECT: Development Charges Reserves Status Report as of December 31,
2012 (FCS13035) (City Wide) - Page 2 of 8**

EXECUTIVE SUMMARY

As per requirements of the Development Charges Act 1997, as amended, an annual report of Development Charges (DC) reserves activity must be provided to Council. A copy of the report must also be provided to the Minister of Municipal Affairs and Housing.

This Report summarizes the changes in the DC reserves for the year ended December 31, 2012. The consolidated DC reserves balance as of December 31, 2012 was \$52.75 million. This is an increase in the consolidated DC reserves balance of over 40% from December 31, 2011.

Collections totalled \$59.65 million for 2012, \$15.86 million more than 2011, reflecting an increase from 1,202 to 1,645 in new development building permits over the same period.

Residential DC collections increased from \$34.7 million in 2011, to \$47.8 million in 2012, while non-residential DC collections increased from \$7.1 million in 2011 to \$11.9 million in 2012, an increase of over 50%.

Table 1 of Report FCS13035 provides a summary of inflows and outflows to the DC reserves in 2012 resulting in a consolidated balance of \$52.75 million.

TABLE 1

Balance as of January 1, 2012		\$ 37.95
<i>Funding inflows:</i>		
Interest	\$ 1.23	
Collections	\$ 59.65	
DC Exemption for Water, Wastewater and Storm Water	\$ 8.26	
Sub total of inflows	<u>\$ 69.14</u>	
<i>Funding outflows:</i>		
External Debt Payment	\$ 11.36	
Other Transfers	\$ 0.87	
Capital Financing	\$ 42.12	
Sub total of outflows	<u>\$ 54.35</u>	
Balance as of December 31, 2012		<u>\$ 52.75</u>

While a typical municipal reserve fund sustainability strategy dictates healthy minimum balances, DC reserve balances need not follow a similar strategy. Whereas other reserves generally generate revenues and are followed by an outlay or expenditure, the reverse is true for DCs. Municipalities require most growth infrastructure prior to full development completion; therefore revenues lag expenditures. This may be mitigated by payment requirements at the plan of subdivision/site application agreement stage. Financing over longer terms also reduces the negative impact that large dollar growth

**SUBJECT: Development Charges Reserves Status Report as of December 31,
2012 (FCS13035) (City Wide) - Page 3 of 8**

capital requirements have on DC reserves. Also, municipalities may not have the financial capacity to fund DC revenues lost due to exemptions, thus contributing to negative balances.

Table 2 of Report FCS13035 provides a summary of DC activity in 2012 within each of the service-related DC reserves. Summaries of each individual DC reserve can be found in Appendix "A" to Report FCS13035.

TABLE 2

CONSOLIDATED SUMMARY DEVELOPMENT CHARGE RESERVE FUNDS PERIOD OF JAN 1, 2012 TO DEC 31, 2012							
Positive values indicate a cash balance, negative values indicate a deficit balance							
	Balance as of 1-Jan-12 \$	Interest \$	Collections \$	External Debt \$	Other Transfers* \$	Capital Financing \$	Balance as of 31-Dec-12 \$
Water, WW, Storm	62,355,521	1,715,479	36,464,212	(3,329,643)	7,887,468	(43,357,832)	61,735,205
Roads	(18,875,256)	(430,936)	14,575,276	(6,846,140)	-	2,828,020	(8,749,035)
Transportation	(555,311)	(15,590)	601,356	(61,178)	-	(541,673)	(572,397)
Emergency	(1,822,938)	(19,810)	1,047,338	(820,569)	161,656	1,576,550	122,226
Recreation	(3,295,566)	(47,094)	3,731,198	(281,493)	323,311	(1,166,555)	(736,199)
Admin	(2,609,273)	(73,387)	548,812	(16,013)	(24,000)	(1,446,873)	(3,620,734)
OPA 28 Fee	891,026	29,510	430,839	-	-	(2,289)	1,349,086
Burlington Roads SAC	1,498,895	40,155	(459,605)	-	-	(1,800)	1,077,645
Social	1,761,798	55,043	939,257	-	-	(4,714)	2,751,383
Sub-Total	39,348,896	1,253,369	57,878,682	(11,355,036)	8,348,435	(42,117,165)	53,357,180
GO Transit	-	4,574	371,316	-	(375,890)	-	-
Developer Recoveries	(1,394,941)	(24,440)	1,394,799	-	(584,975)	-	(609,557)
Consolidated Total	37,953,955	1,233,503	59,644,797	(11,355,036)	7,387,570	(42,117,165)	52,747,623

* Other Transfers consists of internal debt repayments, internal transfers and rate-supported exemption funding

Staff have taken several corrective measures regarding the service specific DC reserves which have a negative balance (e.g., Roads - Non Residential) to ensure long-term sustainability. These measures include:

- 1) Monitoring Annual Capital Budget submissions for financing total DC exemptions. Levy DC exemptions to date have not been funded; rate-related service DC exemptions have been funded.
- 2) Prioritizing and subsequent rationing of future capital funding requirements from the affected reserves to slow withdrawal amounts.
- 3) Leveraging senior levels of government subsidies to those capital projects which are funded from negative DC reserves (e.g., North Glanbrook Industrial Park).

- 4) Closing of open DC funded projects that have been delayed and returning funding to the relevant DC reserve.
- 5) Issuance of \$25 million dollars of DC-supported debt in 2012 to maintain reserve balances (e.g. Roads – non residential) and preserve cash flow.

Development Charges Reserves Policy

The most recent DC reserves policies were developed in 2005. The proposed updating of this policy will set clearer guidelines for the use of the DC reserves, including minimum balances, borrowings, debt funding, and capital financing.

Alternatives for Consideration – Not Applicable

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial:

The consolidated balance of the DC reserves as of December 31, 2012, was \$52.75 million. However, further analysis reveals the following fiscal issues with DC revenues and associated reserves (refer to Table 3 of Report FCS13035 for details):

- 1) Several of the individual DC reserves have negative balances exceeding two million dollars (Roads Non-Residential \$9.9M; Admin Studies Non-Residential \$3.2M; Outdoor Recreation Residential \$2.4M; Stormwater Non-Residential \$2.2M). These can be attributed to several factors which place pressure on DC reserve balances, including the general pace of development, unfunded exemptions for tax-supported infrastructure and the planned staging of development. Staff have taken several corrective measures regarding the service specific DC reserves which have a negative balance to ensure long-term sustainability (refer to page 3 of Report FCS13035).
- 2) There are 7 DC Reserves with positive balances exceeding two million dollars (Water Services Residential \$17.9M; Wastewater Residential \$13.2M; Water Services Non-Residential \$8.9M; Stormwater Residential \$7.0M; Wastewater Non-Residential \$6.5M; Linear Wastewater Non-Residential \$6.4M; Linear Wastewater Residential \$4.2M). These balances are held in preparation for significant capital funding requirements in the Rates capital program.

**SUBJECT: Development Charges Reserves Status Report as of December 31,
2012 (FCS13035) (City Wide) - Page 5 of 8**

TABLE 3

**Development Charge Service Specific Reserve Balances
as of December 31, 2012**

DC Service	Balance (in \$000's)		
	Res	Non-Res	Total
Water Services	17,876	8,907	26,782
Wastewater Services	13,229	6,450	19,679
LinearWastewater	4,161	6,373	10,534
Storm Water Drainage	6,969	(2,229)	4,740
Roads	835	(9,962)	(9,127)
Public Wks&Roll Stock	546	(168)	378
Transit Services	988	(734)	254
Fire Protection	2,334	(1,775)	559
Police Services	489	(561)	(72)
Outdoor Recreation	(2,380)	(728)	(3,109)
Indoor Recreation	2,624	(190)	2,434
Library Services	43	(105)	(61)
Admin Studies	(434)	(3,187)	(3,621)
Ambulance Services	(240)	(125)	(365)
Homes for Aged	(22)	-	(22)
Health	197	-	197
Social&Child	235	9	244
Housing	2,333	-	2,333
OPA 28 Fee	1,349	-	1,349
Burlington roads SAC	1,078	-	1,078
Airport	(276)	(551)	(826)
TOTAL	51,933	1,424	53,357

- 3) While 2012 development activity picked up relative to 2011, the average pace of growth over the past few years falls short of the "Places to Grow" forecast. Staff will continue to monitor the pace of growth relative to the "Places to Grow" forecast, as it is critical that staff align growth infrastructure construction with ability to pay based on the flow of DC revenues.
- 4) The forecast growth Capital Budget for the next 20 years is dominated by 2 developments: the wastewater plant expansion and associated linear infrastructure and the Airport Employment Growth District. The sheer size of the investment in both areas will require significant debt. DC growth revenue must remain stable relative to forecast in order for the financial plans of both developments to remain sustainable.
- 5) DC exemptions and their impact on foregone DC revenues. Refer to Appendix C to Report FCS13035 for a 5-year analysis (2008 – 2012) of DC exemptions. The foregone revenues of \$39.2 million in that period, as well as future exemptions, will

require that some growth development be deferred and/or funded from non-DC funding sources.

Staffing: None

Legal: None

HISTORICAL BACKGROUND (Chronology of events)

This Report details the 2012 activity in the DC reserves.

The DC revenues were collected through authorization of City-wide DC By-laws 09-143, as amended, and 11-175, as amended, which were passed by Council in 2009 and 2011, respectively. Collections under By-laws 09-143, as amended, and 11-175, as amended, are deposited into City-wide reserves.

GO Transit DC By-law 11-174, as amended, was also passed in 2011 to recover the growth-related share of the City's annual contribution to GO Transit's growth capital budget. Collections under the GO Transit DC By-law are deposited into a reserve separate from the City-wide DC reserves and are to be used solely to fund the City's contribution to GO Transit's growth-related capital budget.

Appendix A to Report FCS13035 summarizes 2012 activity for each DC reserve.

The existing DC reserve policies were developed in the mid 2000's, and are due to be updated in order to reflect best practices, and set guidelines to assist in ensuring the sustainability of the DC reserves.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

The Development Charges Reserves Status Report is required under the DC Act. The DC By-laws call for this Report to be provided to Council by June 30th of the year following the year being reported upon (Report for 2012 to be provided to Council by June 30th, 2013).

RELEVANT CONSULTATION

Not Applicable.

**SUBJECT: Development Charges Reserves Status Report as of December 31,
2012 (FCS13035) (City Wide) - Page 7 of 8**

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

The total consolidated balance of the City's DC reserves as of December 31, 2012, was \$52.75 million, which is summarized in Table 1 of Report FCS13035.

Revenues increased by 14%, or \$15.86 million, in 2012 over 2011. A portion of this can likely be attributed to a significant increase in 2012 permits issued. An additional \$1.23 million in interest revenue was earned.

Transfers totalling \$7.39 million were made into the reserves in 2012, primarily as a result of DC exemption funding from the rate budget and internal debt repayments. Partially offsetting the transfers into the DC reserves were transfers out of reserves for GO Transit and the Waterdown/Dundas Special Area Charge payments.

Capital financing of growth-related projects (Appendix "B" to Report FCS13035) totalling \$42.12 million were funded from the consolidated DC reserves balance in 2012; \$43.36 million of which funded rate-supported projects. Tax levy supported services saw \$1.24 million returned to reserves from project closings and debt issuance proceeds. An additional \$11.36 million was applied to debt financing.

Table 4 of Report FCS13035 illustrates the increase in building permit activity from 2011 to 2012.

**TABLE 4
New Development Building Permit Activity 2012 vs 2011**

Year	Residential	Commercial	Industrial	Total
# Permits				
2012	1,499	80	66	1,645
2011	1,058	65	79	1,202
Change in Permits	42%	23%	-16%	37%
Construction Value				
2012	\$ 592,848,930	\$ 97,844,665	\$ 147,206,171	\$ 837,899,766
2011	\$ 368,503,563	\$ 62,774,277	\$ 21,949,001	\$ 453,226,841
Change in Construction Value	61%	56%	571%	85%
Average Construction Value per Permit				
2012	\$ 395,496	\$ 1,223,058	\$ 2,230,397	\$ 509,362
2011	\$ 348,302	\$ 965,758	\$ 277,835	\$ 377,061
Change in Average Value	14%	27%	703%	35%

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

Not Applicable.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

- 1.1 Continue to grow the non-residential tax base.
- 1.2 Continue to prioritize capital infrastructure projects to support managed growth and optimize community benefit.
- 1.6 Enhance Overall Sustainability (financial, economic, social and environmental).

APPENDICES / SCHEDULES

Appendix "A" – Development Charges Reserves Status Report as of December 31, 2012

Appendix "B" – Development Charges Funded Projects for the Year Ended December 31, 2012

Appendix "C" – 5-Year Development Charges Exemption Summary

Appendix "D" – Development Charges Reserves Policy

APPENDIX A to REPORT FCS13035
Development Charges Reserves Status Report as at December 31, 2012

DEVELOPMENT CHARGE RESERVE FUNDS
PERIOD OF JAN 1, 2012 TO DEC 31, 2012

Positive values indicate a cash balance, negative values indicate a deficit balance

DC Reserve #	Description	Balance as at 1-Jan-12 \$	Interest \$	Collections \$	External Debt \$	Other Transfers \$	Capital Financing \$	Balance as at 31-Dec-12 \$
110300	Water Services-Residential	16,584,340	457,854	5,624,825	(536,786)	183,547	(4,438,024)	17,875,756
110301	Water Services-Non Residential	6,888,912	148,128	539,743	(536,786)	3,352,210	(1,485,684)	8,906,524
110302	Wastewater Services-Res	17,535,052	523,382	7,594,352	(54,047)	256,234	(12,625,658)	13,229,316
110303	Wastewater Services-Non Res	7,591,153	130,120	3,027,835	(38,095)	1,735,746	(5,997,088)	6,449,671
110304	Storm Water Drainage-Res	8,378,446	285,542	8,804,127	(1,571,060)	(97,740)	(8,829,872)	6,969,444
110305	Storm Water Drainage-Non Res	(3,206,130)	(93,092)	694,112	(592,870)	553,438	415,192	(2,229,350)
110306	Roads-Residential	(576,718)	13,679	9,910,528	(4,925,804)	-	(3,586,568)	835,118
110307	Roads-Non Residential	(18,269,765)	(448,361)	4,261,096	(1,920,337)	-	-	(9,961,850)
110308	Public Wks&Roll Stock-Res	245,079	9,715	291,775	-	-	(930)	545,640
110309	Public Wks&Roll Stock-Non-Res	(273,851)	(5,969)	111,877	-	-	-	(167,943)
110310	Transit Services-Residential	872,685	23,437	373,456	-	-	(281,673)	987,905
110311	Transit Services-Non Res	(522,045)	(17,025)	65,124	-	-	(260,000)	(733,946)
110312	Fire Protection - Residential	1,055,715	45,069	483,344	(359,242)	161,656	947,381	2,333,923
110313	Fire Protection-Non Res	(2,367,111)	(51,341)	54,479	(41,005)	-	630,000	(1,774,979)
110314	Police Services - Residential	362,170	10,346	432,947	(315,241)	-	(831)	489,390
110315	Police Services-Non Res	(487,549)	(14,571)	46,043	(105,081)	-	-	(561,158)
110316	Outdoor Recreation-Residential	(2,886,720)	(62,360)	1,339,939	-	-	(771,000)	(2,380,142)
110317	Outdoor Recreation-Non Res	(683,468)	(17,690)	13,684	-	-	(41,000)	(728,474)
110320	Indoor Recreation-Residential	769,646	42,889	1,730,097	-	323,311	(241,977)	2,623,966
110321	Indoor Recreation-Non Res	(188,868)	(5,233)	16,536	-	-	(12,500)	(190,065)
110322	Library Services-Residential	(199,032)	(1,853)	625,477	(281,493)	-	(100,078)	43,021
110323	Library Services-Non Res	(107,124)	(2,847)	5,465	-	-	-	(104,506)
110324	Admin Studies-Res	(105,438)	(3,730)	472,662	(16,013)	(14,400)	(767,124)	(434,043)
110325	Admin Studies-Non Res	(2,503,835)	(69,657)	76,149	-	(9,600)	(679,749)	(3,186,691)
110326	Ambulance Services-Residential	(261,593)	(6,156)	27,766	-	-	-	(239,983)
110327	Ambulance Services-Non Res	(124,570)	(3,156)	2,759	-	-	-	(124,968)
110329	OPA 28 Fee	891,026	-	430,839	-	-	(2,289)	1,349,086
110330	Burlington Roads SAC	1,498,895	40,155	(459,605)	-	-	(1,800)	1,077,645
110332	Homes for Aged-Res	(28,177)	(617)	6,771	-	-	-	(22,023)
110334	Health - Res	127,236	3,931	65,821	-	-	(334)	196,653
110336	Social&Child - Res	151,217	4,687	79,377	-	-	(399)	234,882
110337	Social&Child - Non Res	6,405	102	2,789	-	-	(16)	9,280
110338	Housing - Res	1,505,117	46,939	784,499	-	-	(3,965)	2,332,591
110340	LinearWastewater - Res	3,859,025	182,305	7,283,252	-	236,761	(7,400,783)	4,160,560
110341	LinearWastewater - Non Res	4,724,723	81,239	2,895,966	-	1,667,272	(2,995,914)	6,373,285
110342	Airport - Res	(373,629)	(7,976)	137,674	(31,813)	-	-	(275,743)
110343	Airport - Non Res	(532,323)	(14,027)	25,102	(29,365)	-	-	(550,613)
Total Municipal DCs		39,348,896	1,253,369	57,878,682	(11,355,036)	8,348,435	(42,117,165)	53,357,180
GO TRANSIT								
110328	GO Transit	-	4,574	371,316	-	(375,890)	-	-
Total GO Transit		-	4,574	371,316	-	(375,890)	-	-
SPECIAL AREA CHARGES (DEVELOPER RECOVERIES)								
110210	DunWat WW Flw Diver Proj-Res	51,517	1,947	520,731	-	(540,894)	-	33,301
110211	DunWat WW Flw Diver Prj-NonRes	7,343	299	44,081	-	(44,081)	-	7,643
110216	Binbrook Agreement Recoveries	(1,453,801)	(26,687)	829,987	-	-	-	(650,501)
Total Developer Recoveries		(1,394,941)	(24,440)	1,394,799	-	(584,975)	-	(609,557)
GRAND TOTAL		37,953,955	1,233,503	59,644,797	(11,355,036)	7,387,570	(42,117,165)	52,747,623

Note 1 Borrowings from the DC Reserves for non-growth items

\$6 million in non-growth funds related to the Mohawk Sports Park 4-pad Arena were borrowed from DC reserves 110320 and 110312 in 2005 to be repaid over 20 years with interest at 5.245%.

The following illustrates what the year end reserve balances would be without the borrowings and repayments.

Reserve #	110320	110312
2012 year end balance	2,623,966	2,333,923
Less: Borrowings	(4,000,000)	(2,000,000)
Less: Repayments to date	2,828,972	1,414,492
2011 Year End balance adjusted for borrowings	<u>3,794,994</u>	<u>2,919,431</u>

APPENDIX B to REPORT FCS13035

Development Charges Funded Projects for the year ended December 31, 2012 Appendix "B" to FCS13035 Page 2 of 2

Positive values indicate funding, negative values indicate return of funds to reserves											
PROJECT ID	DESCRIPTION	RES DEV. CHARGES*	NON- RES DEV. CHARGES*	DEBT RES DEV. CHARGES YTD	DEBT NON-RES DEV. CHARGES YTD	CURRENT BUDGET CONTRIBUTION	DEBENTURE FINANCING	RESERVE FINANCING	SUBSIDIES	OTHER REVENUES	TOTAL REVENUES
5140580582	PD16 N Wtrdwn Elevated Storage	2,176,365.00	2,176,365.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,352,730
5160329101	Outstanding Debenture-Rates DC	1,758,653.71	743,952.52	(1,508,212.47)	(994,393.76)	0.00	0.00	0.00	0.00	0.00	-
5160366302	Primary Treatment Capacity Exp	12,991,000.00	6,692,000.00	0.00	0.00	(6,600,000.00)	0.00	0.00	0.00	0.00	13,083,000
5160795757	Centennial Trnk Swr-WW14,WW33	4,140,000.00	1,860,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,000,000
5160795784	Twenty PS & Forcemain - HC018	2,070,000.00	930,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,000,000
5180880863	SWMP South 2 QA-QC Pond	1,464,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,464,000
5180980980	SWMP Program	1,610,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,610,000
5180980981	Upper Sherman-Storm Sewer	20,148.30	10,379.43	0.00	0.00	38,000.00	0.00	0.00	0.00	0.00	68,528
5181080091	Rymal-SWMP H8 - Trinity Church	1,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000,000
5181080098	SWMP W20 - Silverwood	760,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	760,000
5181280295	SWMP SM4 - Penny Lane Estates	2,610,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,610,000
5311282001	Expansion Buses ATS	280,000.00	260,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	540,000
6500755703	Various Studies	40,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40,000
7101354104	Ancaster Senior Centre Expand	237,500.00	12,500.00	0.00	0.00	150,000.00	0.00	100,000.00	0.00	0.00	500,000
7400941910	ISF-1728-Training Facility	(951,351.04)	(630,000.00)	6,240,000.00	4,160,000.00	100,000.00	0.00	0.00	(0.60)	0.00	8,918,648
7501241200	Binbrook Library Branch Renos	100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000
8100055003	Zoning By-law Review	0.00	250,000.00	0.00	0.00	0.00	0.00	915,710.00	0.00	0.00	1,165,710
8101255201	Review Guidelines & Policies	40,000.00	40,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80,000
8120955900	Community Planning Studies	509,924.00	0.00	0.00	0.00	100,000.00	0.00	0.00	0.00	0.00	609,924
8121155101	User Fee Review	(10,000.00)	(10,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(20,000)
8141055100	Nodes & Corridors Plans	88,000.00	87,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	175,000
3380955900	2009 Development Charges Study	(1,331.21)	(887.48)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,219)
3620507106	Appraisals-Airport Area Prop	(15,066.83)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(15,067)
4030755740	Windows to the Lake	5,697.15	(75,154.81)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(69,458)
4030955912	U Wellington- Rymal to LINC-EA	(64,000.00)	(64,000.00)	0.00	0.00	0.00	0.00	(39,393.11)	0.00	0.00	(167,393)
4040914008	Annual New Full Traffic Signal	(94,000.00)	(94,000.00)	0.00	0.00	(12,000.00)	0.00	0.00	0.00	0.00	(200,000)
4140746100	City Share of Servicing Costs	(1,293,359.81)	(1,786,068.31)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(3,079,428)
4140846100	City Share of Servicing Costs	(309,133.85)	(1,509,300.55)	0.00	0.00	0.00	0.00	(160,748.00)	0.00	0.00	(1,979,182)
4400256104	AN Shaver Estates Pk Develop	(29,125.00)	(712.54)	0.00	0.00	0.00	0.00	(69,917.82)	0.00	0.00	(99,755)
4400849600	Heritage Green O&M Yard Depot	(32,000.00)	(18,000.00)	0.00	0.00	(5,000.00)	0.00	0.00	0.00	0.00	(55,000)
5160795753	Brow Lands Servicing Study	(270,000.00)	(180,000.00)	0.00	0.00	(35,607.61)	0.00	0.00	0.00	0.00	(485,608)
5160795755	West Ham IBP-WW Servicing Plan	(67,000.00)	(45,000.00)	0.00	0.00	(8,733.04)	0.00	0.00	0.00	0.00	(120,733)
5160795785	First St Wtrdwn PS DC014-WW17	(28,825.33)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(28,825)
5180655646	SWM Monitoring	6,653.53	(43,650.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(36,996)
8100055005	Neighbourhood Plan Review Prog	(39,924.00)	0.00	0.00	0.00	(100,000.00)	0.00	0.00	0.00	0.00	(139,924)
8121255615	Neighbourhood Plan Review	(250,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(250,000)
8300455100	Waterdown Wtshed & Scdary Pln	(31,741.14)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(31,741)
Sub-Total		38,105,924	4,011,241	4,731,788	17,765,606	(2,396,341)	-	2,164,308	9,335,411	73,604	73,791,542


* Includes Work-In-Progress project fund transfers


APPENDIX C to REPORT FCS13035
5 Year Development Charges Exemption Summary

	2008	2009	2010	2011	2012	Totals
By Area						
Hamilton	2,742,982	2,659,125	3,508,739	13,133,595	3,829,271	25,873,713
Stoney Creek	1,659,709	2,166,851	4,823,262	948,553	2,914,589	12,512,964
Flamborough	693,665	379,581	508,523	310,914	1,041,308	2,933,991
Ancaster	814,373	1,542,094	3,041,093	147,606	2,148,423	7,693,589
Glanbrook	327,578	4,620,911	7,797,275	448,493	8,467,842	21,662,099
Dundas	10,363	-	44,016	98,467	110,994	263,840
Total	6,248,670	11,368,562	19,722,908	15,087,628	18,512,427	70,940,195
By Development Type						
Industrial Exemptions	2,315,020	1,872,477	7,807,375	2,037,595	12,779,300	26,811,766
Non-Industrial Stepped Rates & Expansion	3,064,452	1,925,510	2,138,994	1,953,709	1,104,387	10,187,052
Downtown	503,008	-	14,459	1,425,509	585,963	2,528,939
Agricultural Use	20,388	-		108,220	-	128,608
Affordable Housing/Intensification	45,066	344,547		123,435	214,702	727,750
Hospitals		2,265,834	1,931,080	3,359,560	-	7,556,474
Heritage					753,942	753,942
Council Exempted					596,244	596,244
ERASE/Res-Phase In	300,735	4,960,194	7,831,000	4,396,743	988,749	18,477,421
Covered Sports Fields					1,387,488	1,387,488
Places of Worship/Schools		-		1,682,858	101,654	1,784,512
Total	6,248,670	11,368,562	19,722,908	15,087,628	18,512,427	70,940,195
Exemptions Funded from Rates	3,307,000	6,090,000	6,295,000	7,756,162	8,262,061	31,710,223
Net Total of Unfunded Exemptions	2,941,670	5,278,562	13,427,908	7,331,466	10,250,366	39,229,972

Development Charges Reserves Policy		
Policy No: XXX - X	Hamilton	
Page 1 of 3		Approval: 2013-0X-XX

<i>Development Charges Reserves Policy</i>	
POLICY STATEMENT	This Policy sets out the guidelines for the use of Development Charges (DC) reserves funds.
PURPOSE	The objective of the DC reserve funds is to provide for the financing of growth related capital costs as provided for in the DC Background Study and By-Laws.
SCOPE	This Policy applies to the individual DC reserves created as per the Development Charges Act, 1997, and the consolidated DC Reserves, as outlined in this Policy.
DEFINITIONS	The following terms referenced in this Policy are defined as:
“Capital Financing”	Funding transferred from DC reserves to a growth-related Capital project.
“Consolidated DC Reserves”	The consolidated balance of all Individual DC Reserves.
“DC Debt”	Debt issued to cover the DC funding of a project rather than funding by a DC reserve.
“Deferral Agreement”	An agreement entered into between the City and a developer allowing the payment to occur up to 5 years later (or longer under certain conditions).
“Development Charges (DCs)”	Amounts collected from developers prior to building permit issuance in order to cover the growth related capital costs as detailed in the DC Background Study.
“Individual DC Reserve”	Separate and distinct residential and non-residential DC reserves exist for specific DC services
RULES OF USAGE	DCs are used to fund hard and soft services detailed in the DC Background Study and By-Laws, and as approved in the capital budget and long-term forecast.
SOURCE OF FUNDING	<p>Developer Contributions – this includes amounts paid at building permit issuance, as well as deferred contributions (deferral agreements and associated interest on outstanding balance).</p> <p>Interest Income – interest earned on the unused actual cash balance held in the DC reserves.</p>

Development Charges Reserves Policy	 Hamilton	
		Policy No: XXX - X Page 2 of 3
	Rates Budget – funding for exemptions to Rates services.	
FUNDING TARGETS	No target set as balance is a function of development activity and capital financing	
MINIMUM BALANCE	<p>Individual DC Reserves: There shall be no minimum balance for individual DC reserves, however, when the reserve balance reaches a deficit position, the forecast revenues should exceed the forecast capital financing and debt costs over the 10-year forecast.</p> <p>Consolidated DC Reserves: The consolidated DC Reserves balance should exceed the balance of outstanding Deferral Agreements. Should the consolidated DC Reserve balance fall below the balance of the outstanding Deferral Agreements, no further funding for capital financing shall be transferred from any DC Reserve until the consolidated balance exceeds the deferral agreement balance.</p>	
PROJECT FUNDING	<p>Projects identified in the DC Background Study must be funded in accordance with the study, subject to indexing and changes to the scope of the projects.</p> <p>Growth related capital projects not identified in the DC Background Study must have a defensible rationale for the portion of funding to come from DCs, and be included in future DC Background Studies.</p>	
FUNDING FROM DC RESERVES	Projects to be funded by DC reserves should have the funding transferred once the project has been approved by Council, subject to the Minimum Balance requirements outlined in this Policy.	
FUNDING FROM DC DEBT	<p>Projects to be funded from DC Debt will be funded after the project has been completed and the submission for closing approved by Council. Projects to be funded by DC Debt should be identified that way on the Capital Detail Sheet when seeking Council approval for the project.</p> <p>DC Debt funding should not jeopardize the sustainability of the individual DC Reserve, in accordance with the Minimum Balance section for individual DC Reserves.</p>	

Development Charges Reserves Policy		 Hamilton	
Policy No: XXX - X			
Page 3 of 3			Approval: 2013-0X-XX
CHANGING FUNDING FROM/TO DC DEBT TO/FROM DC RESERVES	With the approval of the General Manager of Finance & Corporate Services, funding for DC projects may be changed to DC Debt funding from DC Reserve funding, or from DC Reserve funding to DC Debt funding, as required, in order to maintain the sustainability of the individual DC reserves.		
APPROPRIATIONS OF FUNDING	Appropriations of DC funding from one growth related project to another shall only be allowed in situations where both projects are funded from the same individual DC reserves and DC funding of both projects remains in accordance with the DC Background Study. Any such appropriations are still subject to the Appropriations policy, and/or any other policy which may be applicable.		
BORROWING FROM DC RESERVES	The City may borrow from an individual DC reserve, for non-DC purposes, as long as the individual DC reserve does not go into a deficit position at the time the funds are borrowed. The City shall repay the amount borrowed, plus interest at a rate not less than the prescribed minimum interest rate.		

Updated June 24, 2013

CITY OF HAMILTON

DEVELOPMENT CHARGES INFORMATION

For By-law #09-143, By-law #11-174, and By-law #11-175 (as amended)

This pamphlet summarizes Development Charges By-laws #09-143, #11-174, and Development Charges By-law #11-175 (as amended)

The information contained within is intended only as a guide.

Interested parties should review the by-laws and consult with City of Hamilton staff to determine the charges that may apply to specific development proposals.

DC Policies approved by City Of Hamilton Council do not impact Education DC charges which are controlled and set by the Hamilton-Wentworth Catholic District School Board and Hamilton-Wentworth District School Board, respectively.

Please check with City Staff regarding Parkland Dedication fees which may apply and are separate and distinct from Municipal DCs.

NOTE: Demolition credits are provided at the current DC rates. Schools and Churches are currently exempt from DC charges, therefore DC Credits are zero.

**Rates Effective
July 6, 2013 – July 5, 2014**

DEVELOPMENT CHARGES IN THE CITY OF HAMILTON

Effective July 6, 2013 to July 5, 2014

Purpose of Development Charges:

The purpose of development charges is to recover the growth-related costs associated with the capital infrastructure needed to service new development.

By-Laws for the City of Hamilton:

By-law No. 09-143 (as amended)

By-law No. 11-174 (as amended)

By-law No. 11-175 (as amended)

The service components of the development charges include the following:

By-law No. 09-143

Roads	Libraries	Homes for the Aged
Airport	Fire	Health
Police	Transit	Social & Child Services
Indoor Recreation	Outdoor Recreation	Social Housing
Special Area Charges (i.e. Dundas/Waterdown, Binbrook)		Ambulance
Administration		

By-law No. 11-174

Go Transit Service

By-law No. 11-175

Waste Water Services	Water Services	Stormwater Services
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All Development Charges (other than Dundas/Waterdown and Binbrook Special Area Charges) are indexed annually on July 6th, based on the Non-Residential Building Construction Price Index for Toronto, as provided by Statistics Canada.

Payment of Development Charges:

Development charges are payable at the time of building permit issuance and are collected by the City of Hamilton Building Department. Deferrals are available for all non-residential developments, apartment developments, and residential facility developments for up to a maximum of 5 years. The deferral agreement is subject to interest charges and administration fees.

Transition Policy:

Normally, the development charges rate payable is the rate in effect on the day that the building permit is issued. However, the City's policy is that the development charges rate payable is the rate in effect on the date that a **complete building permit application** is received and accepted by the City, provided that the building permit is **issued within 6 months of the date of a rate increase**. If the building permit is revoked on or after the date of the rate increase, the rates in effect on the date of permit issuance will be payable.

Credits and Exemptions:

Refer to attached pages for rate highlights as well as exemption and credit policies.

Treasurer's Statement:

The City Treasurer prepares an annual statement regarding the use of development charges funds and sets out the balance in each of the development charges reserves.

Copies of By-law and Treasurer's Statement

Copies of the Development Charges By-laws as well as the Treasurer's statement are available from the Clerk's office on the 1st Floor of City Hall, 71 Main St. W., Hamilton, Ontario L8P 5Y4.

For further information regarding development charges, contact:

905-546-2424 Ext 1434 or Ext 2790 – Finance Department, or

905-546-2720 – Building Department

**CITY OF HAMILTON DEVELOPMENT CHARGES
RATES EFFECTIVE JULY 6, 2013 – JULY 5, 2014**

SUMMARY SCHEDULE						
	RESIDENTIAL CHARGES (\$)					Non-Residential (\$) Per Square Foot
	Single-Detached Dwelling & Semi-Detached Dwelling (per Unit)	Apartments 2+ bedrooms (per unit)	Apartments Bachelor & 1 Bedroom (per unit)	Townhouses & Other Multiple unit Dwellings (per unit)	Residential Facility (per Bedroom)	Non-Residential (See Note "a" Below)
City of Hamilton Development Charges (including Municipal-Wide and Urban Area Charges)						
City	28,095	17,346	11,576	20,138	8,809	(See Note a) 16.16
GO Transit	229	141	95	164	74	
Education - HWDSB (Public)	1,040	1,040	1,040	1,040	1,040	0.40
Education- HWCDSB (Catholic)	739	739	739	739	739	0.22
Total	30,103	19,266	13,450	22,081	10,662	16.78
Special Area Charges						
Binbrook SAC (note b)	3,571	2,191	1,464	2,560	1,053	-
Total Binbrook DCs	33,674	21,457	14,914	24,641	11,715	16.78
Dundas SAC (note c)	1,563	1,035	608	1,240	461	1.24
Total Dundas DCs	31,666	20,301	14,058	23,321	11,123	18.02
Waterdown SAC (note c)	1,563	1,035	608	1,240	461	1.24
Total Waterdown DCs	31,666	20,301	14,058	23,321	11,123	18.02

The development charges shown above are applicable to developments located in urban areas. Charges applicable to developments outside the urban area shall be determined with regard to the services required or used by an individual development (ie. Waterworks, waste water)

NOTES:

a) There are 2 categories of non-residential charges – “Industrial” and “Non-Industrial” as defined in the by-law.

The City’s industrial Development Charge is phased in as follows:

July 6/13 to July 5/14: \$8.98 per sq. ft.

For new Industrial Development under 10,000 sq. ft.:
July 6/13 to July 5/14: \$7.07 per sq. ft.

Deduction does not apply to education and special area charges.

New “non-industrial” developments are charged the following City rates:

July 6/13 to July 5/14:

1st 5,000 sq ft: \$8.08 per sq. ft.

2nd 5,000 sq ft: \$12.12 per sq. ft.

10,000+ sq ft: \$16.16 per sq. ft.

Deduction does not apply to education and special area charges

For expansions of “non-industrial” developments already in existence as of July 6, 2011 the following City rates apply:

July 6/13 to July 5/14:

1st 5,000 sq. ft. of expansion: Exempt

5,000+ sq. ft.: \$16.16 per sq. ft.

Exemption does not apply to education and special area charges

b) Land affected by the Binbrook Special Area Charge can be found on page 12

c) Land affected by the Dundas & Waterdown Special Area Charge can be found on page 13

**CITY OF HAMILTON DEVELOPMENT CHARGES
RATES EFFECTIVE JULY 6, 2013 – JULY 5, 2014**

SERVICE COMPONENT BREAKDOWN						
	RESIDENTIAL CHARGES (\$)					Non-Residential (\$) Per Square Foot
	Single-Detached Dwelling & Semi-Detached Dwelling (per Unit)	Apartments 2+ bedrooms (per unit)	Apartments Bachelor & 1 Bedroom (per unit)	Townhouses & Other Multiple unit Dwellings (per unit)	Residential Facility (per Bedroom)	Non-Residential (See Note "a" Below)
Service Component						
Urban Area Charges						
Water Services	3,352	2,077	1,384	2,403	1,087	2.06
WasteWater Services	8,848	5,481	3,655	6,341	2,870	5.45
StormWater Services	5,450	3,377	2,251	3,907	1,768	0.73
Total Urban Area Charges	17,650	10,935	7,290	12,651	5,725	8.24
Municipal Wide Charges						
Roads & Related	6,327	3,880	2,594	4,533	1,867	6.77
Airport	85	72	48	83	34	0.10
Transit	232	123	82	143	60	0.24
Fire Protection	307	189	127	220	90	0.20
Police	268	165	110	193	80	0.17
Outdoor Recreation	850	522	350	611	252	0.05
Indoor Recreation	1,095	672	450	785	323	0.06
Library	390	239	160	280	115	0.02
Administration'	296	182	121	212	86	0.29
Ambulance	18	11	7	12	5	0
Homes for the Aged	4	2	2	3	1	-
Health Services	40	26	17	29	13	-
Social & Child	49	30	20	35	15	0
Social Housing	484	298	198	348	143	-
Total Municipal Wide Charges	10,445	6,411	4,286	7,487	3,084	7.92
Grand Total (Urban Area & Municipal Wide)	28,095	17,346	11,576	20,138	8,809	16.16
Additional Special Area Charges						
Binbrook (note b)	3,571	2,191	1,464	2,560	1,053	
Dundas/Waterdown (note c)	1,563	1,035	608	1,240	461	1.24
GO Transit (City-Wide)	229	141	95	164	74	
Rural Area Deductions (note e)						
No Water Service	3,352	2,077	1,384	2,403	1,087	2.06
No Wastewater Service	8,848	5,481	3,655	6,341	2,870	5.45
No Stormwater Service	5,450	3,377	2,251	3,907	1,768	0.73
Stormwater Management Pond Credit (See note d)	(4,088)	(2,533)	(1,688)	(2,930)	(1,326)	

NOTES:

a) There are 2 categories of non-residential charges – “Industrial” and “Non-Industrial” as defined in the by-law.

The City’s industrial Development Charge is phased in as follows:
July 6/13 to July 5/14: \$8.98 per sq. ft.

For new Industrial Development under 10,000 sq. ft.:
July 6/13 to July 5/14: \$7.07 per sq. ft.

Deduction does not apply to education and special area charges.

New “non-industrial” developments are charged the following City rates:
July 6/13 to July 5/14:

1st 5,000 sq ft: \$8.08 per sq. ft.
2nd 5,000 sq ft: \$12.12 per sq. ft.
10,000+ sq ft: \$16.16 per sq. ft.

Deduction does not apply to education and special area charges

For expansions of “non-industrial” developments already in existence as of July 6, 2011 the following City rates apply:

July 6/13 to July 5/14:
1st 5,000 sq. ft. of expansion: Exempt
5,000+ sq. ft.: \$16.16 per sq. ft.

Exemption does not apply to education and special area charges

b) Land affected by the Binbrook Special Area Charge can be found on Page 12

c) Land affected by the Dundas & Waterdown Special Area Charge can be found on Page 13

d) Stormwater Management Pond credit applies where stormwater management facilities in a particular subdivision have been provided at the cost of the developer as a condition of approval of a plan of subdivision

e) Charges applicable to developments outside the urban area shall be determined with regard to the Urban services required or used

HIGHLIGHTS

INDEXING

Rates shall be indexed on the anniversary date of the DC By-laws (every July 6) by the percentage change recorded in the average annual Non-Residential Construction Price Index produced by Statistics Canada.

INDUSTRIAL

The City's per square foot charge for industrial development has been discounted from the full rate of \$16.16 per square foot. **The industrial development charge rate is currently set at \$8.98 per square foot.**

**For new Industrial Development under 10,000 square feet, the rate will be as follows
From July 6, 2013 – July 5, 2014: \$7.07 per square foot**

For expansions of existing industrial developments, **enlargement up to 50% of existing gross floor area: exempt**; any amount over 50% of existing gross floor area will pay the industrial rate in effect.

NON-INDUSTRIAL (Commercial/Institutional)

The City's non-industrial (commercial/institutional) charge for July 6, 2013 – July 5, 2014 is phased in as follows:

**1st 5,000 square feet: \$8.08 per square foot (50% of charge in effect)
2nd 5,000 square feet: \$12.12 per square foot (75% of charge in effect)
10,000+ square feet: \$16.16 per square foot (100% of charge in effect)**

For expansions of non-industrial developments already in existence as of July 6, 2011 the following City rates apply:

**1st 5,000 square feet of expansion: Exempt
any amount over 5,000 square feet: \$16.16 per square foot**

TRANSITION POLICY

Development Charges are payable upon building permit issuance and the rates payable are based on the rates in effect on the date of building permit issuance.

However, there is a transition policy in effect for developments nearing permit issuance. Under the transition policy, the rates in effect on the date of building permit application may be paid, provided that **all** of the following criteria are met:

- The permit application must be a complete application as per the requirements outlined by the Building Department
- The permit must be issued within 6 months of the effective date of a rate increase
- The permit must not be revoked after the date of a rate increase

Development Charges Exemptions

City of Hamilton & GO Transit Development Charges

*Please note the majority of these exemptions **do not** apply to Education DC's

Residential:

Intensification – Enlargement of an existing residential unit, and Addition of 2 units to an SDU, or 1 unit to any other residential building exempted from DCs

Affordable Housing – Projects receiving senior government or CityHousingHamilton funding (but not receiving funding to cover DC's) 100% exempted

Downtown CIPA Exemption (Map on Page 14) – 90% exemption of DC's otherwise payable if within boundaries (to be applied after all other exemptions and credits are applied)

Farm Help Houses – Considered to be Agricultural Use – 100% exempt - but does not include single detached dwelling on agricultural land.

Student Residence – 50% exemption for student residence built by a University, College of applied arts and technology, other accredited post secondary institution, or accredited private secondary school

Redevelopment of existing residential development – exempt from 50% of DC's generated within the existing building envelope (credit for 100% of previous use) (for example turning an SDU into a rooming house)

Heritage Buildings – redevelopment 100% exempt within the existing building envelope

Non-Residential:

Enlargement of existing Industrial Buildings – Enlargement of up to 50% of existing gfa exempted (attached or detached as long as on same property)

Parking Garage/Structure – 100% exempted

Agricultural Use – 100% exempted for bona fide farming/agriculture uses (see by-law definition for further details)

Place of Worship – 100% exempted (must be exempt from property taxes)

Covered Sports Field – Playing surface and spectator viewing areas 100% exempted (does not include ancillary areas i.e. hallways, changerooms, concessions etc.)

Non-Industrial Expansion – First 5,000 sq ft of gfa for expansion exempt from DCs, can be attached or unattached as long as on same site (original development must exist as of by-law date)

Non-Industrial Stepped Rates – First 5,000 sq ft of development 50% exempt from DC

- 2nd 5,000 sq ft of development 25% exempt from DC (75% payable)
- Over 10,000 sq ft - pay 100% of applicable fee

New Industrial 10,000 sq ft or less - pay \$7.07 per sq ft

ERASE/Brownfield – Exemption for the **lesser** of environmental remediation costs (approved through ERASE grant) or development charges otherwise payable

Academic/Teaching Space – exempt from all City DC's except for the Transit component if development is by a University, other post-secondary school offering a degree or diploma recognized by the Province, or a not-for-profit private elementary or secondary school operated in compliance with Section 16 of the *Education Act*

Public Hospital – Exempt from 50% of the DC's otherwise payable

Heritage Buildings – redevelopment 100% exempt within the existing building envelope

Downtown CIPA Exemption (Map on Page 14) – 90% exemption of DC's otherwise payable if within boundaries (to be applied after all other exemptions and credits are applied)

Education Development Charges Exemptions (Public & Catholic)

Residential:

Intensification – Enlargement of an existing residential unit, and Addition of 2 units to an SDU, or 1 unit to any other residential building exempted from DC's

Non-Residential:

Public Hospital – Exempt from 100% of DC's if receiving aid under *Public Hospitals Act*

Place of Worship – 100% exempted (must be exempt from property taxes)

Non-Residential farm buildings – 100% exempted

Enlargement of existing Industrial Buildings – Enlargement of up to 50% of existing gfa exempted (attached or detached as long as on same property)

CREDITS

Redevelopments

Credits may be provided for full or partial conversions from one use to another.

No Credits are given for Schools, Churches, or other exempt uses.

A credit is allowed for demolitions for a period of 5 years from the date of issuance of the demolition permit.

***Note that for the HWDSB (Public) Education DC, the credit for Residential demolitions expires 2 years from the date of demolition permit issuance.**

The dollar value of the credit is based on the rate in effect at the time of redevelopment and on the exemption status of the demolished/redeveloped building at the time of redevelopment. (i.e. no credit if the demolished building is exempt under the current By-Law)

Brownfield/Environmental Remediation and Site Enhancement (ERASE)

Development Charge credits are available for the redevelopment of a brownfield property that has been approved for an ERASE redevelopment grant and is subject to environmental remediation costs. The amount of credit is equal to the cost of environmental remediation incurred by the owner and can be used to offset development charges owing.

Stormwater Management Ponds

Up to 75% of the Stormwater Management services component will be credited in situation where a permanent/centralized stormwater management facility in a particular subdivision has been provided at the cost of the developer as a condition of approval of a plan of subdivision.

REDEVELOPMENT CREDIT EXAMPLE

		Non Industrial Rate	Industrial Rate	Example 1	Example 2	Example 3
<u>Demolition Credit</u>						
Square feet				50,000	50,000	50,000
Usage				School	Commercial	Industrial
Class				Non-Industrial	Non-Industrial	Industrial
Development Charges	1st 5,000 sq ft	\$ 8.08	\$ 8.98	\$ -	\$ 40,400	\$ 44,900
	2nd 5,000 sq ft	\$ 12.12	\$ 8.98	\$ -	\$ 60,600	\$ 44,900
	Remaining Area	\$ 16.16	\$ 8.98	\$ -	\$ 646,400	\$ 359,200
Education - Public		\$ 0.40	\$ 0.40	\$ -	\$ 20,000	\$ 20,000
Education - Catholic		\$ 0.22	\$ 0.22	\$ -	\$ 11,000	\$ 11,000
Total Credit				\$ -	\$ (778,400)	\$ (480,000)

Development Charge

				20,000	70,000	40,000
Square feet				Commercial	Industrial	Commercial
Usage				Non-Industrial	Industrial	Non-Industrial
Class						
Development Charges	1st 5,000 sq ft	\$ 8.08	\$ 8.98	\$ 40,400	\$ 44,900	\$ 40,400.00
	2nd 5,000 sq ft	\$ 12.12	\$ 8.98	\$ 60,600	\$ 44,900	\$ 60,600.00
	Remaining Area	\$ 16.16	\$ 8.98	\$ 161,600	\$ 538,800	\$ 484,800.00
Education - Public		\$ 0.40	\$ 0.40	\$ 8,000	\$ 28,000	\$ 16,000.00
Education - Catholic		\$ 0.22	\$ 0.22	\$ 4,400	\$ 15,400	\$ 8,800.00
Total Charge				\$ 275,000	\$ 672,000	\$ 610,600

Development Charges Owing	\$ 262,600	\$ -	\$ 136,800
	\$ 8,000	\$ 8,000	\$ -
Education Charges Owing	\$ 4,400	\$ 4,400	\$ -
Total Charges Owing	\$ 267,000	\$ 4,400	\$ 136,800

DEVELOPMENT CHARGES COMPLAINTS PROCEDURES

Complaint to Council of Municipality

A person required to pay a development charges, or the person's agent, may complain to the Council of the municipality imposing the development charge that,

1. the amount of the development charge was incorrectly determined;
2. whether a credit is available to be used against the development charge, or the amount of the credit or the service with respect to which the credit was given, was incorrectly determined; or
3. there was an error in the application of the development charges by-law(s).

Time Limit

A complaint may not be made under subsection (1) later than 90 days after the day the development charge, or any part of it, is payable.

Form of Complaint

The complaint must be in writing, must state the complainants name, the address where notice can be given to the complainant and the reasons for the complaint.

- The complaint should be addressed to the City Clerk with a copy to the Corporate Services Department
- The Corporate Services Department will attempt to resolve the complaint
- If the complaint cannot be resolved by the Corporate Services Department, a staff report will be brought before Council, if necessary.

Council's Powers

After hearing the evidence and submissions of the complainant, the council may dismiss the complaint or rectify and incorrect determination or error that was the subject of the complaint.

Notice of Decision and Time for Appeal

The Clerk of the municipality shall mail to the complainant a notice of the Council's decision, and of the last day for appealing the decision, which shall be the day that is 40 days after the day the decision is made.

Requirements of Notice

The notice required under this section must be mailed not later than 20 days after the day the council's decision is made.

Appeal of Council's decision (s. 22(1))

A complainant may appeal the decision of the council of the municipality to the Ontario Municipal Board by filing with the clerk of the municipality, on or before the last day for appealing the decision, a notice of appeal setting out the reasons for the appeal.

Additional Ground (s.22(2))

A complainant may also appeal to the Ontario Municipal Board if the council of the municipality does not deal with the complaint within 60 days after the complaint is made by filing with the clerk of the municipality a notice of appeal.

Clerk's duties on appeal

If a notice of appeal under subsection 22(1) is filed with the clerk of the municipality on or before the last day for appealing a decision, the clerk shall compile a record that includes,

- (a) a copy of the development charge by-law certified by the clerk;
- (b) the original or a true copy of the complaint and all written submissions and material received in support of the complaint;
- (c) a copy of council's decision certified by the clerk; and
- (d) an affidavit or declaration certifying that notice of the council's decision and of the last day for appealing it was given in accordance with this Act.

Clerk's duties on appeal

If a notice of appeal under subsection 22(2) is filed with the clerk of the municipality, the clerk shall compile a record that includes,

- (a) a copy of the development charge by-law certified by the clerk; and
- (b) the original or a true copy of the complaint and all written submissions and material received in support of the complaint.

Clerk's duties on appeal

The clerk shall forward a copy of the notice of appeal and the record to the secretary of the Ontario Municipal Board within 30 days after the notice is received and shall provide such other information and material that the Board may require in respect of the appeal.

OMB hearing of appeal

The Ontario Municipal Board shall hold a hearing to deal with any notice of appeal relating to a complaint forwarded by the clerk of a municipality.

Parties

The parties to the appeal are the appellant and the municipality.

Notice to parties

The Ontario Municipal Board shall give notice of the hearing to the parties.

Powers of OMB

After the hearing, the Ontario Municipal Board may do anything that could have been done by the council of the municipality under subsection 20(6).

Dismissal without hearing

The Ontario Municipal Board may, where it is of the opinion that the complaint set out in the notice of appeal is insufficient, dismiss the appeal without holding a full hearing after notifying the appellant and giving the appellant an opportunity to make representations as to the merits of the appeal.

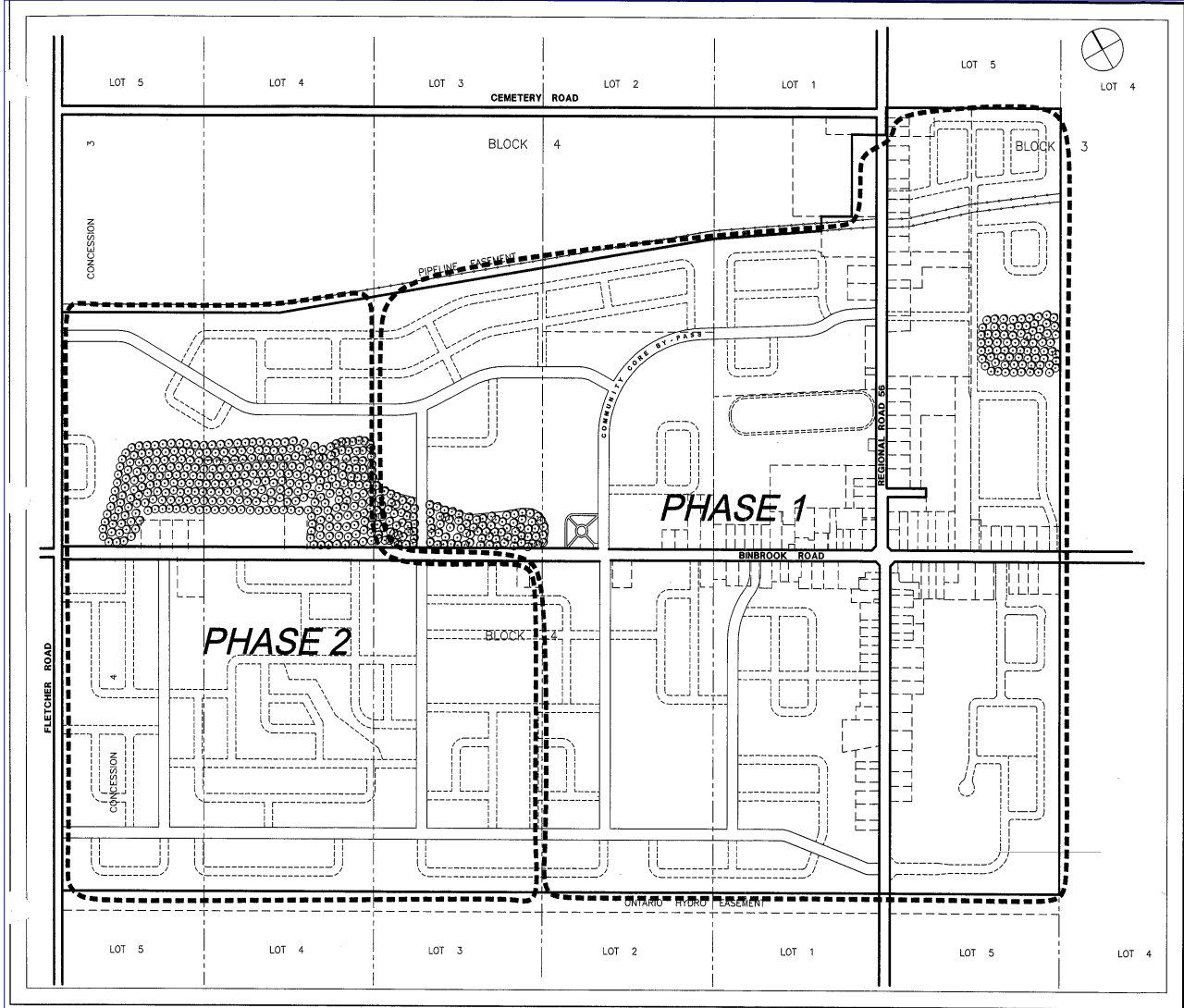
Refund if development charge reduced

If a development charge that has already been paid is reduced by the council of a municipality or by the Ontario Municipal Board, the municipality shall immediately refund the overpayment.

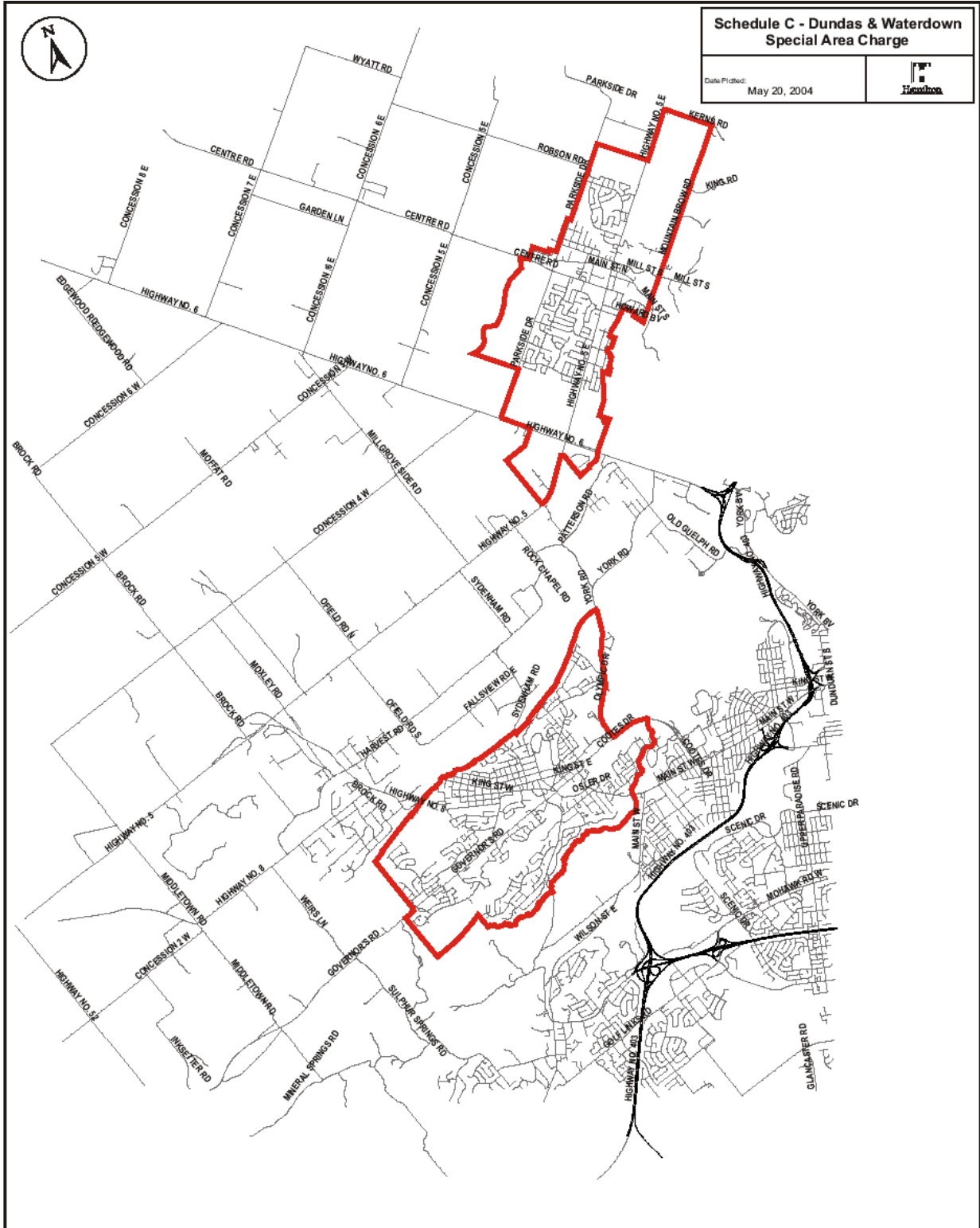
Interest

The municipality shall pay interest on an amount it refunds at a rate not less than the prescribed minimum interest rate from the time the amount was paid to the municipality to the time it is refunded.

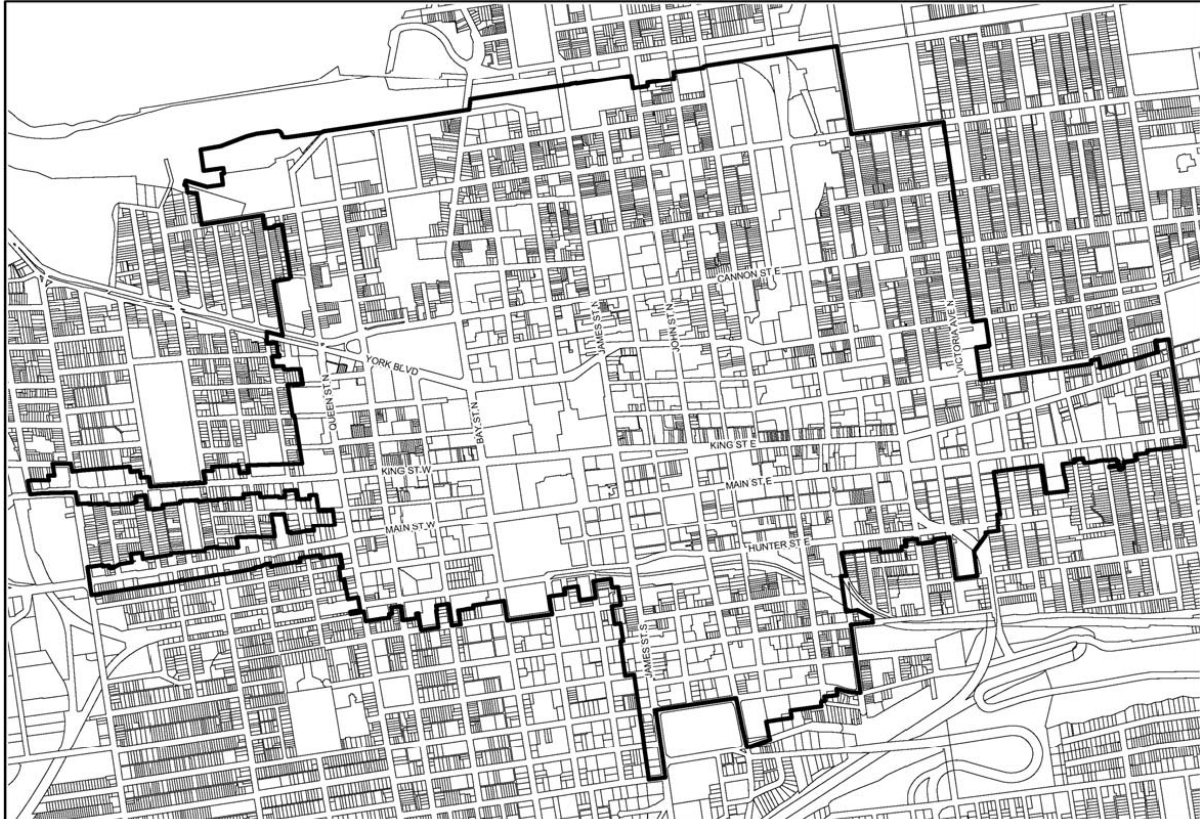
MAP OF LAND AFFECTED BY THE BINBROOK SPECIAL AREA CHARGE



MAP OF LANDS AFFECTED BY THE DUNDAS/WATERDOWN SPECIAL AREA CHARGE



DOWNTOWN HAMILTON COMMUNITY IMPROVEMENT PROJECT AREA



Schedule "A"
Map Forming Part of By-Law No. 12-_____

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Date: January 23, 2012	Map of Downtown Hamilton Community Improvement Project Area
 Not To Scale	Legend  Downtown Hamilton Community Improvement Project Area



Chief Librarian's Report – October 2013

Royal Society of Canada Expert Panel on Libraries

The Royal Society of Canada has established an eleven-member international expert panel to investigate the status and future of Canada's libraries and archives. Ken Roberts, our former Chief Librarian, has been appointed to the panel. The mandate of the panel includes: To investigate what services Canadians, including Aboriginal Canadians and new Canadians, are currently receiving from libraries and archives; To explore what Canadian society expects of libraries and archives in the 21st century; To identify the necessary changes in resources, structures, and competencies to ensure libraries and archives serve the Canadian public good in the 21st century... The report is scheduled to be completed by November 2014 and then will be peer reviewed. More information about the panel can be found at: <http://rsc-src.ca/en/expert-panels/rsc-reports/status-and-future-canadas-libraries-and-archives>

Storytime Programs

The Youth Services Department is currently working with two Western University Faculty of Information and Media Studies Coop Students to refresh the Library's storytime and early literacy programs. The goals of the project are to integrate the principles of the American Library Association's second edition of Every Child Ready to Read and STEAM (science, technology, engineering, arts and math) into the storytime programs and to extend the Library's reach as a leader in early literacy in the City of Hamilton.

HPL Day Service Pilot

The Library Board's approval of the HPL Day Services Pilot project was met with strong support from the City of Hamilton's Day Services Task Force. The MOU with Wesley Urban Ministries is being finalized and the recruitment process for the Social Worker position is underway. The timelines are on track for a launch in late October/ early November.

Central Library Elevator Work

Work on the final elevator at Central has started. The two public elevators (#1 #2) and staff elevator (#3) have all been completed and are working very well. We are pleased to see work on the final elevator (#4) has commenced.

Enhanced Staff Engagement

Discussions with staff earlier this year around the Strategic Plan generated a number of great ideas that we have been working on. One of the key themes that emerged from the discussions was enhancing Staff Engagement to improve library service. We are working on this on a number fronts, one principle we are incorporating into training and Library committee work is ensuring staff can apply for opportunities to participate instead of assigning them. Other Libraries have

found that this approach has lead to a wider range of staff participating in key initiatives.

University of Toronto Information School Boundless Campaign

As part of the University of Toronto iSchool Boundless Campaign eight graduates of the school have been identified with banners to celebrate the work of the school. I am honoured, as Chief Librarian of Hamilton Public Library, to be one of the alumni identified in this campaign with a banner on St. George Street in Toronto. As the public library represented in the campaign, Boundless Service, was the theme that was identified with us. See:

<http://current.ischool.utoronto.ca/news/2013/spy-information-school-street-banners>

Paul Takala
Chief Librarian



Hamilton Public Library

Date: October 16th, 2013
To: Chair and Members of the Board
CC: Paul Takala, Chief Librarian
From: Robin Hewitt, Director, Finance and Facilities
Subject: **2014 Draft Operating Budget**

RECOMMENDATION:

That the attached 2014 Draft Operating Budget be accepted for information.

BACKGROUND:

The final 2014 budget submission will be presented to the Board in November 2013.

The following resolutions were presented to and approved by the General Issues Committee for the City of Hamilton at its meeting on June 19th, 2013.

14. 2014 Tax Budget Guideline and Preliminary Outlook (FCS16048) (City Wide)

(a) That 2014 user fees (excluding golf, transit, ice rental fees and web transaction or convenience fees) be increased by a rate of 2.0% and that any user fee adjustments, other than this rate, include an appropriate explanation when submitted;

(b) That Boards & Agencies be requested to submit a 2014 budget based on a guideline of 0% increase and that any increase be forwarded for consideration with appropriate explanation;

(c) That, consistent with Council direction at the beginning of this term, in an effort to achieve the goal of an overall tax impact of zero per cent for City Services, all City departments target a 2014 budget guideline of 0% increase and in order to consider ways to achieve this target that the following be considered as part of the 2014 budget process:

- (i) Increases required to maintain current service levels be forwarded for consideration with appropriate explanation;
- (ii) Options to modify service levels or reduce services be brought forward based on the Service Delivery Review opportunities and emerging initiatives;
- (iii) Service enhancements, either Council directed or staff initiated, be limited or not considered for 2014.



The Hamilton Public Library is legislated under the Ontario Public Libraries Act.

The attached draft budget was prepared by staff with a view to follow this guideline without a reduction in the level of service. The Council direction for Boards and Agencies in 2013 was 0%, and the Library submitted a budget of 0%.

The 2014 Operating Budget is currently at a requested municipal contribution of \$28,335,240 which is an increase of \$296,640 or 1.1% over the 2013 Restated Operating Budget of \$28,038,600.

	2013 Budget Council Approved	2013 Budget Restated	2013 Forecast	2014 Budget Draft	2014 Draft/Requested vs. CY Restated Budget	
					\$	%
Net Levy	28,038,600	28,038,600	28,038,600	28,335,240	296,640	1.1%
Expense	29,810,460	29,810,460	29,810,460	30,134,210	323,750	1.1%
EMPLOYEE RELATED COST	20,084,480	20,084,480	20,084,480	20,558,840	474,360	2.4%
MATERIAL AND SUPPLY	4,010,600	4,010,600	4,010,600	3,999,240	(11,360)	-0.3%
VEHICLE EXPENSES	64,890	64,890	64,890	67,420	2,530	3.9%
BUILDING AND GROUND	2,313,140	2,313,140	2,313,140	2,318,030	4,890	0.2%
CONTRACTUAL	1,337,150	1,337,150	1,337,150	1,214,650	(122,500)	-9.2%
RESERVES / RECOVERIES	1,675,000	1,675,000	1,675,000	1,640,830	(34,170)	-2.0%
COST ALLOCATIONS	237,430	237,430	237,430	237,430	-	0.0%
FINANCIAL	87,770	87,770	87,770	97,770	10,000	11.4%
Revenue	(1,771,860)	(1,771,860)	(1,771,860)	(1,798,970)	(27,110)	1.5%
FEES AND GENERAL	(605,550)	(605,550)	(605,550)	(632,660)	(27,110)	4.5%
GRANTS AND SUBSIDIES	(1,166,310)	(1,166,310)	(1,166,310)	(1,166,310)	-	0.0%



The following drivers contribute to the budget increase:

HAMILTON PUBLIC LIBRARY - 2014 BUDGET DRIVERS			
Expense/Revenue	Amount	% Increase	Reason
Employee Related	474,360	2.4%	1.9% increase in salary and wage costs, and associated benefits and government contributions
Material & Supply	(11,360)	-0.3%	Reduction in Juvenile Miscellaneous (\$9.36K) and Employee Commuter Pass (\$2K)
Vehicle Expense	2,530	3.9%	Fleet vehicle charges and license fee increases
Building and Ground	4,890	0.2%	Reduction in data line (\$15K), Telephone charges (\$2K), and increase in IP Telephony charges (\$7.03K) and Rent (Lynden) (\$19K).
Contractual	(122,500)	5.8%	Reduction in Contractual Services based on actual spent in 2013 and assumption of decreased pest control costs (\$75K) and reduction in courier costs
Reserves/Recoveries	(34,170)	-2.0%	Reduction in insurance costs (\$6.6K) and Direct Facilities Charges (\$27.9K)
Financial	10,000	11.4%	Credit card charges were not previously budgeted for, but are a current and ongoing cost.
Fees and General	(27,110)	4.5%	Increase in photocopier revenue and miscellaneous revenue based on historical actuals
Total	296,640	1.1%	



To: Library Board
From: Lita Barrie, Director Digital Technology
CC: Paul Takala, Chief Librarian
Subject: Sorter for new Waterdown
Date: October 10, 2013

RECOMMENDATION:

That the Hamilton Public Library Board authorize the issuing of a new Purchase Order for MK Sorting in the amount \$210,000.00 to allow for the ordering of the sorter for the new Waterdown branch. The purchase cost of the unit, excluding taxes, is not to exceed \$210,000.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

- In October 2007, the Library Board approved that a total of \$3,400,000 be allocated to fund implementation (\$620,000 to be funded from Reserve for Library Collections and \$2,780,000 to be funded from Reserve for Library Capital Projects.) There are adequate funds remaining within that allocation to fund the purchase of a sorter for the new Waterdown branch.
- In October 2011, the Hamilton Public Library Board approved MK Sorting Systems as an authorized vendor to provide materials handling systems (sorters).
- The implementation of a sorter at the new Waterdown branch is a core element of the branch design. It is essential to workflow of the operation of the new location with the anticipated increase in volume of circulation when the branch opens. Staff will be freed to provide more value added services such as information, programming and readers' advisory.
- Implementation of a Waterdown sorter machine will comply with the same policies and legislation that govern other RFID implementations at HPL. These include: the Hamilton Public Library *Privacy Policy for Library Users*, the ALA Policy for *Radio Frequency Identification (RFID) Technology and Privacy Principles* and the Information and Privacy Commissioner of Ontario *Guidelines for Using RFID Tags in Ontario Public Libraries*.

BACKGROUND

This Hamilton Public Library's implementation of RFID systems and sorters is mostly complete. This project began in 2007 and included the following components:

- RFID tagging of library materials
- Self check
- Staff RFID stations
- Security gates that read RFID tags
- Sorters (material handling systems) at the busiest locations

The implementation of RFID technology, along with other process improvements, has enabled the Hamilton Public Library to meet significant increases in library usage while controlling costs. We are currently seeing many other public libraries that have not yet implemented RFID now looking to catch-up in order to meet operational challenges.

Authorization to purchase the RFID systems to date has followed the normal City of Hamilton Request for Purchase (RFP) process. After completing an RFP evaluation staff brought reports to the Library Board for approval. These included:

- September 2006 approving Libramation as the vendor to complete RFID at three pilot locations: Ancaster, Dundas and Westdale
- September 2008 approving SirsiDynix who partnered with ITG to implement RFID system-wide including self-checks, staff stations and security gates
- February 2009 approving MK Sorting Systems to implement RFID Automated Material Handling Systems (sorters) at Central, Terryberry and Turner Park

The October 2011 report to the Hamilton Public Library Board specified that the RFID implementation at HPL is mostly complete; however, we know construction projects and operational changes will create the need to purchase additional equipment. The implementation of self-checks and a sorter at the new Waterdown branch were cited as examples.



Hamilton Public Library

Date: October 16, 2014
To: Chair and Members of the Board
c.c. Paul Takala, Chief Librarian
From: Michael Ciccone, Director of Collections
Subject: **Creation of a LHA Digitization and Online Access Fund**

Recommendation:

That the Hamilton Public Library Board approves the allocation of \$100,000 from the General Reserve Funds in support of efforts to digitize collections and improve online access to the resources held in our Local History & Archives Department (LHA).

That the Hamilton Public Library Board approves the expenditure of up to \$13,000 from the Digitization reserves for the digitization of the Hamilton City Directories.

Financial

At the December 21, 2011 Board meeting, the Board received a recommendation to identify envelopes of spending on upcoming Library initiatives as a result of the surplus from the 2011 budget. One of the initiatives identified was "Local History Digitization" and \$100,000 was set aside.

Background

The Local History and Archives Department of the Hamilton Public Library (HPL) is renowned throughout the City of Hamilton and the surrounding areas as the primary source of information about Hamilton's history and heritage. While some of the department's picture collections have been digitized and made available virtually, access to most of the collections still requires an in-person visit to the department.

Beginning with the eBook explosion and the difficulties public libraries have faced in acquiring content and having to agree to terms that limit use, a trend has surfaced that finds libraries turning to their local history collections. These collections contain material that the library often owns and/or to which the library possesses the copyright. It is primary source material that is often exclusive to the library that owns it, and the importance of the material is targeted to the immediate community. Ownership allows libraries the right to digitize the material and share it with the public as they see fit. This trend, added to the advances in technology and the ever-decreasing price of digitization equipment and storage has created a perfect storm for digitization efforts at libraries.

HPLs commitment to increase the online presence of LHA is reflected in the ongoing creation of internal capacity to support departmental initiatives. There is now a manager exclusively responsible for the department, whereas previously, it had been included into larger managerial portfolios. There has been a revision of job descriptions to hire staff with skills in creating digital content, and there has been an addition of capacity from the cataloguing department to oversee the creation of metadata for the content being created. We are also in the process of purchasing appropriate equipment and updating our techniques to meet archiving standards.

While these efforts have benefited the department greatly, the creation of a digital collection in a timely fashion that meets standards set forth in our strategic priorities cannot be accomplished without outside assistance and expertise. We would like to begin contracting with outside firms for larger, more straightforward digitization efforts and other efforts that will improve the customer's ability to access these collections remotely.

A concrete digitization plan will be forthcoming, but for now, certain collections have been identified that we feel would so greatly benefit our customers by being available digitally, that they need not wait any longer. The first of these is the Digitization of the Hamilton City Directories.

The City Directories are one of our most sought after collections in the department, often used by prospective house buyers wanting to research the history of a property. Exposing the directories online would further enhance our digital reputation and lend support to the growth of the City of Hamilton. It will reduce the need for staff to assist customers with searches. We will be digitizing the directories (mostly available on microfilm) dating back to 1853 through the most recent edition. We have received permission from Vernon's Publishing to make available to the public editions still in copyright up through 2000. The directories will be fully searchable online. We have received price quotes from outside agencies specializing in this work and are ready to move forward pending approval by the board.