

## **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, May 17, 2017 Central Library, Board Room**

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

## **AGENDA**

**Guests: Assad Hoosein**

- 1. Discussion Period**
- 2. Acceptance of the Agenda**
- 3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, April 19, 2017** Attachment #3
- 4. Presentations**
  - 4.1 Facilities Update – AH
- 5. Strategic Planning**
  - 5.1 Meeting User Needs IV – PT Attachment #5.1  
**Suggested Action: Receive**
  - 5.2 Strategic Plan Process - PT Attachment #5.2  
**Suggested Action: Receive**
- 6. Consent Items**
  - 6.1 Upcoming and Outstanding Agenda Items - PT Attachment #6.1  
**Suggested Action: Receive**
  - 6.2 Report from the Audit Committee - Attachment #6.2  
**Suggested Action: Recommendation**
  - 6.3 Collections Policy (2<sup>nd</sup> Review) – LB Attachment #6.3  
**Suggested Action: Recommendation**

6.4 Policy Review Manual (2<sup>nd</sup> Review) - PT

Attachment #6.4

**Suggested Action: Recommendation**

**7. Business Arising**

**8. Correspondence**

**9. Reports**

9.1 Chief Librarian's Report – PT

Attachment #9.1

**Suggested Action: Receive**

9.2 2016 Annual Financial Report – TD

Attachment #9.2

**Suggested Action: Receive**

9.3 Facilities Projects Update – AH/TD

Attachment #9.3

**Suggested Action: Receive**

**10. New Business**

10.1 2017 Operating Budget Update – TD

Attachment #10.1

**Suggested Action: Receive**

10.2 Geographic Representation of Usage – MS

Attachment #10.2

**Suggested Action: Receive**

10.3 Service Hours Report – KA

Attachment #10.3

**Suggested Action: Receive**

**11. Policies**

**12. Private and Confidential**

**13. Date of Next Meeting**

Wednesday, June 21, 2017

**Central Library, Board Room, 5<sup>th</sup> Floor**

5:00 p.m. Meeting

7:00 p.m. Annual Chairmen's Dinner

**14. Adjournment**

**Mission Statement**  
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**HAMILTON PUBLIC LIBRARY BOARD**

Regular Board Meeting  
Wednesday, April 19, 2017  
Central Library, Board Room  
5:30 p.m. Dinner  
6:00 p.m. Meeting

**MINUTES**

**PRESENT:** Jennifer Gautrey, Mary Ann Leach, Vikki Cecchetto, Douglas Brown, John Kirkpatrick, Clare Wagner, Suzan Fawcett

**STAFF:** Lisa DuPelle, Karen Anderson, Melanie Southern, Tony Del Monaco, Paul Takala, Sherry Fahim, Karen Hartog

**REGRETS:** George Geczy, Lori-Anne Spence-Smith, Councillor Pearson, Councillor Partridge

**Guests:** Molly Merriman  
Clark Euale

Ms Leach called the meeting to order at 6:05 p.m.

**1. Discussion Period**

1.1 It was reported that the abatement at Dundas has now been completed. There has been a delay and a report from staff will be included in the May agenda.

**2. Acceptance of the Agenda**

**MOVED** by Mr. Kirkpatrick, seconded by Ms Fawcett,

**THAT THE AGENDA BE ACCEPTED AS PRESENTED.**

**MOTION CARRIED.**

**3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, March 15, 2017**

**MOVED** by Mr. Brown, seconded by Ms Wagner,

**THAT THE MINUTES OF THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF WEDNESDAY, MARCH 15, 2017 BE ACCEPTED AS PRESENTED.**

**MOTION CARRIED.**

**4. Presentations**

4.1 Carlisle Feasibility Study

Ms Mollie Merriman provided a draft schematic design for the Carlisle feasibility study.

**5. Strategic Planning**

5.1 Report on Current Strategic Plan

**MOVED** by Ms Fawcett, seconded by Ms Gautrey,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD RECEIVE THIS REPORT FOR COMMENT.**

**MOTION CARRIED.**

5.2 Strategic Planning Process

Direction from the Library Board  
Focus discussion around a special meeting and what that structure will be plus come back with a draft consultation plan for the Library Board to review at the next meeting.

**MOVED** by Ms Cecchetto, seconded by Mr. Kirkpatrick,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD RECEIVE THIS REPORT FOR INFORMATION AND COMMENT.**

**MOTION CARRIED.**

## 6. Consent Items

**MOVED** by Ms Fawcett, seconded by Mr. Kirkpatrick,

**THAT CONSENT ITEM 6.1 AND 6.2 BE APPROVED AS PRESENTED.**

**MOTION CARRIED.**

6.1 That the Upcoming and Outstanding Agenda Items report be received.

6.2 That the Hamilton Public Library Board approve implementation of changes to the current Full-time Non-Union benefit plan to match the CUPE 932 negotiated settlement 2017 and change the drug coverage plan to "Voluntary Generic excluding over the counter drugs".

## 7. Business Arising

There were no business arising items.

## 8. Correspondence

## 9. Reports

9.1 Chief Librarian's Report

**MOVED** by Ms Wagner, seconded by Ms Gautrey,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD RECEIVE THE CHIEF LIBRARIAN'S REPORT FOR INFORMATION.**

**MOTION CARRIED.**

9.2 Annual Report on Revenue Generation

**MOVED** by Mr. Kirkpatrick, seconded by Ms Gautrey,

**THAT THE 2016 ANNUAL REPORT ON REVENUE GENERATION BE RECEIVED FOR INFORMATION.**

**MOTION CARRIED.**

9.3 Q1 Metrics Report

**MOVED** by Ms Fawcett, seconded by Ms Wagner,

**THAT THE LIBRARY BOARD RECEIVE THE QUARTER 1 METRICS REPORT FOR ITS INFORMATION.**

**MOTION CARRIED.**

**10. New Business**

10.1 Correspondence Process

**MOVED** by Ms Wagner, seconded by Ms Gautrey,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD RECEIVE THIS REPORT AND THAT STAFF ARE INSTRUCTED TO UPDATE THE WEBSITE AS REFLECTED IN THIS REPORT.**

**MOTION CARRIED.**

**11. Policies**

11.1 Collections Policy (1<sup>st</sup> Reading)

**MOVED** by Ms Fawcett, seconded by Mr. Kirkpatrick,

**THAT THE ATTACHED COLLECTIONS POLICY BE RECEIVED FOR REVIEW.**

**MOTION CARRIED.**

**12. Private and Confidential**

There were no private and confidential items.

**13. Date of Next Meeting**

Wednesday, May 17, 2017

**Central Library, Board Room, 5<sup>th</sup> Floor**

5:30 p.m. Dinner

6:00 p.m. Meeting

#### 14. **Adjournment**

**MOVED** by Mr. Brown, seconded by Ms Cecchetto,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF  
WEDNESDAY, APRIL 19, 2017 BE ADJOURNED.**

**MOTION CARRIED.**

The meeting was adjourned at 8:00 p.m.

Minutes recorded by Karen Hartog

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**From:** Paul Takala, Chief Librarian/CEO  
**Subject:** **Meeting User Needs IV – 1<sup>st</sup> Review**

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#### **RECOMMENDATION:**

That the Hamilton Public Library Board receive this report for information and comment.

#### **FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

The Strategic Plan provides overall long term direction for the Library. Annually the Chief Librarian/CEO's Goals provide specific objectives for the year. **Meeting User Needs** reports have been used by HPL to provide longer term context for addressing challenges facing Libraries.

#### **BACKGROUND:**

In June 2010 the former Chief Librarian/CEO, Ken Roberts, completed a document called [Meeting User Needs III – Thoughts on our Next Decade](#). That document helped inform the strategic planning process and helped challenge staff to remain focused on ensuring library service continues to evolve to meet new and emerging needs. As part of developing the new strategic plan we have identified the importance of updating the document. The following document **Meeting User Needs IV – Thoughts on our Next Decade** provides several high level assumptions to assist with our longer term planning.

The eight challenges listed in 2010 have been combined into five. Before listing the new challenges and the explanatory statements, the 2010 assumptions have been listed beside the 2017 assumptions. The updated assumptions reflect the reality that we have made significant progress towards addressing the challenges identified in 2010. For example, assumption #3 from 2010 stated: *"More library buildings require renovations than our funding will allow"*. Given the progress we have made towards facility renewal since then, the assumption has been updated to reflect a reality that while still challenging is less ominous. In general, we have attempted to update these to be realistic, balancing the challenges public libraries face while recognizing our strengths and the opportunities the changing environment presents us. A final point to make is in the last 15 years the need for HPL to meet new needs and demands without expecting an increase in our overall funding from the City of Hamilton has become better understood and integrated in our planning. The update assumptions reflect that fact.

The intention is to answer questions and get feedback from the Library Board before asking the Library Board to adopt these at an upcoming meeting.



2010 Assumptions	2017 Assumptions
1. Our very survival as an organization is dependent upon us remaining relevant and vital to the lives of people.	1. With future disruptive changes ahead, libraries will need to continue to focus on enhancing our ability to adapt. The health of our organization will be dependent upon us remaining relevant and vital to the lives of residents and to communities we serve.
5. Current services and processes will continue to change repeatedly.	
6. Future jobs will be less repetitive and will focus more on public service.	
2. All of our funding is vulnerable.	2. There will be significant competition for funding. Operating budgets will continue to be constrained and accessing sufficient capital funding to maintain all our facilities will be an ongoing challenge.
3. More library buildings require renovations than our funding will allow.	
	3. Public libraries are uniquely positioned to contribute to the health, education and prosperity of the communities we serve. To accomplish this we must actively participate in broader community initiatives and avoid working in isolation.
4. Electronic material will soon form a significant portion of our circulation.	4. The trends toward the increasing importance of digital content and growing competition from the private sector to provide access to it will continue. The circulation of physical books will remain a core service and the unique local content held and made accessible by HPL will become increasingly important.
7. Competition from the private sector for services we once considered our exclusive domain will continue to increase.	
8. Privacy/intellectual property issues will become more complex.	5. Network security, privacy and intellectual property issues will become more challenging. With content we control we have an opportunity to model best practices that facilitate effective sharing that creates the maximum benefit to society.

## **2017 ASSUMPTIONS – MEETING USER NEEDS IV**

**Assumption #1: With future disruptive changes ahead, libraries will need to continue to focus on enhancing our ability to adapt. The health of our organization will be dependent upon us remaining relevant and vital to the lives of residents and to communities we serve.**

In the last decade we have seen significant changes in technology that have impacted how we deliver content and services. Looking ahead to the next 10 years changes in technology and society will continue to accelerate and create disruptions. Some of those disruptions can be predicted. For example, we know that advances in technology will lead to more work being performed by machines and demographically the number of seniors in our community will continue to grow. In addition to predictable changes, there will be other rapid and significant disruptions (some positive, some negative) that we cannot identify today. In this landscape the focus should not be on trying to predict all the major trends, but rather to focus on ensuring the public library is an adaptive and resilient organization. The single best preparation we can make for this future is to continue to practice and enhance our ability to be responsive and adaptive.

Customer expectations on how our services should be provided and what those services should be will largely be shaped by their experiences outside of the library. We will continually need to ensure our services are provided in ways that meet their needs and expectations or we will lose them as customers. Investing in staff development will be key. We will need to hire new staff and support existing staff to become lifelong learners who embrace supporting customers changing needs. Flexible facility spaces will continue to be essential. As customer demands change, our facilities will need to change along with them, offering not only flexibility in space usage and layout but also with respect to service hours. To be successful we will need to embrace ongoing evaluation and continual adjustments to our work. Our primary emphasis will need to be on making persistent incremental changes, however, when circumstances dictate we will need to be ready to embrace big challenges and opportunities.

**Assumption#2: There will be significant competition for funding. Operating budgets will continue to be constrained and accessing sufficient capital funding to maintain all our facilities will be an ongoing challenge.**

All levels of government will continue to face significant budget pressures. That is especially true for municipal governments which are the primary funder for public libraries in most of Canada. To continue to be successful at attracting funding we will need to be effective on several fronts. Demonstrating transparency and excellence in financial management will be necessary but insufficient. We will also need to clearly demonstrate how the public library advances government priorities. New and emerging needs will need to be met without increasing our overall staffing and funding levels. To accomplish that we will need to continually internally adjust our

resources and utilize innovation to shift to work of higher value. We will need to compliment our core municipal funding with other sources of revenue.

Current building code standards and the high cost of construction for public buildings will mean most projects will require significant resources. To help defray these costs we will continue to see more emphasis on the development of multi-use facilities. Although HPL has made significant progress towards getting to a more sustainable facility footprint, maintaining all locations to the proper standard will be a challenge. We will need to leverage other investments to attract limited capital dollars. Future capital maintenance costs of existing facilities will need to be carefully considered before pursuing new library locations. As well, investing in regular repairs and lower cost renovations/updates that maintain and enhance existing facilities will need to be an important part of strategy.

**Assumption #3: Public libraries are uniquely positioned to contribute to the health, education and prosperity of the communities we serve. To accomplish this we must actively participate in broader community initiatives and avoid working in isolation.**

With changes in technology and the economy over the last 25 years, public libraries have become more vital to many. Our spaces are increasingly important as community places that provide free access to technology, support lifelong learning and reduce social isolation. Public libraries play a supporting role in advancing the education, culture and health of the communities we serve. We need to recognize that we contribute to good outcomes but we do not work in isolation. Moving forward we will need to continue to advance our maturity at partnering in ways that enable us to support our mission more sustainably while we advance key community initiatives. We have seen that increasingly governments are funding initiatives that can demonstrate meaningful collaboration. Collaborations are necessary when trying to address complex issues and they can play an important role at reducing the duplication of effort between different agencies. As we continue to evolve our program and service offerings to meet new needs we must work with governments, educational institutions and other organizations that align with our mission.

**Assumption #4: The trends toward the increasing importance of digital content and growing competition from the private sector to provide access to it will continue. The circulation of physical books will remain a core service and unique local content held and made accessible by HPL will become increasingly important.**

The proliferation of tablets and quality eReaders around 2010 led to a rapid adoption of eBooks. That shift was seen in public libraries and the broader book industry. After seeing several years of what appeared to be exponential growth in digital usage we are now seeing modest growth overall. Our current eBook circulation is constrained by the cost and terms with which publishers make eBooks available to public libraries. Some progress has been made with publishers over the last few years but more work needs to be done. HPL will need to continue to be engaged

nationally on this issue with other libraries. Looking at the shift from physical to digital formats, we should anticipate the physical book will be a more enduring popular format than DVDs and other physical media that provide access to music or video. Looking forward we will need to carefully and continually monitor trends to ensure we are purchasing materials in the formats that people want. We will also need to ensure we understand the local picture and anticipate different trends may happen in different parts of the City.

Services such as Amazon, Netflix, iTunes and Audible demonstrate that the private sector can successfully provide access to large libraries of digital content at relatively low cost. We will need to continue to monitor usage patterns and market developments to ensure the public library continues to provide free access to a broad range of content for a large and diverse group of residents. One likely outcome of this development will be that some residents, especially those with financial resources, may not need the public library for many of their digital content needs. In this case other library services may become important for those individuals, such as, our spaces, technology access, storytimes, learning programs and cultural events. In this environment we will need to continually assess the amount of space our collections take-up and ensure we have the right balance in how our spaces are configured.

In this changing content landscape, the importance of local content should not be underestimated. The role our Local History & Archives Department plays in preserving local history and telling local stories resonates strongly with residents. Our relevance is enhanced by expanding access to this material through digitization and by the Library supporting the creation of new digital content. As we foster the ability for people to move from content consumers to content creators we nurture the skills needed to succeed in the workplace, we help people find their own unique voice and build a stronger more inclusive community.

**Assumption #5: Network security, privacy and intellectual property issues will become more challenging. With content we control we have an opportunity to model best practices that facilitate effective sharing that creates the maximum benefit to society.**

With the increasing sophistication and proliferation of hacking, public libraries will need to be diligent to ensure privacy is protected and the integrity of our information systems is preserved. We should anticipate we will need to dedicate more resources and attention to keeping our systems secure as new threats emerge.

Libraries facilitate access to copyrighted material. As new technologies emerge that make it easier to share, modify and edit content, the content publishers will continue to face challenges to their business models and will push for legal protections including restrictions on fair use. Libraries have a unique role to play in advocating for copyright rules that effectively balance the rights of copyright holders with the rights of users.

As HPL facilitates the creation of local content we need to ensure the licenses they are made available under are as open as possible given the circumstances. To facilitate

access to some material where we do not own the copyright we will need to develop agreements that are mutually beneficial. We should continue to use and embrace standards such as the Creative Commons licenses.

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**From:** Paul Takala, Chief Librarian/CEO  
**Subject:** **Strategic Planning Process**

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#### **RECOMMENDATION:**

That the Hamilton Public Library Board receive this report for information and comment.

#### **FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

The Strategic Plan provides overall long term direction for the Library. Annually the Library Board approves the Chief Librarian/CEO's Goals that provide specific objectives for the year to advance the priorities.

#### **BACKGROUND:**

The April Library Board meeting discussion on the Strategic Plan directed staff to include a draft public consultation plan for the May meeting. As well, several Board members expressed interest in a special meeting to explore in more detail the Strategic Plan. Based on the feedback we received from the Board, staff will revise the consultation plan and schedule meetings accordingly.

#### **STRATEGIC PLAN PUBLIC CONSULTATION PROCESS OVERVIEW**

The strategic planning process provides an opportunity for the Library Board to engage staff and the public in a broad conversation about the role of the public library in the community. The document is focused on the public consultations.

#### ***Goals of the Public Consultation Process***

1. Create opportunities for Hamilton residents to share their aspirations for their community and explore how the public library can support those aspirations
2. Gain insights into why people do not currently use HPL or do not use specific services
3. Assess the perceptions of key stakeholders and partners about HPL and the role of the public library
4. Educate community members about the Library Board's strategic planning process and the role the public library plays in the community

In addition to providing the Library Board with context to help with improving the strategic plan, the information gained from the consultation process will help inform objectives identified in annual work plans.

#### ***Process Principles***

The following principles will govern the process:

1. **Library Board Ownership:** Developing the strategic plan is an important Board responsibility and the consultation process is designed to help inform that process. The Board will be engaged in developing the process and will be responsible for

approving it. In addition, the process will facilitate Board participation during the consultation process.

2. **Multiple Methodologies:** The consultation process will use multiple and complimentary methods. The following methods are proposed:
  - a. Online survey
  - b. In branch print survey & feedback board
  - c. Community print survey & feedback board using the pop-up library at community events and in community venues
  - d. Focus Groups comprised of community members
  - e. Focus Groups comprised of partner organizations & key stakeholders
  - f. Public Forums will be held to share the results

Library Board members will have the opportunity to observe focus groups and the Public Forum meetings will be led by the Board Chair and Library Board members.

3. **Transparency and Privacy by Design** – The results of the consultations will be gathered in public reports to the Library Board. To ensure an open and frank dialogue the privacy of individuals providing feedback will be protected, except where individuals want to identify and attribute their comments.

### **Timelines**

- June/July: First Special Library Board Meeting
- August, September: Online survey, print surveys and feedback boards
- October, November: Focus Groups
- November/December: Second Special Library Board Meeting
- January/February: Public Forums

### **SPECIAL MEETING OVERVIEW**

The proposal is to have at least two special Board meetings, both would be facilitated. The meetings would include a series of focused discussions shaped around the following:

- **First Special Meeting:** Selected key readings on broad trends impacting libraries would be provided in advance. Discussion would focus key themes from the readings and *Meeting User Needs IV*. After exploring those topics the discussion would centre on exploring in depth the consultation questions and process.
- **Second Special Meeting:** This meeting would explore in-depth the results of the consultation process and how this impacts the strategic plan and future work plans. This session would also develop the agenda for the Public Forums.

### **DISCUSSION QUESTIONS:**

*What are your thoughts on the public consultation overview? Are there specific questions you would like the consultations to explore?*

*What are your thoughts on the timing and focus of the special meetings?*

*It has been suggested that having an experienced facilitator for the special meetings would help advance the conversation. Do you support this?*

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**From:** Paul Takala, Chief Librarian/CEO  
**Subject:** **Upcoming and Outstanding Agenda Items**

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**RECOMMENDATION:**

That the Upcoming and Outstanding Agenda Items report be received.

**UPCOMING AND OUTSTANDING AGENDA ITEMS – MAY 2017**

Name of Issue - Comments	Month Action Initiated	Who Initiated	Month on Agenda
<b>Central LED Lights</b> – Report on plan to replace LED light bulbs that illuminate the glass on York Blvd.	February 2017	Library Board	<i>June or September 2017</i>
<b>Digital Technology Strategy</b> – Report on the Edge Toolkit, technology strategy including security and firewall settings.	March 2017	P. Takala	June 2017
<b>Policy Review Manual</b> - <i>Feedback is requested by May 1, 2017. The schedule for policies to review now resides in the Board Policy Manual and will appear in the Board schedule section of this report.</i>	March 2017	Library Board	May 2017
<b>Geographic Representation of Usage</b> – <i>To assist with decision making around addressing hours service gaps, usage patterns need to be represented using geographic information systems (GIS).</i>	March 2017	Library Board	May 2017
<b>Valley Park Architect</b> – Once the Architect is selected for Valley Park, they will be scheduled to attend a Library Board meeting to discuss the project including reviewing feedback and lessons learned.	February 2017	Library Board	TBD
<b>Multi-Year Budget Process</b> – <i>Report on the challenges &amp; opportunities that may be presented by the new COH budgeting process.</i>	March 2017	Library Board	TBD

**2017 BOARD SCHEDULE**

Note: This table provides a schedule of items scheduled for future Board meetings. It has been updated to include policies. Normally the 2<sup>nd</sup> policy review will appear in the month after the 1<sup>st</sup> review.

January	<ul style="list-style-type: none"> <li>✓ Election 2017 Board Officers</li> <li>✓ Draft Operating Budget Presentation to Council</li> </ul>
February	✓ Previous Year Metrics Report (Done in January 2017)



March	<ul style="list-style-type: none"> <li>✓ Initial Report on Last Year Financials (Pre-Audit)</li> <li>✓ Reserve Report Update</li> <li>✓ Annual Report on Partnerships</li> </ul>
April	<ul style="list-style-type: none"> <li>✓ Q1 Metrics Report</li> <li>✓ Annual Report on Revenue Generation</li> <li>✓ Collection &amp; Interlibrary Loan Policy – 1<sup>st</sup> Review</li> </ul>
May	<p>Current Year Operating Budget Update  Service Hours Report 1 – 1<sup>st</sup> Review  Library Board Policy Manual – 2<sup>nd</sup> Review  Report from the Audit Committee</p>
June	<p>Mid-Year Progress Report on 2017 Goals  Service Hours Report 1 – 2<sup>nd</sup> Review  Local History &amp; Archives Policy – 1<sup>st</sup> Review  Copyright Policy – 1<sup>st</sup> Review  Meeting Room Policy – 1<sup>st</sup> Review</p>
July/August	<p>No regularly schedule meetings  Q2 Metrics Report Circulated</p>
September	<p>Q2 Metrics Report  Holiday Closures for Following Year  Capital Budget Submission  Security Camera Policy – 1<sup>st</sup> Review  Cash Handling Policy – 1<sup>st</sup> Review</p>
October	<p>Q3 Metrics Report  Operating Budget Next Year (Preliminary)</p>
November	<p>Meeting Dates for Following Year  Operating Budget Next Year (Final)  Nominating Committee  OMBI Report  2018 Goals Draft  Service Hours Report 2 – 1<sup>st</sup> Review</p>
December	<p>Final Report 2017 Goals  2018 Goals  Records Management Policy – 1<sup>st</sup> Review  Service Hours Report 2 – 2<sup>nd</sup> Review</p>



**HAMILTON PUBLIC LIBRARY BOARD  
Audit Committee Meeting**

**Tuesday, May 9, 2017  
Central Library, Administration Committee Room  
4:00 p.m. Meeting**

**MINUTES**

PRESENT: Mary Ann Leach, Jennifer Gautrey, John Kirkpatrick, George Geczy

OTHER: Scott Plugers, KPMG

STAFF: Tony Del Monaco, Paul Takala

Mr. Kirkpatrick called the meeting to order at 4:05 p.m.

1. Acceptance of the Agenda

There were no additions to the agenda.

**MOVED** by Ms Gautrey, seconded by Ms Leach,

**THAT THE AGENDA BE ACCEPTED AS PRESENTED.**

**MOTION CARRIED.**

2. Minutes from previous meeting were approved at February 2017 Library Board meeting.

3. **Audit Findings Report**

The Auditor reviewed the draft audit findings report. Mr. Plugers reported that there were no corrected adjustments and no uncorrected differences. Under the "Trust Funds" section, the Auditor reported that the preliminary findings indicate that some of the trusts may not meet the definition of a trust fund. The potential implication of this could be that in future years we would need to recognize the trusts in the Library's financial statements and not list separately. This will be investigated next year and will not impact this year's audit. Library board members requested that the statement in the Audit Findings Report be amended to clarify this.



**MOVED** by Mr. Geczy, seconded by Ms Gautrey,

**THAT THE AUDIT COMMITTEE RECEIVE THE AUDIT FINDINGS REPORT AS PRESENTED BY KPMG.**

**MOTION CARRIED.**

4. Draft Financial Statements Hamilton Public Library Board December 31, 2016

Mr. Plugers reviewed the financial statements with the Audit Committee. It was reported that the Library has a clean audit.

**MOVED** by Mr. Geczy, seconded by Ms Gautrey,

**THAT THE AUDIT COMMITTEE RECEIVE THE DRAFT FINANCIAL STATEMENTS AS PRESENTED BY KPMG.**

**MOTION CARRIED.**

5. **Independent Auditor's Report**

Mr. Plugers reviewed the independent auditor's report and the Hamilton Public Library Board trust funds report.

**MOVED** by Ms Leach, seconded by Mr. Geczy,

**THAT THE AUDIT COMMITTEE RECEIVE THE INDEPENDENT AUDITOR'S REPORT AS PRESENTED BY KPMG.**

**MOTION CARRIED.**

6. **Hamilton Public Library Board Trust Funds**

**MOVED** by Ms Gautrey, seconded by Ms Leach,

**THAT THE AUDIT COMMITTEE RECEIVE THE HAMILTON PUBLIC LIBRARY BOARD TRUST FUNDS REPORT AS PRESENTED BY KPMG.**

**MOTION CARRIED.**



**7. Auditor and Audit Committee meet without Staff**

Committee members meet with the Auditor separately without staff present.

**8. Adjournment**

**MOVED** by Mr. Geczy, seconded by Ms Leach,

**THAT THE AUDIT COMMITTEE MEETING OF WEDNESDAY, MAY 9, 2017 BE ADJOURNED.**

**MOTION CARRIED.**

The meeting was adjourned at 5:15 p.m.

**Mission Statement**

*Freedom to Discover*

**Strategic Priorities**

*A Community Beacon      Relevant and Responsive*

*A Creative and Changing Organization*

**HAMILTON PUBLIC LIBRARY BOARD**

**Audit Committee Meeting**

**Tuesday, May 9, 2017**

**Central Library, Admin Committee Room**

4:00 p.m. Meeting

**AGENDA**

1. Acceptance of the Agenda
2. Minutes from previous meeting approved at February 2017 Library Board meeting
3. Audit Findings Report Attachment #3
4. Draft Financial Statements Hamilton Public Library Board December 31, 2016 Attachment #4
5. Independent Auditor's Report Attachment #5
6. Hamilton Public Library Board Trust Funds Attachment #6
10. Auditor and Audit Committee meet without Staff
11. Adjournment



AUDIT

# Hamilton Public Library Board

Audit Findings Report  
For the year ended December 31, 2016



May, 2017

[kpmg.ca](http://kpmg.ca)



The contacts at KPMG in connection with this report are:

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# Table of Contents

<b>Executive summary</b>	<b>3</b>
<b>Audit risks and results</b>	<b>5</b>
<b>Financial statement presentation and disclosure</b>	<b>6</b>
<b>Adjustments and differences</b>	<b>7</b>
<b>Appendices</b>	<b>8</b>
<b>Appendix 1: Required communications</b>	<b>9</b>
<b>Appendix 2: Audit Quality and Risk Management</b>	<b>10</b>
<b>Appendix 3: Background and professional standards</b>	<b>11</b>
<b>Appendix 4: Current developments</b>	<b>12</b>

At KPMG, we are **passionate** about earning your **trust**. We take deep **personal accountability**, individually and as a team, to deliver **exceptional service and value** in all our dealings with you.

At the end of the day, we measure our success from the **only perspective that matters – yours.**

# Executive summary

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## Purpose of this report\*

The purpose of this Audit Findings Report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the financial statements of the Hamilton Public Library Board as at and for the year ended December 31, 2016.

This Audit Findings Report builds on the Audit Plan we presented to the Audit Committee in February, 2017.

## Changes from the Audit Plan

There have been no significant changes regarding our audit from the Audit Planning Report previously presented to you.

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## Audit risks and results

We discussed with you at the start of the audit **other areas of audit focus**. We have no significant matters to report to the audit committee in respect of them.

*See page 5*

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## Adjustments and differences

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

*See page 7*

\* This Audit Findings Report should not be used for any other purpose or by anyone other than the audit committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Executive summary (Continued)

## Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- receipt of signed management representation letter
- completing our discussions with the audit committee;
- obtaining evidence of the Board's approval of the financial statements.

We will update the audit committee, and not solely the Chair (as required by professional standards), on significant matters, *if any*, arising from the completion of the audit, including the completion of the above procedures. Our auditors' report will be dated upon the completion of any remaining procedures.

## Control and other observations

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR.

## Independence

We are independent with respect to the Library (and its related entities), within the meaning of the relevant rules and interpretations prescribed by the relevant professional bodies in Canada.

## Significant accounting policies and practices

There have been no newly implemented or changes in accounting policies for the 2016 year end.

# Audit risks and results

We identified other areas of focus for our audit in our discussion with you in the Audit Plan.

Significant findings from the audit regarding other areas of focus are as follows:

## Other areas of focus

## Our significant findings from the audit

### Liability for Future Benefits

The Library is required to report obligations for retirement benefits earned over the employment period of its employees.

The Library recognizes post-employment benefit costs as they are earned during the year. The Library's obligation under the post-employment provisions of employment agreements will be funded out of current operations.

Management relies on the actuarial services of Dixon Actuarial Services to provide the liability for future benefits.

We obtained external confirmation from management's expert and evaluated the expert for competence and independence.

We reviewed the actuarial valuations performed on post-employment and retirement benefits to assess the estimates set up for the accrued benefit obligation.

No significant differences were found as a result of our audit work.

### Trust Funds

We have noticed among several municipal entities that items previously accounted for as Trust Funds are not Trust Funds in accordance with the definition under Public Sector Accounting Standards, but rather internal restrictions for funds received, or external restrictions for which could be accounted for as deferred revenue.

One of the key determining factors is whether the entity has authority to change the conditions set out for the purpose of the funds or property initially received.

Our preliminary findings indicate that some of the items currently held in the Library Trusts may not meet the definition of a trust and should in fact be recognized in the financial statements of the Library, however more information is needed to make a full assessment

Management should gather all relevant information as it pertains to the funds and a detailed analysis is required with a history of each fund and its purpose documented such that a determination can be made as to whether these funds should be accounted for within the Library's statements or remain as a Trust Fund. This determination will be made for the December 31, 2017 year-end and any adjustments made accordingly.

The financial statements as presented for the year ended December 31, 2016 remain appropriate.

# Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the Library's relevant financial reporting framework. Misstatements, including omissions, if any, related to disclosure or presentation items are in the management representation letter included in the Appendices.

We also highlight the following:

<b>Form, arrangement, and content of the financial statements</b>	The financial statements are, in all material respects, in accordance with the applicable financial accounting framework. The disclosures in the notes to the financial statements are adequate.
<b>Application of accounting pronouncements issued but not yet effective</b>	There are no concerns at this time regarding future implementation

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# Adjustments and differences

Adjustments and differences identified during the audit have been categorized as Corrected “adjustments” or Uncorrected “differences.” These include disclosure adjustments and differences.

Professional standards require that we request of management and the audit committee that all identified adjustments or differences be corrected. We have already made this request of management.

## Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

## Uncorrected differences

We did not identify differences that remain uncorrected.

# Appendices

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**Appendix 1: Required communications**

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**Appendix 2: Audit Quality and Risk Management**

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**Appendix 3: Background and professional standards**

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**Appendix 4: Current developments**

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# Appendix 1: Required communications

In accordance with professional standards, there are a number of communications that are required during the course of and upon completion of our audit. These include:

- **Auditors' report** – the conclusion of our audit is set out in our draft auditors' report
- **Management representation letter** – In accordance with professional standards, copies of the management representation letter are provided to the Audit Committee. The management representation letter is attached.
- **Independence letter** – In accordance with professional standards, we have confirmed our independence.

# Appendix 2: Audit Quality and Risk Management

KPMG maintains a system of quality control designed to reflect our drive and determination to deliver independent, unbiased advice and opinions, and also meet the requirements of Canadian professional standards.

Quality control is fundamental to our business and is the responsibility of every partner and employee. The following diagram summarises the six key elements of our quality control systems.

Visit <http://www.kpmg.com/Ca/en/services/Audit/Pages/Audit-Quality-Resources.aspx> for more information.

- Other controls include:
  - Before the firm issues its audit report, the Engagement Quality Control Reviewer reviews the appropriateness of key elements of publicly listed client audits.
  - Technical department and specialist resources provide real-time support to audit teams in the field.
- We conduct regular reviews of engagements and partners. Review teams are independent and the work of every audit partner is reviewed at least once every three years.
- We have policies and guidance to ensure that work performed by engagement personnel meets applicable professional standards, regulatory requirements and the firm's standards of quality.
- All KPMG partners and staff are required to act with integrity and objectivity and comply with applicable laws, regulations and professional standards at all times.



- We do not offer services that would impair our independence.
- The processes we employ to help retain and develop people include:
  - Assignment based on skills and experience;
  - Rotation of partners;
  - Performance evaluation;
  - Development and training; and
  - Appropriate supervision and coaching.
- We have policies and procedures for deciding whether to accept or continue a client relationship or to perform a specific engagement for that client.
- Existing audit relationships are reviewed annually and evaluated to identify instances where we should discontinue our professional association with the client.

# Appendix 3: Background and professional standards

## Internal control over financial reporting

As your auditors, we are required to obtain an understanding of internal control over financial reporting (ICFR) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

The control deficiencies communicated to you are limited to those control deficiencies that we identified during the audit.

## Documents containing or referring to the audited financial statements

We are required by our professional standards to read only documents containing or referring to audited financial statements and our related auditors' report that are available through to the date of our auditors' report. The objective of reading these documents through to the date of our auditors' report is to identify material inconsistencies, if any, between the audited financial statements and the other information. We also have certain responsibilities, if on reading the other information for the purpose of identifying material inconsistencies, we become aware of an apparent material misstatement of fact.

We are also required by our professional standards when the financial statements are translated into another language to consider whether each version, available through to the date of our auditors' report, contains the same information and carries the same meaning.



# Appendix 4: Current developments

Current developments, created by KPMG Public Sector and Not-for-profit Practice, summarizes regulatory and governance matters impacting Government Organizations. We provide this information to help you understand upcoming changes and challenges they may face in the industry. We attach this summary to every audit plan and findings report (if significant changes occur).

A new accounting standard that addresses the reporting of legal obligations associated with the retirement of long-lived tangible capital assets currently in productive use is under development by PSAB. An Exposure Draft that addresses the accounting and reporting of retirement obligations associated with tangible capital assets controlled by a public sector entity was issued in March 2017. PSAB has had regular updates on this project. Implementation of this standard will require a review of the legal obligations associated with the retirement of long-lived tangible capital assets. This standard is effective for years beginning on or after April 1, 2021.

The following is a summary of the current developments that are relevant to the Library.

Standard	Summary and implications
<ul style="list-style-type: none"> <li>– PS 3380 – Contractual Rights</li> </ul>	<p>This standard is a disclosure standard which defines contractual rights to future assets and revenue and sets out the required disclosures.</p> <p>Information about a public sector entity's contractual rights should be disclosed in notes or schedules to the financial statements and should include descriptions about their nature and extent and the timing. The standard also indicates that the exercise of professional judgment would be required when determining contractual rights that would be disclosed. Factors to consider include, but are not limited to:</p> <ul style="list-style-type: none"> <li>(a) contractual rights to revenue that are abnormal in relation to the financial position or usual business operations; and</li> <li>(b) contractual rights that will govern the level of certain type of revenue for a considerable period into the future.</li> </ul> <p>Examples of a contractual right include contractual rights to receive payments under a shared cost agreement or contractual rights to receive lease payments.</p> <p>This standard is effective for fiscal periods beginning on or after April 1, 2017 (the Library's December 31, 2018 year-end).</p> <p>Implications: Additional disclosures may be required if contractual rights to assets or revenue exist.</p>

<p>– PS 3210, Assets</p>	<p>– This Standard provides a definition of assets and further expands that definition as it relates to control. Assets are defined as follows:</p> <ul style="list-style-type: none"> <li>– They embody future economic benefits that involve a capacity, singly or in combination with other assets, to provide goods and services, to provide future cash inflows, or to reduce cash outflows.</li> <li>– The public sector entity can control the economic resources and access to the future economic benefits.</li> <li>– The transaction or event giving rise to the public sector entity's control has already occurred.</li> </ul> <p>– The standard also includes some disclosure requirements related to economic resources that are not recorded as assets to provide the user with better information about the types of resources available to the public sector entity.</p> <p>– This standard is effective for fiscal periods beginning on or after April 1, 2017 (the Library's December 31, 2018 year-end).</p> <p>– Implications: Assets such as accrued receivables will have to be reviewed to determine if they meet this definition.</p>
<p>– PS 3320, Contingent Assets</p>	<p>This standard defines contingent assets. They have two basic characteristics:</p> <ul style="list-style-type: none"> <li>– An existing condition or situation that is unresolved at the financial statement date.</li> <li>– An expected future event that will resolve the uncertainty as to whether an asset exists.</li> </ul> <p>The standard also has specific disclosure requirements for contingent assets when the occurrence of the confirming event is likely. This standard is effective for fiscal periods beginning on or after April 1, 2017 (the Library's December 31, 2018 year-end). Contingent assets include grants receivable where the conditions are met but funding is conditional upon approval of an application for funding.</p> <p>Implications: Additional disclosures may be required if contingent assets exist.</p>
<p>PS 2200 Related Party Disclosures</p>	<p>This standard relates to related party disclosures and defines related parties. Related parties could be either an entity or an individual. Related parties exist when one party has the ability to control or has shared control over another party. Individuals that are key management personnel or close family members may also be related parties.</p> <p>Disclosure is only required when the transactions or events between related parties occur at a value different from what would have been recorded if they were not related and the transactions could have a material financial impact on the financial statements. Material financial impact would be based on an assessment of the terms and conditions underlying the transaction, the financial materiality of the transaction, the relevance of the information and the need for the information to enable the users to understand the financial statements and make comparisons.</p> <p>This standard also specifies the information required to be disclosed including the type of transactions, amounts classified by financial statement category, the basis of measurement, and the amounts of any outstanding items, any contractual obligations and any contingent liabilities. The standard also requires disclosure of related party transactions that have occurred where no amounts has been recognized.</p> <p>This standard is effective for fiscal periods beginning on or after April 1, 2017 (the Library's December 31, 2018 year-end).</p> <p>Implications: Related parties will have to be identified. Additional disclosures may be required with respect to transactions with related parties.</p>

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PS 3420 Inter-entity Transactions	<p>This standard relates to the measurement of transactions between public sector entities that comprise the government's reporting entity.</p> <p>Transactions are recorded at carrying amounts with the exception of the following:</p> <ul style="list-style-type: none"><li>– In the normal course of business – use exchange amount</li><li>– Fair value consideration – use exchange amount</li><li>– No or nominal amount – provider to use carrying amount; recipient choice of either carrying amount or value fair.</li><li>– Cost allocation – use exchange amount</li></ul> <p>This standard is effective for fiscal periods beginning on or after April 1, 2018 (the Library's December 31, 2019 year-end).</p> <p>Implications: The Library will have to identify these transactions and determine if they have been measured at the carrying amount if required.</p>
Financial Instruments	<p>A standard has been issued, establishing a standard on accounting for and reporting all types of financial instruments including derivatives. The effective date of this standard has recently been deferred and it is now effective for fiscal periods beginning on or after April 1, 2019 (the Library's December 31, 2020 year-end).</p> <p>Implications: This standard will require the Library to identify any contracts that have embedded derivatives and recognize these on the statement of financial position at fair value. Portfolio investments in equity instruments are required to be recorded at fair value. Changes in fair value will be reported in a new financial statement – statement of re-measurement gains and losses. This standard sets out a number of disclosures in the financial statements designed to give the user an understanding of the significance of financial instruments to the Library. These disclosures include classes of financial instruments and qualitative and quantitative risk disclosures describing the nature and extent of risk by type. The risks to be considered include credit, currency, interest rate, liquidity, and market risk.</p>

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Financial Statements of

**THE HAMILTON PUBLIC LIBRARY  
BOARD**

Year ended December 31, 2016

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# THE HAMILTON PUBLIC LIBRARY BOARD

## Financial Statements

December 31, 2016, with comparative figures for 2015

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	Page
<b>The Hamilton Public Library Board</b>	
Independent Auditors' Report.....	1
Statement of Financial Position.....	3
Statement of Operations and Accumulated Surplus.....	4
Statement of Changes in Net Financial Assets.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7-15
Schedule of Tangible Capital Assets.....	16

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## INDEPENDENT AUDITORS' REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of The Hamilton Public Library Board, which comprise the statement of financial position as at December 31, 2016, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Hamilton Public Library Board as at December 31, 2016, and its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

May 17, 2017  
Hamilton, Canada



# THE HAMILTON PUBLIC LIBRARY BOARD

## Statement of Financial Position

December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets</b>		
Cash	\$ 28,800	\$ 28,525
Accounts receivable	102,268	1,117,450
Due from City of Hamilton (note 2)	7,117,583	6,428,691
	<u>7,248,651</u>	<u>7,574,666</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	417,587	283,670
Due to trust funds	370,664	369,749
Liability for future benefits (note 3)	2,402,100	2,324,700
Deferred revenue (note 4)	72,273	386
	<u>3,262,624</u>	<u>2,978,505</u>
Net financial assets	3,986,027	4,596,161
<b>Non-financial assets</b>		
Prepaid expenses	386,812	415,736
Tangible capital assets (Schedule)	11,652,695	12,025,047
	<u>12,039,507</u>	<u>12,440,783</u>
Commitments (note 7)		
Accumulated surplus (note 9)	<u>\$16,025,534</u>	<u>\$17,036,944</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# THE HAMILTON PUBLIC LIBRARY BOARD

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2016, with comparative information for 2015

	Budget 2016	Actual 2016	Actual 2015
	(note 10)		
Revenue:			
Municipal contribution	\$ 28,952,830	\$ 28,952,830	\$ 28,576,020
Province of Ontario grants	949,450	949,451	949,451
Fines	397,670	359,256	422,246
Photocopier revenue	100,100	127,740	109,889
Donations	-	6,973	1,833
Other grant revenue	237,890	332,660	419,962
Other – rentals, sales and recoveries	104,500	108,104	57,930
Interest	-	137,987	186,937
Contributions from Municipal reserves	281,490	296,837	281,493
	31,023,930	31,271,838	31,005,761
Expenditures:			
Employee related expenses	20,741,810	20,198,793	19,957,830
Contractual	1,970,800	1,999,640	1,727,818
Building and grounds	1,605,910	1,531,372	1,510,552
Materials and supplies	1,187,110	1,012,089	864,781
Financial	398,120	348,686	372,117
Capital financing (note 5)	418,440	341,593	342,825
Vehicle expenses	36,090	67,412	50,598
Consulting	-	9,418	14,783
Amortization	-	3,463,152	3,548,204
Change in employee benefits	-	77,400	84,600
Reserves/recoveries	2,026,070	1,769,896	1,754,621
Contribution to Municipal reserves	7,010	83,865	6,398
Contribution to Municipal capital fund	-	10,000	-
	28,391,360	30,913,316	30,235,127
Annual surplus before reserve transfers	2,632,570	358,522	770,634
Contributions to reserves of Municipality (note 11)	-	1,369,932	2,678,500
Annual deficit	2,632,570	(1,011,410)	(1,907,866)
Accumulated surplus, beginning of year	17,036,944	17,036,944	18,944,810
Accumulated surplus, end of year	\$ 19,669,514	\$ 16,025,534	\$ 17,036,944

See accompanying notes to financial statements.

# THE HAMILTON PUBLIC LIBRARY BOARD

## Statement of Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Annual deficit	\$(1,011,410)	\$(1,907,866)
Purchase of tangible capital assets	(3,090,800)	(3,037,385)
Amortization of tangible capital assets	3,463,152	3,548,204
	(639,058)	(1,397,047)
Net decrease (increase) in prepaid expenses	28,924	(8,125)
Change in net financial assets	(610,134)	(1,405,172)
Net financial assets, beginning of year	4,596,161	6,001,333
Net financial assets, end of year	\$ 3,986,027	\$ 4,596,161

See accompanying notes to financial statements.

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# THE HAMILTON PUBLIC LIBRARY BOARD

## Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$(1,011,410)	\$(1,907,866)
Items not involving cash:		
Amortization	3,463,152	3,548,204
Increase in future benefits	77,400	84,600
Change in non-cash assets and other liabilities:		
Accounts receivable	1,015,182	(1,054,023)
Prepaid expenses	28,924	(8,125)
Accounts payable and accrued liabilities	133,917	(354,956)
Deferred revenue	71,887	386
Due to trust funds	915	2,058
	3,779,967	310,278
Capital activities:		
Purchase of tangible capital assets	(3,090,800)	(3,037,385)
Financing activities:		
Due from City of Hamilton	(688,892)	2,725,352
Net change in cash	275	(1,755)
Cash, beginning of year	28,525	30,280
Cash, end of year	\$ 28,800	\$ 28,525

See accompanying notes to financial statements.

# THE HAMILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2016

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The financial statements of the Hamilton Public Library Board (the "Board") are prepared by management in accordance with Canadian public sector accounting standards.

### 1. Significant account policies:

Significant accounting policies adopted by the Board are as follows:

(a) Basis of accounting:

Revenues are recorded on the accrual basis of accounting. Expenditures are recognized as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

(b) Trust funds:

Trust funds and their related operations administered by the Board are not included in these financial statements, but are reported separately.

(c) Government transfers:

Government transfers received are from federal and provincial governments and the City of Hamilton. Government transfers paid relate to surplus repayment and future reserves to the City of Hamilton. Government transfers are recognized in the period in which the events giving rise to the transfers occur, providing the transfers are authorized, eligibility criteria are met, and reasonable estimates of the amounts can be made. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Other income:

Other income is reported as revenue in the period earned.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed or donated tangible capital assets are recorded at their fair value at the date of receipt.

# THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2016

## 1. Significant account policies (continued):

### (d) Non-financial assets (continued):

#### (ii) Amortization

Amortization is recorded to reflect the cost, net of anticipated salvage value, associated with the use of the asset in providing library services over the estimated useful life of the asset. Amortization expense is calculated on a straight-line basis over the assets' estimated useful lives as follows:

Asset	Number of years
Collections (asset pool)	7 years
Furniture and equipment	10 years
Computer hardware	3 years
Software	5 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Library land and buildings are owned and controlled by the City of Hamilton and are therefore not reflected in these financial statements.

### (e) Employee future benefits:

The Library provides certain employee benefits which will require funding in future periods. The cost of self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as retirement health and dental benefits for retirees, is actuarially determined using the project benefit method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System (OMERS) pensions, are the employer's contributions due to the plan in the period. These contributions are recognized in the period in which the contributions are earned.

# THE HAMILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2016

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### 1. Significant account policies (continued):

#### (g) Deferred revenue:

Deferred revenue represents funds collected for which related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year in which the related services are performed.

#### (h) Use of estimates:

The preparation of financial statements in accordance with public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant estimates include assumptions used in performing actuarial valuations of liability for future benefits. Actual results could differ from those estimates.

### 2. Due from City of Hamilton:

The balance due from the City of Hamilton is non-interest bearing and has no set terms of repayment.

### 3. Liability for future benefits:

In accordance with Canadian public sector accounting standards, the Board is required to report obligations for retirement benefits earned over the employment period of its employees. Retirement benefits have been determined by an actuarial valuation completed December 31, 2014, with projections up to December 31, 2016.

Employees who have retired either under the OMERS early retirement provisions or otherwise are eligible to receive drug, extended health services and dental benefits for the lifetime of the retiree. Effective January 1, 2002 new retirees only receive benefits until age sixty-five.

The Board recognizes the post-employment benefits costs as they are earned during the year. The Board's obligation under the post-employment provisions of employment agreements will be funded out of current revenue.

# THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2016

### 3. Liability for future benefits (continued):

Accrued benefit obligation:

	2016	2015
Vested sick leave liability	\$ 26,200	\$ 37,800
Retirement benefits	2,912,700	2,912,300
	2,938,900	2,950,100
Net unamortized actuarial loss	(536,800)	(625,400)
Accrued liability	\$ 2,402,100	\$ 2,324,700

The continuity of employee future benefits and other obligations is summarized as follows:

	2016	2015
Liability for employee future benefits and other obligations		
balance at beginning of the year	\$ 2,324,700	\$ 2,240,100
Benefit expenditure	125,000	120,700
Interest expenditure	117,800	118,000
Amortization of actuarial loss	88,600	88,600
Benefit payments	(254,000)	(242,700)
Liability for employee future benefits and other obligations		
balance at end of the year	\$ 2,402,100	\$ 2,324,700

Actuarial valuations are performed on post-employment and retirement benefits to provide estimates of the accrued benefit obligations. These estimates are based on a number of assumptions about future events including interest rates, inflation rates, salary and wage increases, medical and dental cost increases and mortality. The assumptions are determined at the time of the actuarial valuations and are reviewed annually. Consequently, different assumptions may be used as follows:

	Discount rate	Return on assets	Inflation rate	Salary increases	Dental increases	Life expectancy (years)
Vested sick leave	4.0%	NA	2%	3.5%	NA	11.8
Retirement benefits – health and dental	4.0%	NA	2%	3.5%	3.87% <sup>(1)</sup>	14.3

Note (1) – Medical costs are assumed to increase at a rate of 5.67% in 2016 (2015 - 5.80%) and reduce annually until 2030.



# THE HAMILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2016

### 3. Liability for future benefits (continued):

#### (a) Liability for vested sick leave:

Effective May 1, 1982, the Income Protection Plan was adopted and sick leave credits earned under the Sick Leave Benefit Plan were frozen. Under the Sick Leave Benefit Plan unused sick leave would accumulate and employees were entitled to cash payment upon termination of services after ten continuous years. Entitlement to cash payment continues to apply to those employees who accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination. The estimated accrued benefit obligation at December 31, 2016 is \$26,200 (2015 - \$37,800).

#### (b) Liability for retirement benefits:

The Board provides certain health, dental and life insurance benefits between the time an employee retires under OMERS or the normal retirement age and up to the age of 65 years. The estimated accrued benefit obligation at December 31, 2016 is \$ 2,912,700 (2015 - \$2,912,300).

### 4. Deferred revenue:

Deferred revenue consists of grants and funds received in advance which are expected to be earned in the next fiscal year. Continuity of deferred revenue is as follows:

	2016	2015
Balance, beginning of year	386	-
Add: transfers in	\$ 72,273	\$ 386
Less: amounts recognized in revenue	(386)	-
	\$ 72,273	\$ 386

# THE HAMILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2016

### 5. Long term debt:

The City charges the Board principal and interest for long term debt, as well as sinking fund charges, related to Library facilities and other capital. These charges are funded by the City through its annual contributions. The debt is not disclosed on the statement of financial position as the City of Hamilton is legally responsible for the repayment of the debt.

(a) The net long term debt to which these charges are related is as follows:

Debenture number	Purpose	Interest rates	Maturity date	2016	2015
01-162	Central Library	4.65% to 6.75%	2016	-	2,984
12-094	Westdale Branch	2.13%	2017	\$ 17,079	\$ 34,157
12-094	Barton Branch	2.13%	2017	39,024	78,048
06-120	South Mtn Complex	4.728%	2023	1,559,582	1,760,196
				\$ 1,615,685	\$ 1,875,385

(b) Principal charges in each of the next five years are as follows:

2017	\$ 266,314
2018	220,268
2019	230,805
2020	241,847
2021	281,493
2022 and thereafter	374,958
<hr/>	
	\$ 1,615,685

(c) The Board was charged \$341,593 (2015 - \$342,825) for long term debt charges during the year as follows:

	2016	2015
Principal	\$ 259,700	\$ 250,359
Interest	81,893	92,466
<hr/>		
	\$ 341,593	\$ 342,825

# THE HAMILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2016

### 6. Pension agreements:

The Hamilton Public Library makes contributions to OMERS, which is a multi-employer plan, on behalf of 282 members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The latest actuarial valuation as at December 31, 2016 reported a funding deficit of \$5.7 billion (2015 - \$7.0 billion). OMERS expects the contributions and policy changes made in response to the deficit to return the plan to a fully funded position by 2025. Contributions were made in the 2016 calendar year at rates ranging from 9.0% to 14.6% depending on the level of earnings. As a result, \$1,146,181 was contributed to OMERS (2015 - \$1,110,530) for current service.

### 7. Commitments:

Minimum future lease payments for various premises and equipment are as follows:

2017	\$ 778,105
2018	753,942
2019	693,811
2020	526,118
2021 and thereafter	4,324,453
	\$ 7,706,429

### 8. Trust funds:

Trust funds administered by the Board amounting to \$3,188,778 (2015 - \$3,704,341) have not been included in the statement of financial position nor have these operations been included in the statement of operations.

# THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2016

## 9. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserve and reserve funds as follows:

	2016	2015
Reserves and reserve funds	\$ 6,774,939	\$ 7,336,597
Unfunded employee future benefit liability	(2,402,100)	(2,324,700)
Tangible capital assets	11,652,695	12,025,047
Balance, end of year	\$ 16,025,534	\$ 17,036,944

Reserves and reserve funds:

	2016	2015
Library general development	\$ 1,703,334	\$ 2,341,522
Library major capital projects	1,332,165	1,255,873
Accessibility health and safety	871,289	867,304
Library collections	909,793	825,206
Redevelopment, training and restructuring	528,038	517,637
Summer reading	532,936	486,813
Computer reserve	301,812	473,665
Mobile equipment	500,188	446,677
Youth programming	91,151	121,900
Donations	4,233	-
	\$ 6,774,939	\$ 7,336,597

# THE HAMILTON PUBLIC LIBRARY BOARD

Notes to Financial Statements

Year ended December 31, 2016

## 10. Budget data

The budgets originally approved by the Board for 2016 are reflected on the statement of operations and do not include amounts related to public sector accounting standards reporting requirements.

Accumulated surplus consists of individual fund surplus and reserve and reserve funds as follows:

	2016
Revenues	
Operating budget	\$ 31,023,930
Capital budget	-
Total Revenue	31,023,930
Expenses:	
Operating budget	28,391,360
Capital budget	2,632,570
Less:	
Capital expenses	(2,632,570)
Total Expenses	28,391,360
Annual surplus	2,632,570

## 11. Contribution from Reserves to the Municipality:

The contribution from reserves to the Municipality does not include any transfers to the operating budget.

Net transfer to Municipality	\$ 1,369,932
------------------------------	--------------

Historically, there has been no budgeted amount for transfers to the Municipality. This is due to the fact that impending projects are not necessarily known or approved at the time of the budget preparation.

## 12. Comparative information:

Certain comparative information has been reclassified to conform to the presentation adopted for the current year. There is no impact to accumulated surplus as a result of this reclassification.

# THE HAMILTON PUBLIC LIBRARY BOARD

## Schedule of Tangible Capital Assets

Year ended December 31, 2016

<b>December 31, 2016</b>					
Cost	Computer hardware	Computer software	Collections	Furniture and equipment	Total
Beginning of year	\$ 244,211	\$ 366,438	\$ 21,859,072	\$ 2,395,514	\$ 24,865,235
Add: Additions during the year	185,743	48,880	2,567,902	288,275	3,090,800
Less: disposals during the year	(135,056)	(98,985)	(3,447,484)	(176,794)	(3,858,319)
End of year	\$ 294,898	\$ 316,333	\$ 20,979,490	\$ 2,506,995	\$ 24,097,716
Accumulated Amortization	Computer hardware	Computer software	Collections	Furniture and equipment	Total
Beginning of year	\$ 135,138	\$ 189,187	\$ 11,429,805	\$ 1,086,058	\$ 12,840,188
Add: amortization during the year	89,852	68,277	3,059,897	245,126	3,463,152
Less: amortization on disposals	(135,056)	(98,985)	(3,447,484)	(176,794)	(3,858,319)
End of year	\$ 89,934	\$ 158,479	\$ 11,042,218	\$ 1,154,390	\$ 12,445,021
Net book value	\$ 204,964	\$ 157,854	\$ 9,937,272	\$ 1,352,605	\$ 11,652,695
<b>December 31, 2015</b>					
Cost	Computer hardware	Computer software	Collections	Furniture and equipment	Total
Beginning of year	\$ 226,530	\$ 261,719	\$ 22,437,429	\$ 2,462,400	\$ 25,388,078
Add: Additions during the year	95,958	104,719	2,749,809	86,899	3,037,385
Less: disposals during the year	(78,277)	-	(3,328,166)	(153,785)	(3,560,228)
End of year	\$ 244,211	\$ 366,438	\$ 21,859,072	\$ 2,395,514	\$ 24,865,235
Accumulated Amortization	Computer hardware	Computer software	Collections	Furniture and equipment	Total
Beginning of year	\$ 134,958	\$ 126,372	\$ 11,593,935	\$ 996,947	\$ 12,852,212
Add: amortization during the year	78,457	62,815	3,164,036	242,896	3,548,204
Less: amortization on disposals	(78,277)	-	(3,328,166)	(153,785)	(3,560,228)
End of year	\$ 135,138	\$ 189,187	\$ 11,429,805	\$ 1,086,058	\$ 12,840,188
Net book value	\$ 109,073	\$ 177,251	\$ 10,429,267	\$ 1,309,456	\$ 12,025,047



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## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Hamilton

We have audited the accompanying financial statements of the trust funds of The Hamilton Public Library Board, which comprise the statement of financial position as at December 31, 2016, the statements of operations and changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the statement of financial position of the trust funds of The Hamilton Public Library Board as at December 31, 2016, and its results of operations and changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

May 17, 2017  
Hamilton, Canada

DRAFT



# THE HAMILTON PUBLIC LIBRARY BOARD TRUST FUNDS

Trust Funds Statement of Financial Position

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
<b>Financial assets:</b>		
Cash	\$ 319,758	\$ 316,609
Investment in Hamilton Community Foundation	2,498,356	3,017,983
Due from Hamilton Public Library Board (note 2)	370,664	369,749
<b>Total assets</b>	<b>3,188,778</b>	<b>3,704,341</b>
<b>Accumulated surplus and net financial assets</b>	<b>\$ 3,188,778</b>	<b>\$ 3,704,341</b>

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# THE HAMILTON PUBLIC LIBRARY BOARD TRUST FUNDS

Trust Funds Statement of Operations and Changes in Net Financial Assets

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Investment income	\$ 179,909	\$ 258,027
Expenses:		
Transfers to Hamilton Public Library	650,000	-
Other	45,472	44,492
Annual (deficit) surplus	(515,563)	213,535
Accumulated surplus, beginning of year	3,704,341	3,490,806
Accumulated surplus, end of year	\$ 3,188,778	\$ 3,704,341

See accompanying notes to financial statements.

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# THE HAMILTON PUBLIC LIBRARY BOARD TRUST FUNDS

## Trust Funds Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Operating Activities:		
Annual (deficit) surplus	\$ (515,563)	\$ 213,535
Change in non-cash assets:		
Investment in Hamilton Community Foundation	519,627	(209,003)
Due from Hamilton Public Library Board	(915)	(1,017)
Net change in cash from operating activities	3,149	3,515
Cash, beginning of year	316,609	313,094
Cash, end of year	\$ 319,758	\$ 316,609

The accompanying notes are an integral part of these financial statements.

DRAFT

# THE HAMILTON PUBLIC LIBRARY BOARD TRUST FUNDS

Notes to Trust Funds Financial Statements

Year ended December 31, 2016

The financial statements of the trust funds of The Hamilton Public Library Board are the representation of management prepared in accordance with Canadian public sector accounting standards. The trust funds have been established to provide for specific collections and programming offered by the Hamilton Public Library.

## 1. Significant accounting policies:

Significant accounting policies adopted by the Library Board for the trust funds are as follows:

### (a) Basis of accounting:

The trust funds follow the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as result of receipt of goods and services and/or the creation of a legal obligation to pay.

### (b) Investments:

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

### (c) Investment income:

Investment income is reported as revenue in the period earned.

## 2. Due from Hamilton Public Library Board:

The amount due from The Hamilton Public Library Board has no fixed terms of repayment and is non-interest bearing.

## 3. Accumulated surplus:

Accumulated surplus consists of:

	2016	2015
M. Walden Thompson Estate	\$ 21,753	\$ 21,398
Special Gift Fund Central	2,164,338	2,709,647
Permanent Endowment Fund	844,725	818,982
Keetha McLaren Memorial Fund	45,434	43,329
F. Walden Library Bequest	66,077	65,448
Waterdown Library Fundraising	46,451	45,537
	<b>\$ 3,188,778</b>	<b>\$ 3,704,341</b>

DRAFT

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**c.c.:** Paul Takala, Chief Librarian/CEO  
**From:** Lita Barrie, Director, Collections & Youth Services  
**Subject:** **Collections Policy – 2<sup>nd</sup> Review**

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**RECOMMENDATION:**

That the Hamilton Public Library Board approve the updated Collections Policy.

**BACKGROUND:**

The Collections Policy was last reviewed by the Library Board in 2014. The policy has been updated to align with the new Policy Development Framework. The text of the policy has been adjusted where required to align with other policy updates.

Significant additions and edits to the policy are highlighted. The proposed amendments to the policy include incorporating a statement about Interlibrary Loans to replace the Interlibrary Loan Policy. The details of the former Interlibrary Loan Policy will be provided to customers as use guidelines. The proposed policy also incorporates more explicit references to diversity, accessibility and inclusion within HPL's collection development practices.

There are no substantive changes to the April draft of the policy.

**Title:** 4.1 Collections Policy

**Policy Level:** Library Board

**Author:** Director, Collections

**Review Period:** (Standard 4 years)

**Approval Date:** May 2017

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### **Key Points Summary:**

- The library's collections policy outlines the philosophy and key objectives of the library's collections development.
- The ultimate accountability for the management of Library collections lies with the Chief Librarian but in practice is delegated to the Director of Collections.
- The collections policy outlines the key criteria for the selection and deselection of materials.
- The collections policy addresses suggestions for purchase, gifts, donations and objections lodged against items in our collection by community residents or organizations

### **Purpose**

To provide a statement of philosophy and identify key objectives that reflects the Mission Statement and Strategic Priorities of the Hamilton Public Library with regard to the collection management, and access to collections.

To define the delegation of collections responsibilities.

To establish procedures to address suggestions for purchase, gifts, donations and objections lodged against items in our collection by community residents or organizations.

### **Definitions:**

**Format** is the physical form of material and applies to all literary, dramatic, musical and artistic works; sound recordings; and recorded performances. Formats include: print, audiovisual, digital and multimedia.

**Interlibrary loans** are transactions in which library materials are made available by one library to another; they include the provision of copies and microforms as substitutes for loans of the original materials.

### **Policy Details:**

Strong library collections are fundamental to public library service. The Hamilton Public Library (HPL) is committed to developing and maintaining diverse, relevant and responsive collections that meet and anticipate the changing needs of our customers.

The ultimate responsibility for the library's collections lies with the Chief Librarian acting in accordance with the general policies established by the Library Board. In practice, this authority is delegated to the Director of Collections.

The Library Board, in establishing a Collections Policy, was cognizant of the Constitution Act, 1982, Part 1, Canadian Charter of Rights and Freedoms, Section 2b, which guarantees "everyone the following fundamental freedoms...freedom of thought, belief, opinion and expression, including freedom of the press and other media of communication. The Hamilton Public Library endorses the Position Statement on *Intellectual Freedom and Libraries* adopted by the Canadian Federation of Library Associations in 2016 and the *Statement on the Intellectual Rights of the Individual* adopted by the Ontario Library Association in 1998.

The presence of materials in the Library collections does not constitute an endorsement of their content or viewpoints by the Library Board. The Board recognizes that this policy is carried out in compliance and with due regard for all applicable legislation.

Where appropriate, HPL participates in resource sharing initiatives and consortium purchasing to provide the greatest access to library materials.

## Selection

### Items are selected:

- to meet the recreational needs and interests of the community
- to enrich human understanding by celebrating the diversity of our community through inclusion of various cultural, ethnic, religious and philosophical backgrounds
- to educate and support lifelong learning
- to recognize and accommodate a range of education levels and abilities
- to inspire a love of reading, learning and creativity
- to collect and preserve materials which illustrate the growth and development of the City of Hamilton, that celebrate its history and heritage or that pertain in whole or in part to activities within the geographic boundaries of the City of Hamilton

### Criteria for Selection of Materials:

- suitability of physical and/or digital form for library use
- relation to existing collections and other materials on a subject
- accessibility of materials in other libraries, for free via the internet, or from other easily and freely accessible resources
- interests and composition of the community
- popular and/or anticipated demand and current trends
- attention of critics, reviewers, and the public
- quality, clarity, comprehensiveness and accuracy of the work
- reputation, skill, competence and purpose of the originator of the work
- special value as a contribution to social questions and problems of continuing or topical interest
- timeliness or permanence of the work
- availability of funds and space
- balance of viewpoints in the collection including those considered extreme or minority

An item need not meet all of the above criteria in order to be acceptable. Items that do not meet these criteria may be purchased to satisfy demand. The Local History and Archives department



will only accept material on a permanent basis, except when borrowing material for short-term loans to reproduce or to include in displays or exhibits.

### **Requests for Removal of Items**

The Hamilton Public Library recognizes the right of individuals to express opposition to author or artists' ideas or to their creative expression in items selected for the library. While people have the right to reject for themselves items of which they do not approve, they do not have the right to restrict the freedom of others. The Hamilton Public Library is a resource where many points of view and modes of expression can be examined without hindrance. No ideas or opinions have universal acceptance and the use of language or visual depiction, either descriptive or expressive, can in itself stimulate controversy.

The Hamilton Public Library complies with any law enacted at the federal, provincial or municipal level, and therefore does not collect or maintain items which have been judged obscene or pornographic, or have been banned by the courts. The relevant sections of the Criminal Code of Canada are: sedition, hate propaganda and obscenity.

The presence of an item in the collection does not indicate an endorsement of its contents by the Hamilton Public Library, but rather is an affirmation of the principle of intellectual freedom as embodied in the Canadian Federation of Library Associations' Position Statement on Intellectual Freedom and Libraries.

The following will not cause an item to be automatically included or excluded from the collection:

- race, religion, nationality or political views of an author
- frankness or coarseness of language
- controversial content
- endorsement or disapproval of an individual or group
- language in which the work is written or spoken

If a customer feels that an item in our collection falls outside the criteria outlined in this policy, they are invited to complete a Request for Reconsideration Form.

### **De-selection and Collection Maintenance**

The library strives to maintain strong physical collections while growing or providing access to content that reflects the increasing demand for information, books, music and videos in digital formats.

The Library continually identifies items from its collections for discard based upon the following criteria:

- Item's subject is outdated
- Item is no longer of interest or in demand
- Overabundance of an item or subject as interest wanes
- Worn or damaged copies

Once an item has been identified for possible deselection based on the criteria above, the process of determining if an item still deserves a place in the library's collection begins. Retention is based on the following criteria:

- Is it of local, regional, or national significance, including works of local or Canadian authors, artists, recording artists or film makers and works pertaining to local history?
- Is it a work by a famous author, artist, recording artist, film maker or universally accepted as a classic work?
- Is it unique to the collection in that there is little or no information available on that topic elsewhere and is the information still relevant and useful?

Items withdrawn from the collection are placed on sale annually or shipped to a reseller.

### Local History & Archives Collections

Material added to the Local History & Archives collection shall be held until such time as it is deemed no longer relevant and is de-accessioned. All information pertaining to the de-accessioning and disposition of material will be retained in the Archives' records.

### Access to Collections

Physical access to items will not be restricted except for the express purpose of protecting an item from damage or theft. Library customers of all ages shall have open access to all the Library's collections with the following exceptions:

- Films rated "R" or "18A" by the Ontario Film Review Board and Games rated "M" by the Entertainment Software Rating Board are limited to customers 18 years of age or older.
- Access to collections housed in the Local History and Archives Department is limited to customers 14 years of age and older. Users under 14 must be accompanied by a parent or guardian.
- In keeping with the Library's [The Rights of Children and Teens in the Public Library Policy](#), there is no restriction on the material that may be borrowed by children. Parents and/or those responsible for the child are responsible for the selection, usage and safe return of materials borrowed by their children.

### Interlibrary Loans

The Hamilton Public Library Board recognizes the important value of the interlibrary loan service to compliment HPL's collections. HPL actively participates in resource sharing for the benefit of library customers across Ontario and Canada and to provide Hamilton Public Library customers with efficient access to information and materials not held in the HPL. Interlibrary loans are limited to those items that the library might not be expected to own. HPL does not depend upon another library to supply the normal needs of our customers. Customers have the option of requesting a "No Charge loan". However, when the lending institution has charges to apply, customers must agree to pay up to \$25 in charges when they place the request. If the charge will exceed \$25 the customer will be contacted. If an HPL customer loses an item borrowed from another library on their behalf they are responsible for all replacement charges from the lending institution.

### Suggestions for Purchase, Donations & Gifts

- **Suggestions:** We encourage customer participation in the shaping of our collections. Suggestions are referred and considered according to the Library's selection criteria.
- **Material Donations:** Defined as items purchased commercially that are no longer needed by customers and organizations. Offers to donate items to the Hamilton Public Library are appreciated. However, we do not accept them, because they place a

financial toll on the system that supersedes any monetary gain from sale or enhancement to our collection.

- **Gift Copies from Local Authors:** In an effort to support local authors, recording artists and film makers, we accept gift copies of their work as long as they are submitted in a format we currently support. The library cannot accept imposed conditions relating to any item after its acceptance (e.g. consignment, return). Items that are not added to the collection are not returned, but rather discarded or sold. Items are considered for inclusion according to the Library's selection criteria.
- **Gifts to Local History & Archives:** Gifts in this case are defined as original works or works of significant historical value being offered to the Library at no charge. We have a mandate to collect and preserve valuable items that pertains to Hamilton's past and its culture. The Archives will accept historical material of any medium, including: textual records; photographs and other visual records; maps, plans and architectural records; and sound recordings and oral history recordings. Valuable items on Hamilton's past are evaluated by staff in our Hamilton Local History & Archives Department before being accepted.

**Revision History:** March 19, 2014

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**From:** Paul Takala, Chief Librarian/CEO  
**Subject:** **Library Board Policy Manual – 2nd Review**

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#### **RECOMMENDATION:**

That the Hamilton Public Library Board approve the updated Library Board Policy Manual.

#### **FINANCIAL/LEGAL/STAFFING IMPLICATIONS**

The Hamilton Public Library is governed under the Ontario Public Libraries Act and City of Hamilton By-Law No. 04-019. The Library Board is responsible for the effective governance of the organization. The Library Board establishes the mission and strategic priorities and it adopts policies that govern the development and overall scope of program and services. The Library Administration Team develops operational policies and procedures that are consistent with Library Board policies and ensure compliance with relevant legislation.

#### **BACKGROUND**

A draft of the updated policy manual was brought to the Library Board in March. Board members were asked to provide feedback on the document. Thank you to the Board members that provided feedback. There were a number of grammatical and formatting corrections that were identified by Board members. In addition, the draft contained some inconsistencies in how the new policy template was applied. Corrections have been made to address those inconsistencies. Staff will continue to work on clearing up formatting issues to enhance readability.

The revisions made to this version of the document do not reflect any substantive changes to the content or meaning of the policies as reflected in the earlier draft. Staff will continue to bring to the Library Board updated policies that are consistent with the Policy Development Framework.

## Chief Librarian's Report – May 2017

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### GREENSVILLE OPEN HOUSE

There will be two open houses on the Greensville project on June 1<sup>st</sup> at the Greensville Elementary School, 625 Harvest Rd. There will be an afternoon session from 1-3 pm and an evening session from 6-8 pm. On display will be drawings and renderings of the new joint facility that is being built in partnership with the Hamilton Public Library, the City of Hamilton and the Hamilton-Wentworth District School Board (HWDSB). Scheduled for completion in fall 2018, Svedas Architects Inc. is designing this exciting new facility that will become a community hub for the Greensville community. The open houses will provide an opportunity for members of the community to speak with the architects, staff and Board members and comment on the design.

### UPDATE ON MANAGEMENT TEAM

Please join me in congratulating Laura Lukasik, Manager of Partnerships and Communications who has accepted an exciting opportunity with the City of Brampton as their new Manager of Tourism. She will be leaving HPL on June 2nd. Laura has been a long time employee of HPL where she has served in many capacities. Since 2011 she has been a manager providing leadership in communications, partnership and program development. Laura's energy and commitment to the Hamilton community and to the Library has had a huge positive impact and we wish her the best as she takes on this new challenge.

I am pleased to announce that Sukh Jatana has accepted the position of Manager of Digital Technology Infrastructure. He will be starting with us on May 15. Sukh has extensive digital technology experience and has worked at several firms specializing in IT infrastructure such as Compugen and Synergy IT Solutions Inc in Manager roles. Sukh has a Master's of Science, Computer Science from Bridgeport University and is in the process of completing a Master's of Science, Technology Management. His undergraduate is a Bachelor of Technology, Computer Science and Engineering from Punjab Technical University. We look forward to Sukh bringing his experience and technology leadership to the Hamilton Public Library.

### TRUTH & RECONCILIATION REPORT

The Canadian Federation of Library Associations (CFLA) has released an important report on truth and reconciliation. The report was developed by CFLA's *Truth and Reconciliation Committee*. The report outlines a path forward for respecting Indigenous culture and increasing access to traditional Indigenous knowledge. The 77-page report, which was the product of months of research and evaluation, makes ten recommendations to enhance experiences and opportunities for Indigenous peoples and researchers in

Canada by decolonizing libraries and archives and their practices. Staff are reviewing the report that is now being endorsed by libraries and library associations. We will be bringing a report to the Library Board in the coming months asking for an official endorsement from the Hamilton Public Library.

<http://cfla-fcab.ca/wp-content/uploads/2017/04/Truth-and-Reconciliation-Committee-Report-and-Recommendations.pdf>

### **FORMER LIBRARY BOARD CHAIR, MARIE ROBBINS RECOGNITION**

The Board of Directors of the Stoney Creek Chamber of Commerce has announced the 2016 Award Winners for Community Achievement. Former Library Board Chair Marie Robbins has been recognized as Citizen of the Year. She will receive her award at the Community Achievement Awards on May 17. Congratulations to Marie who has volunteered for many years to support literacy and other community initiatives.

### **PROVINCIAL BUDGET UPDATE**

Last month we reported the planned cuts to provincial funding for libraries in Saskatchewan. After a successful advocacy effort the province reversed its decision and has restored funding.

On April 27 the Ontario government released its 2017 budget. In general it contained positive news regarding the provincial investment in libraries. The Library community has long advocated for improvements to funding for Northern and First Nation Libraries. The budget included a onetime \$1 million investment to improve digital services in 45 provincially funded First Nation Public Libraries as well as 165 rural and 82 remote public libraries. Depending on local needs the funding could support: access to web-based information sources, network, hardware and software resources, and technology-focused training opportunities. The Ontario budget also identified the importance of digital literacy and inclusion. It will expand access to technology in public places, including in Ontario's schools and libraries; and support the launch of Code for Canada, an organization that will tackle civic technology and design challenges in local communities in Ontario and across the country. Libraries will need to closely monitor any funding opportunities that emerge around digital literacy both at the provincial and federal level. The Ministry of Tourism, Culture and Sport is currently reviewing how it allocates its support for public libraries. They are promising not to cut overall funding, however, how the funding is allocated could change. The Federation of Ontario Public Libraries (FOPL) and the Ontario Library Association (OLA) are actively engaged with the province in the discussions which could see changes in next year's budget. One other item of note, after the Ontario budget was released the province announced plans to reduce funding for Toronto Public Library's Virtual Reference Library. The decision was quickly retracted and the funding was restored.

<http://www.fin.gov.on.ca/en/budget/ontariobudgets/2017/contents.html>

### **FARMERS MARKET ELEVATOR**

The elevator in the Farmers Market is currently out of service. To assist the Market during this disruption, HPL is providing temporary access using our main elevators. The main HPL elevators which are accessed from the Market lower level through a door located beside Cake and Loaf are being made available beginning at 9 am on Market days. This elevator service is "one way only" going up from the Market in to the Library. We can't support access down to the Market because this would have allowed material to be removed without being checked/scanned.

### **GWYNNE DYER - THE TRUMP ERA: BARKING UP THE WRONG TREE**

Author, historian and journalist, Gwynne Dyer gave a talk at the Central Library on Wednesday, April 26. There was a large crowd of just over 300 present. Mr. Dyer engaged the crowd with many anecdotes and discussed the larger implications of the recent US election. The talk included a question and answer period afterwards. Feedback was very positive.

### **IN THE ROUND CONCERT, WRITES OF SPRING**

Another "In the Round" concert was featured on May 3 at Central Library. The fourth floor was transformed for *The Writes of Spring* performance that featured a night of music and conversation with performances by Tim Baker, Amelia Curran, Donovan Woods and Hawksley Workman. It was our first concert held on a weekday, but it ran without incident with a sold out crowd.

### **CAML ANNUAL CONFERENCE**

HPL staff members have been invited to present HPL's music strategy at the Canadian Association of Music Libraries, Archives and Documentation Centres (CAML) annual conference on May 27. The presentation will provide an overview of HPL's music initiatives, the importance of community partnerships, and the economic impact it is having to this community.

### **TAX FILING EVENT**

The Hamilton Roundtable for Poverty Reduction, in conjunction with several partner organizations including HPL, hosted its second tax filing event at Central Library on April 25 from 4:00 to 8:00pm. The focus of the event was to alert families with incomes of less than \$30,000 that they may be eligible for some substantial child tax credits. Volunteers were on site to assist with filing the tax returns. Twenty-three participants came to the event resulting in 16 tax returns filed. Another clinic is scheduled on Monday, May 29 at the Central Library from 3:00-7:00 p.m.

### **CITY SCHOOL BY MOHAWK – COMMUNITY ACCESS PARTNER CELEBRATION**

A celebration is being held for Mohawk partners at Central Library on Tuesday, May 23 from 4:00 to 6:00 pm. Official greetings will take place at 4:15 from Mohawk president,

Ron McKerlie. City School by Mohawk is a community-based initiative that aims to break down the barriers to education and employment. It has been providing classes at Central Library since September 2016.

### **100 IN1 DAY AT HPL**

On June 3, Hamilton will be joining other cities including Toronto, Halifax, and Vancouver to participate in the 100In1Day event: <https://hamilton.100in1day.ca/> Starting in Bogota, Columbia, this one-day event focuses on civic engagement and generating ideas for a better city. On the event day activities can range from street art, greening/beautification projects, or social events. HPL is supporting this initiative once again by offering a wide number of activities.

### **POP-UP LIBRARY**

The Pop-Up Library was the winning project proposal at HPL's 2015 Professional Development Day. The goal of the project is to build a stronger presence in the community by showcasing the Library outside of our own facilities. This will be achieved by staff spending time interacting with customers and potential customers in the community, outside of the library buildings at different in-door and outdoor venues. The project is rooted in HPL's Community-led commitment. Since April 2016, the team has scheduled 32 events and reached out to over 3100 people. Based on its success, a second Pop-Up kit is being created.

### **KIDSCRAWL**

On May 12, approximately 350 students from HWDSB and HWCDSB visited the Central Library as part of the annual KidsCrawl. Hamilton Youth Poets offered a Junior Poetics workshop in the Hamilton Room and HPL staff showcased the art and Makerspace on the 4th floor. KidsCrawl is an annual event where participating galleries and cultural spaces open their doors to explore these venues and provide an opportunity for Hamilton students to preview work by local and international artists.

### **TD CHILDREN'S BOOK WEEK**

HPL participated in annual TD Children's Book Week celebrations with the launch of HPL's annual Children's Book Week bookmark contest. Each May, TD Children's Book Week celebrates Canadian Children's books and the importance of reading with over 400 readings to over 28,000 children, teens and adults in roughly 175 communities across the country. HPL will be hosting author Kate Inglis at the Concession Branch on May 15.

### **TELLING TALES KICK OFF**

HPL will be hosting the 2017 Telling Tales Festival Kick off on Wednesday, May 17 at 4:30 on the 4th Floor at the Central Library. Kevin Sylvester is hosting, and we'll be announcing the 2017 Telling Tales Reading List and sharing some highlights from Festival presenters.



### **ONTARIO ARCHIVES ASSOCIATION**

K. Milligan and T. Krause presented a workshop on the Digital Storytelling Project at the 2017 Ontario Archives Association Annual Conference of the University of Toronto's Faculty of Information. HPL Archivist Tracey Krause is the incoming President of the OAA.

### **EVENING FOR BOOK LOVERS/ HAMILTON READS**

HPL is hosting its third annual, Evening for Book Lovers on Friday, June 2. This after-hours event will feature Canadian author Jane Urquhart who will read from her book, *A Number of Things: Stories of Canada Told through Fifty Objects*. Annette Hamm (CHCH) will be the emcee for the night. At this time, HPL will reveal this year's Hamilton Reads title. HPL's staff of passionate readers will be making recommendations and conducting book talks throughout the evening. All audience members will be entered in draws for big baskets of books. This is a ticketed event that also features food and a cash bar.

### **ADULT SUMMER READING CLUB**

Staff is excited with the launch of an Adult Summer Reading Club. Adults are encouraged to fill in a tic-tac-toe sheet over the course of the summer. Those who successfully complete this activity will enter to win a prize basket and be invited to see an author of note for a culminating event. We anticipate this program will be well embraced and grow in the years to come.

Paul Takala  
Chief Librarian/CEO

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**c.c.:** Paul Takala, Chief Librarian/CEO  
**From:** Tony Del Monaco, Director of Finance and Facilities  
**Subject:** **Annual Financial Report 2016**

---

**RECOMMENDATION:**

That the Annual Financial Report for 2016 be received for information.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

This report is not mandated but is generated annually to gather key financial information in one place.

**BACKGROUND:**

Since fiscal year 2013 this report has been prepared to consolidate key financial information for review and future reference. This report is normally presented to the Library Board at the meeting the audited financial statements are approved.

The report includes the four audited financial statements that are produced annually, those being the Statement of Financial Position, Statement of Operations, Statement of Changes in Net Financial Assets, and the Statement of Cash Flows. With respect to the Trusts, the Statement of Financial Position, Statement of Operations, and summary of Trust balances is included. The report also includes the Schedule of Tangible Capital Assets, a summary of 2016 Library Reserves activity, a Capital Variance Report as of the end of 2016, and a summary of Development Charge activity, rates, and 10-year forecast.

**Hamilton Public Library Trust Funds**

Our external auditors, KPMG LLP, have noticed among several municipal entities that items previously accounted for as Trust Funds are not Trust Funds per the requirements of Public Sector Accounting Standards but rather restricted revenues. Based on KPMG's preliminary findings some items currently reported as Library Trusts may be more accurately reported as part of the Library's main financial statements. More information is needed however to make a full assessment. Staff will be following up and working with KPMG to determine the most appropriate method of reporting the Trusts for next year's financial statements.

Either way, there would be no impact on value of the Trusts or the Library's ability to access and use the funds. Any reporting changes coming out of that review would just be a change from having separate Trust statements as we do now, to having the Trusts consolidated and included as part of the Library's main financial statements.

The financial statements as presented for the year ended December 31, 2016 remain appropriate.



Hamilton  
Public  
Library

# FINANCIAL REPORT 2016

Tony Del Monaco  
Director, Finance & Facilities

**May 17<sup>th</sup>, 2017**

Hamilton Public Library  
55 York Blvd.  
Hamilton, ON  
L8N 4E4

# CONTENTS

## 2016 Financial Statements

- Statement of Financial Position..... 3
- Statement of Operations..... 4
- Statement of Changes in Net Financial Assets..... 5
- Statement of Cash Flows..... 6

2016 Schedule of Tangible Capital Assets (TCAs) ..... 7

Library Reserves..... 8

Trusts..... 9

Capital Variance Report..... 10

Development Charges..... 12

Development Charges Overview: Costs for Library Service..... 13

Development Charges Reserve Forecast..... 14

# STATEMENT OF FINANCIAL POSITION

December 31, 2016, with comparative figures for 2015

	2016	2015
<b>Financial Assets</b>		
Cash	\$ 28,800	\$ 28,525
Accounts receivable	102,268	1,117,450
Due from City of Hamilton (note 2)	7,117,583	6,428,691
	<b>\$ 7,248,651</b>	<b>\$ 7,574,666</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 417,587	\$ 283,670
Due to trust funds	370,664	369,749
Liability for future benefits (note 3)	2,402,100	2,324,700
Deferred revenues	72,273	386
	<b>3,262,624</b>	<b>2,978,505</b>
Net Financial Assets	<b>3,986,027</b>	<b>4,596,161</b>
<b>Non-Financial Assets:</b>		
Prepaid expenses	386,812	415,736
Tangible capital assets (Schedule)	11,652,695	12,025,047
	<b>12,039,507</b>	<b>12,440,783</b>
Accumulated surplus (note 8)	<b>\$16,025,534</b>	<b>\$17,036,944</b>

# STATEMENT OF OPERATIONS

Year ended December 31, 2016, with comparative information for 2015

	Budget 2016 (note 10)	Actual 2016	Actual 2015
<b>Revenue:</b>			
Municipal contribution	\$ 28,952,830	\$ 28,952,830	\$ 28,576,020
Province of Ontario grants	949,450	949,451	949,451
Fines	397,670	359,256	422,246
Photocopier revenue	100,100	127,740	109,889
Donations	-	6,973	1,833
Other grant revenue	237,890	332,660	419,962
Other – rentals, sales and recoveries	104,500	108,104	57,930
Interest	-	137,987	186,937
Contributions from Municipal reserves	281,490	296,837	281,493
	31,023,930	31,271,838	31,005,761
<b>Expenditures:</b>			
Employee related expenses	20,741,810	20,198,793	19,957,830
Contractual	1,970,800	1,999,640	1,727,818
Building and grounds	1,605,910	1,531,372	1,510,552
Materials and supplies	1,187,110	1,012,089	864,781
Financial	398,120	348,686	372,117
Capital financing (note 5)	418,440	341,593	342,825
Vehicle expenses	36,090	67,412	50,598
Consulting	-	9,418	14,783
Amortization	-	3,463,152	3,548,204
Change in employee benefits	-	77,400	84,600
Reserves/recoveries	2,026,070	1,769,896	1,754,621
Contribution to Municipal reserves	7,010	83,865	6,398
Contribution to Municipal capital fund	-	10,000	-
	28,391,360	30,913,316	30,235,127
Annual surplus before reserve transfers	2,632,570	358,522	770,634
Contributions to reserves of Municipality (note 11)	-	1,369,932	2,678,500
Annual deficit	2,632,570	(1,011,410)	(1,907,866)
Accumulated surplus, beginning of year	17,036,944	17,036,944	18,944,810
Accumulated surplus, end of year	\$ 19,669,514	\$ 16,025,534	\$ 17,036,944

# STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2016, with comparative figures for 2015

	2016	2015
Annual deficit	\$ (1,011,410)	\$ (1,907,866)
Purchase of tangible capital assets	(3,090,800)	(3,037,385)
Amortization of tangible capital assets	3,463,152	3,548,204
	(639,058)	(1,397,047)
Net decrease (increase) in prepaid expenses	28,924	(8,125)
Change in net financial assets	(610,134)	(1,405,172)
Net financial assets, beginning of year	4,596,161	6,001,333
Net financial assets, end of year	\$ 3,986,027	\$ 4,596,161



# STATEMENT OF CASH FLOWS

Year ended December 31, 2016, with comparative figures for 2015

	2016	2015
Cash provided by (used in):		
Operating Activities:		
Annual surplus (deficit)	\$ (1,011,410)	\$ (1,907,866)
Items not involving cash:		
Amortization	3,463,152	3,548,204
Increase in future benefits	77,400	84,600
Change in non-cash assets and other liabilities:		
Accounts receivable	1,015,182	(1,054,023)
Prepaid expenses	28,924	(8,125)
Accounts payable and accrued liabilities	133,917	(354,956)
Deferred revenues	71,887	386
Due to trust funds	915	2,058
	3,779,967	310,278
Capital activities:		
Purchase of tangible capital assets	(3,090,800)	(3,037,385)
Financing activities:		
Due from City of Hamilton	(688,892)	2,725,352
Net change in cash	275	(1,755)
Cash, beginning of year	28,525	30,280
Cash, end of year	\$ 28,800	\$ 28,525

# SCHEDULE OF TANGIBLE CAPITAL ASSETS (TCAs)

Period ended December 31, 2016 with comparative figures for 2015

## December 31, 2016

Cost	Computer hardware	Computer software	Collections	Furniture and Equipment	Total
Beginning of year	\$ 244,211	366,438	21,859,072	2,395,514	24,865,235
Add: Additions during the year	185,743	48,880	2,567,902	288,275	3,090,800
Less: disposals during the year	(135,056)	(98,985)	(3,447,484)	(176,794)	(3,858,319)
End of year	\$ 294,898	316,333	20,979,490	2,506,995	24,097,716

Accumulated Amortization	Computer hardware	Computer software	Collections	Furniture and Equipment	Total
Beginning of year	\$ 135,138	189,187	11,429,805	1,086,058	12,840,188
Add: amortization during the year	89,852	68,277	3,059,897	245,126	3,463,152
Less: amortization on disposals	(135,056)	(98,985)	(3,447,484)	(176,794)	(3,858,319)
End of year	\$ 89,934	158,479	11,042,218	1,154,390	12,445,021

Net book value \$ 204,964 157,854 9,937,272 1,352,605 11,652,695

## December 31, 2015

Cost	Computer hardware	Computer software	Collections	Furniture and Equipment	Total
Beginning of year	\$ 226,530	\$ 261,719	\$ 22,437,429	\$ 2,462,400	\$ 25,388,078
Add: additions during the year	95,958	104,719	2,749,809	86,899	3,037,385
Less: disposals during the year	(78,277)	-	(3,328,166)	(153,785)	(3,560,228)
End of year	\$ 244,211	\$ 366,438	\$ 21,859,072	\$ 2,395,514	\$ 24,865,235

Accumulated Amortization	Computer hardware	Computer software	Collections	Furniture and Equipment	Total
Beginning of year	\$ 134,958	\$ 126,372	\$ 11,593,935	\$ 996,947	\$ 12,852,212
Add: amortization during the year	78,457	62,815	3,164,036	242,896	3,548,204
Less: amortization on disposals	(78,277)	-	(3,328,166)	(153,785)	(3,560,228)
End of year	\$ 135,138	\$ 189,187	\$ 11,429,805	\$ 1,086,058	\$ 12,840,188

Net book value \$ 109,073 \$ 177,251 \$ 10,429,267 \$ 1,309,456 \$ 12,025,047

# LIBRARY RESERVES

## HAMILTON PUBLIC LIBRARY RESERVE FUNDS

### 2016 ACTIVITY

	Total	106005 Mobile Equipment	106006 Library Collections	106007 Library General Development	106008 Library Major Capital Projects	106009 Youth Literacy	106011 Redeployment Training Restructuring	106012 Youth Programming	106013 Accessibility Health & Safety	106014 Computers & Servers	106015 Donations	
<b>Balance at December 31, 2015</b>	<b>(7,336,596)</b>	<b>(446,677)</b>	<b>(825,206)</b>	<b>(2,341,522)</b>	<b>(1,255,873)</b>	<b>(486,813)</b>	<b>(517,637)</b>	<b>(121,900)</b>	<b>(867,304)</b>	<b>(473,665)</b>	<b>-</b>	
<b>Transfers to Reserve in 2016</b>												
Interest	(137,987)	(8,975)	(16,581)	(43,197)	(24,268)	(9,781)	(10,401)	(2,449)	(16,485)	(5,850)	-	
Budgeted Provision for Auto Equipment	(30,000)	(30,000)										
Budgeted Provision for Equipment	(25,000)		(25,000)									
Budgeted Provision for R&M Grounds	(9,000)				(9,000)							
Repayment of Hydro Lighting Retrofit	(144,760)	(14,537)	(43,006)	(50,875)		(36,342)						
Printer Revenues	(127,740)			(127,740)								
Donations	(4,233)										(4,233)	
AODA Surplus	(100,000)								(100,000)			
Computer & Servers Surplus	(122,297)									(122,297)		
Final Year End Surplus	(140,455)				(140,455)							
	<b>(841,472)</b>	<b>(53,512)</b>	<b>(84,587)</b>	<b>(221,812)</b>	<b>(173,723)</b>	<b>(46,123)</b>	<b>(10,401)</b>	<b>(2,449)</b>	<b>(116,485)</b>	<b>(128,147)</b>	<b>(4,233)</b>	
<b>Transfers from Reserve in 2016</b>												
	<b>Date Approved</b>											
Staff Computer Renewal	May-16	300,000								300,000		
Central Doors on York St	Jun-16	90,000			90,000							
Dundas Renovation	Aug-16	443,500		360,000					83,500			
Binbrook Construction	Aug-16	29,000							29,000			
New Waterdown Branch		7,431			7,431							
Sorter Increase - RFID	Dec-13	500,000		500,000								
Youth Services Renewal	Dec-15	33,198						33,198				
		<b>1,403,129</b>	<b>-</b>	<b>-</b>	<b>860,000</b>	<b>97,431</b>	<b>-</b>	<b>-</b>	<b>33,198</b>	<b>112,500</b>	<b>300,000</b>	<b>-</b>
<b>Balance at December 31, 2016</b>		<b>(6,774,939)</b>	<b>(500,188)</b>	<b>(909,793)</b>	<b>(1,703,334)</b>	<b>(1,332,164)</b>	<b>(532,936)</b>	<b>(528,038)</b>	<b>(91,151)</b>	<b>(871,289)</b>	<b>(301,812)</b>	<b>(4,233)</b>

# TRUSTS

## Statement of Financial Position

As at December 31, 2016

	<u>2016</u>	<u>2015</u>
Financial Assets		
Cash	\$ 319,758	\$ 316,609
Investment in Hamilton Community Foundation	\$ 2,498,356	\$ 3,017,983
Due From City of Hamilton	\$ 370,664	\$ 369,749
<b>Total Financial Assets</b>	<b>\$ 3,188,778</b>	<b>\$ 3,704,341</b>
<b>Accumulated Surplus</b>	<b>\$ 3,188,778</b>	<b>\$ 3,704,341</b>

## Statement of Operations

Year ending December 31, 2016

	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Investment Income	\$ 179,909	\$ 258,027
<b>Total Revenue</b>	<b>\$ 179,909</b>	<b>\$ 258,027</b>
<b>Expenses</b>		
Transfer to Hamilton Public Library	\$ 650,000	\$ -
Other	\$ 45,472	\$ 44,492
<b>Total Expenses</b>	<b>\$ 695,472</b>	<b>\$ 44,492</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ (515,563)</b>	<b>\$ 213,535</b>
<b>Accumulated Surplus at the Beginning of the Year</b>	<b>\$ 3,704,341</b>	<b>\$ 3,490,806</b>
<b>Accumulated Surplus at the End of the Year</b>	<b>\$ 3,188,778</b>	<b>\$ 3,704,341</b>

Accumulated Surplus Consists of:

	<u>2016</u>	<u>2015</u>
M. Walden Thompson Estate	\$ 21,753	\$ 21,398
Special Gift Fund Central	\$ 2,164,338	\$ 2,709,647
Permanent Endowment Fund	\$ 844,725	\$ 818,982
Keetha McLaren Memorial Fund	\$ 45,434	\$ 43,329
F. Walden Library Bequest	\$ 66,077	\$ 65,448
Waterdown Libray Fundraising	\$ 46,451	\$ 45,537
	<b>\$ 3,188,778</b>	<b>\$ 3,704,341</b>

# CAPITAL VARIANCE REPORT

PROJECT ID	DESCRIPTION	APPROVED BUDGET	ACTUAL REVENUES	ACTUAL EXPENDITURES LTD	BUDGET VARIANCE INCLUDING COMMITMENTS	% COMPLETE	COMMENTS
<u>2016</u>							
7501651600	Staff Computer Renewal	300,000	300,000	266,316	33,684	88.77%	Project expected to be completed Q2 2017.
7501651601	York Entrance Door Replacement	100,000	100,000	6,375	93,625	6.37%	Tender awarded. Work to take place in summer 2017.
	<b>Sub-Total</b>	<b>400,000</b>	<b>400,000</b>	<b>272,690</b>	<b>127,310</b>	<b>68.17%</b>	
<u>2015</u>							
7501551501	Computer Replacement	600,000	600,000	637,802	(37,802)	106.30%	Project closed. Deficit offset by surpluses in other projects and funded by
	<b>Sub-Total</b>	<b>600,000</b>	<b>600,000</b>	<b>637,802</b>	<b>(37,802)</b>	<b>106.30%</b>	
<u>2014</u>							
7501451401	Central Lib Renos - Phase 3	1,653,000	1,653,000	1,652,702	298	99.98%	Project complete. To be closed.
							Branches have been outfitted with new signs and materials updated with new logo. Terryberry exterior sign still to be replaced. New flyers and additional promotional material also required.
7501451402	Logo & Brand Implementation	135,000	40,000	73,673	61,327	54.57%	
7501451403	Love Your City Project	150,000	149,680	149,680	320	99.79%	Project complete. To be closed.
	<b>Sub-Total</b>	<b>1,938,000</b>	<b>1,842,680</b>	<b>1,876,055</b>	<b>61,945</b>	<b>96.80%</b>	
<u>2013</u>							
							Installation of new high resolution cameras at select locations. Central cameras installed in 2016. Barton, Kenilworth, Redhill, & Sherwood have now been completed in 2017. Next round of RFQ to be issued for Terryberry, Turner Park, & Concession along with additional Central cameras in 2017.
3501351303	Security Camera Installation	325,000	325,000	109,295	215,705	33.63%	
7501341301	Dundas Library Expansion	2,343,500	1,043,500	473,337	1,870,163	20.20%	Asbestos abatement procedure phase of the project is now complete in areas that are to be renovated. Construction has resumed in 2017. Construction completion now forecasted for November 2017.
7501351302	Digital Equipment Upgrades	350,000	350,000	311,904	38,096	89.12%	Project closed. Surplus returned to library reserves in 2017.
	<b>Sub-Total</b>	<b>3,018,500</b>	<b>1,718,500</b>	<b>894,536</b>	<b>2,123,964</b>	<b>29.64%</b>	
<u>2012</u>							
							Construction proceeding well. Recent weather has been favourable with roof framing completed and structure enclosed. Plumbing, electrical, HVAC work underway. Site servicing nearing completion. Project on schedule with completion anticipated in January 2018.
7501241200	Binbrook Library Branch Renos	3,639,000	612,500	825,270	2,813,730	22.68%	
7501241203	Central Library Renos-Flrs 2-4	552,000	552,000	551,324	676	99.88%	Project closed. Surplus returned to library reserves in 2017.
7501257201	Integrated Library System-	400,000	400,000	325,162	74,838	81.29%	Project closed. Surplus returned to library reserves in 2017.
	<b>Sub-Total</b>	<b>4,591,000</b>	<b>1,564,500</b>	<b>1,701,755</b>	<b>2,889,245</b>	<b>37.07%</b>	

# CAPITAL VARIANCE REPORT

PROJECT ID	DESCRIPTION	APPROVED BUDGET	ACTUAL REVENUES	ACTUAL EXPENDITURES LTD	BUDGET VARIANCE INCLUDING COMMITMENTS	% COMPLETE	COMMENTS
<u>2010</u>							
7501041101	Lighting Retrofits-Library	995,850	995,847	935,609	60,241	93.95%	Project closed. Surplus returned to library reserves in 2017.
7501041102	Library Branch Renovations	317,453	317,453	287,837	29,616	90.67%	Project closed. Surplus returned to library reserves in 2017.
7501057100	Public Computing and Printing	218,281	218,281	259,941	(41,660)	119.09%	Project closed. Deficit offset by surpluses in other projects and funded by
	<b>Sub-Total</b>	<b>1,531,584</b>	<b>1,531,580</b>	<b>1,483,387</b>	<b>48,197</b>	<b>96.85%</b>	
<u>2009</u>							
7500941900	Lynden Branch Library	1,820,000	1,823,572	1,696,478	123,522	93.21%	Project closed. Surplus returned to both library reserves & DC reserves
	<b>Sub-Total</b>	<b>1,820,000</b>	<b>1,823,572</b>	<b>1,696,478</b>	<b>123,522</b>	<b>93.21%</b>	
<u>2008</u>							
7500841800	RFID Project	4,290,000	3,900,000	4,245,463	44,537	98.96%	Now that a 5 bin sorter has been orderd for Dundas this project is nearing
	<b>Sub-Total</b>	<b>4,290,000</b>	<b>3,900,000</b>	<b>4,245,463</b>	<b>44,537</b>	<b>98.96%</b>	
<u>2007</u>							
7500741701	Library Renovations	1,503,000	1,502,082	1,556,957	(53,957)	103.59%	Project closed. Deficit offset by surpluses in other projects and funded by
	<b>Sub-Total</b>	<b>1,503,000</b>	<b>1,502,082</b>	<b>1,556,957</b>	<b>(53,957)</b>	<b>103.59%</b>	
<u>2006</u>							
7500641101	Waterdown Branch Library	7,905,119	7,905,119	7,633,848	271,271	96.57%	Project in post-completion phase. Sign still to be installed. Some
	<b>Sub-Total</b>	<b>7,905,119</b>	<b>7,905,119</b>	<b>7,633,848</b>	<b>271,271</b>	<b>96.57%</b>	



# DEVELOPMENT CHARGES

	<u>2015</u>	<u>2016</u>
<b>Residential</b>	\$ (744,082)	\$ (2,029,250)
<b>Non-Residential</b>	\$ (177,851)	\$ (285,025)
<b>Combined DCs</b>	<u>\$ (921,933)</u>	<u>\$ (2,314,275)</u>

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## Residential

Opening Balance	\$ (1,077,591)	\$ (744,083)
Collections	732,731	905,571
Refunds	(20,138)	-
Interest	(23,803)	(26,823)
External Debt Payments	(281,493)	(281,493)
Transfers to Capital Projects	(73,789)	(1,915,696)
Exemption Recoveries	-	33,274
<b>Closing Balance</b>	<u>\$ (744,083)</u>	<u>\$ (2,029,250)</u>

## Non-Residential

Opening Balance	\$ (184,584)	\$ (177,851)
Collections	14,994	14,759
Refunds	(51)	-
Interest	(4,326)	(4,333)
External Debt Payments	-	-
Transfers to Capital Projects	(3,884)	(126,000)
Exemption Recoveries	-	8,400
<b>Closing Balance</b>	<u>\$ (177,851)</u>	<u>\$ (285,025)</u>

# DEVELOPMENT CHARGES OVERVIEW: COSTS FOR LIBRARY SERVICE

Period	Single-Detached Dwelling & Semi-Detached Dwelling	Townhouses & Other Multiple Unit Dwellings	Apartments 2-Bedrooms +	Apartments Bachelor & 1-Bedroom	Residential Facility Dwelling	Non-Residential (\$)
	(Per Unit)	(Per Unit)	(Per Unit)	(Per Unit)	(Per Unit)	(Per Sq. Ft.)
July 6, 2016 - July 5, 2017	605	438	370	257	196	0.04
July 6, 2015 - July 5, 2016	594	430	363	252	193	0.04
July 6, 2015 - July 5, 2015	528	380	324	221	169	0.04
August 31, 2014 - January 5, 2015	471	337	291	194	147	0.04
July 6th, 2014 - August 30, 2014	471	337	291	194	147	0.04
July 6, 2013 - July 5, 2014	390	239	160	280	115	0.02



# DEVELOPMENT CHARGES RESERVE FORECAST

## DEVELOPMENT CHARGES RESERVE FORECAST

Development Charge Reserve  
Library Services - Residential  
DC Reserve # 110322

	FORECAST 2017	FORECAST 2018	FORECAST 2019	FORECAST 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026
Balance - Opening	(2,029,250)	(1,249,980)	(787,294)	(192,266)	441,289	1,114,740	1,708,104	2,505,521	3,206,236	3,972,355
Collections	1,088,269	1,110,034	1,229,284	1,253,869	1,278,947	1,525,312	1,571,071	1,618,204	1,666,750	1,950,855
Interest	(27,506)	(17,324)	(4,231)	9,711	24,530	37,587	55,134	70,553	87,411	97,716
Transfer To Capital	-	-	-	-	-	-	-	(300,000)	(300,000)	(300,000)
External Debt Payments	(281,493)	(630,025)	(630,025)	(630,025)	(630,025)	(969,535)	(828,788)	(688,042)	(688,042)	(1,280,258)
<b>Balance - Year End Reporting</b>	<b>(1,249,980)</b>	<b>(787,294)</b>	<b>(192,266)</b>	<b>441,289</b>	<b>1,114,740</b>	<b>1,708,104</b>	<b>2,505,521</b>	<b>3,206,236</b>	<b>3,972,355</b>	<b>4,440,668</b>

Development Charge Reserve  
Library Services - Non Residential  
DC Reserve # 110323

	FORECAST 2017	FORECAST 2018	FORECAST 2019	FORECAST 2020	FORECAST 2021	FORECAST 2022	FORECAST 2023	FORECAST 2024	FORECAST 2025	FORECAST 2026
Balance - Opening	(285,026)	(263,226)	(199,607)	(133,980)	(66,290)	3,523	110,005	219,826	333,091	449,905
Collections	27,591	28,143	28,706	29,280	29,866	30,762	31,685	32,635	33,614	34,623
Interest	(5,792)	(4,392)	(2,948)	(1,459)	78	2,421	4,837	7,330	9,900	14,136
Transfer To Capital	-	-	-	-	-	-	-	-	-	-
External Debt Payments	-	39,869	39,869	39,869	39,869	73,300	73,300	73,300	73,300	143,726
<b>Balance - Year End Reporting</b>	<b>(263,226)</b>	<b>(199,607)</b>	<b>(133,980)</b>	<b>(66,290)</b>	<b>3,523</b>	<b>110,005</b>	<b>219,826</b>	<b>333,091</b>	<b>449,905</b>	<b>642,389</b>
<b>Balance - Combined</b>	<b>(1,513,206)</b>	<b>(986,901)</b>	<b>(326,246)</b>	<b>374,999</b>	<b>1,118,263</b>	<b>1,818,109</b>	<b>2,725,348</b>	<b>3,539,327</b>	<b>4,422,260</b>	<b>5,083,057</b>

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**c.c.:** Paul Takala, Chief Librarian/CEO  
**From:** Tony Del Monaco, Director, Finance & Facilities  
Assad Hoosein, Manager of Facilities  
**Subject: Facilities Projects Update Report**

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#### **RECOMMENDATION:**

That the Facilities Projects Update Report be received for information.

#### **FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Projects contained in this report have established budgets approved through the capital budget process or are in a consideration phase for future capital budget forecasting.

#### **BACKGROUND & PROJECTS UPDATE:**

##### **Binbrook New Build**

Construction of the new Binbrook branch is proceeding well. Recent weather has been favourable with roof framing completed and structure enclosed. Plumbing, electrical, HVAC work underway. Site servicing nearing completion. Project appears to be on schedule. Opening of the new building is anticipated for January 2018.

##### **Carlisle Expansion**

A feasibility study was presented at the April 19, 2017 Board meeting. The study includes the possibility of creating a new addition attached to the existing arena that is approximately 3,000 sq. ft. Project is currently awaiting Board direction.

##### **Central 1st Floor Facade Lighting**

Currently the existing decorative LED facade lighting of the 1<sup>st</sup> floor of the Library and the Farmers Market is not working. Preliminary investigations have taken place which explored what is needed to trouble shoot and diagnose the existing problem (\$10K), retrofitting and repairing the existing system once the issues have been identified (dollar amount currently unknown) and the possibility of replacing the entire lighting system (\$100 - \$120K). A feasibility study will be undertaken to look at alternatives such as up and/or down lighting, coloured panes of glass, back lighting, etc.

##### **Central Windows Replacement**

Design is underway and the consulting team has walked the building and documented and reviewed the existing conditions. The anticipated completion of the design phase is early Summer 2017. Currently, the project is being considered to be tendered in two phases. The first phase will consist of the South side of the building which

includes the tower and will be tendered in late Q2 2017. The anticipated completion of phase 1 is March 2018 which is a condition of the project funding which is partially funded through Canada 150 grants. Phase 2 would continue throughout 2018.

### **Central York Boulevard Doors Replacement**

Construction tendering and award is complete. Currently, the Building Department has requested additional requirements for exiting during construction. Also, using lessons learned from recent projects, weather stripping, manual locking, and card reader access, has undergone minor, but important modifications to enhance the technical performance. It is anticipated that the construction will start in July 2017 and be completed over the summer months.

### **Dundas Renovation**

The asbestos abatement procedure phase of the project is now complete in areas that are to be renovated. Construction has resumed and work is underway to complete the framing of new spaces in the basement. Plumbing, electrical, HVAC has started. Site servicing is nearing completion. Construction completion has been forecasted for November 2017.

### **Freelton Rural Service Model Pilot**

In March, the Board approved up to \$35,000 to upgrade infrastructure at the branch to allow for extended hours with remote staffing. The purpose of pursuing this model is to transform the return on investment for rural branches and prevent the need for future closures and consolidations. The Board is committed to sustainably maintaining and enhancing service in rural branches while ensuring this model is not used to reduce overall staffing at rural branches.

Bibliotheca has been approved as the authorized vendor of record to provide the technology for remote support and extended hours access. Staff are continuing to work with Bibliotheca on implementation. Hours of the pilot project will be determined over the summer with the pilot project expected to start later this fall.

### **Greensville New Build**

Capital funding has been approved for a joint project with the City of Hamilton and the HWDSB. Currently the school design is underway with the project scheduled to be completed in 2018.

### **Locke Addition and Renovation**

A feasibility study was completed and capital funding has been approved in 2017. Currently the design phase is underway which includes enhanced accessibility, a new barrier free entrance, new programming spaces and improved circulation and service areas. During construction the branch will be shut down, however programming will continue at one of the nearby churches.

### **Security Camera Project**

Installation of new high-resolution, digital security cameras has now been completed at the Barton, Kenilworth, Redhill, and Sherwood Branches. A request for quote will now be issued for Terryberry, Turner Park, Concession, and some additional cameras at Central and Lynden.

### **Valley Park Expansion**

A feasibility study was completed and capital funding for the expanded branch was approved in 2016. The RFP has been released and the design tender is currently in progress. Design is to be completed in Q4 of 2017. Forecasted project completion is Q4 of 2019.

### **Waterdown Post-Construction**

Currently HPL staff is working with the City to rectify outstanding post-construction issues. The request for quotes for the installation of the exterior pylon sign has been issued. Various improvements have been identified such as landscaping, grass, and trees that need to be replanted, along with weeding and mulching of existing beds, possible installation of a fence, irrigation investigations, and removal and replacement of existing glass swing doors at the library entrance with an automatic sliding door. Currently City facilities staff are gathering quotes and scheduling the work to be completed.

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**c.c.** Paul Takala, Chief Librarian  
**From:** Tony Del Monaco, Director of Finance & Facilities  
**Subject:** **2017 Budget Variance Report as of March 31st**

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#### **RECOMMENDATION:**

That 2017 Budget Variance Report as at March 31<sup>st</sup>, 2017 and estimated to December 31, 2017 be received for information.

#### **FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

*The budget variance as at December 31, 2017 is estimated to be \$230,261 Favourable.*

The total 2017 operating budget for the Hamilton Public Library was approved at a net expenditure of \$29,526,220 (gross expenditures of \$31,613,770 less gross revenues of \$2,087,550). The current estimated variance as at March 31, 2017 is favourable by \$230,261 which is 99.2% of the budgeted net expenditure.

The budget variance report is based on actual expenditures up to March 31, 2017 with projections to the end of the year. An explanation of the type of revenues and expenditures contained with each line of the Budget Variance Report is provided below along with an explanation of the significant variances.

#### **BACKGROUND:**

##### **REVENUES**

##### **GRANTS AND SUBSIDIES**

*Estimated variance at December 31, 2017 - \$114,292 Favourable*

This line includes the annual operating grant from the Province of Ontario of \$949,450 and funding for specific grant programs such as Literacy Instruction for New Canadians (LINC). The annual operating grant from the province is paid in one lump sum and is normally received in the second half of the year.

The favourable variance is attributable to a \$65,292 Ontario Libraries Capacity Fund (OLCF) grant which has been used to purchase hardware and software products to improve user services. We have also received confirmation that we will be receiving a \$24,000 New Horizons grant which will be put towards seniors' programming and a \$5,000 Canada150 grant in support of the Love Your City, Share Your Stories Digital Storytelling project.

While these unbudgeted grants are contributing to a favourable revenue variance they do not contribute to the overall net variance because they each have offsetting expenses.

## **FEES AND GENERAL**

*Estimated variance at December 31, 2017 - \$10,357 Favourable*

Major items contained in this line are revenues from library fines, photocopier & printer revenues, and recoveries from third parties. Contributing to the favourable variance are recoveries from Hamilton Health Sciences for the 2 out of 5 days that the Disability and Income Support Program (DISP) worker works out of the General Hospital (\$10,000). Donations to date in 2017 have already surpassed all of 2016 (\$16,000). Merchandise sales are expected to come in at \$9,000 higher than budgeted as a result of increased usage in Makerspaces. Assuming photocopy and printer revenues remain consistent with last year would result in revenues \$17,000 higher than budgeted for this category.

The continuing trend of declining fine revenues will offset these positive variances. Fine revenues have been budgeted at \$385,000 however last year's fine revenue only amounted to \$360,000 and first quarter revenues indicate that the declining trend will continue with only \$340,000 now estimated for the whole year.

## **RESERVES/CAPITAL RECOVERIES**

*Estimated variance at December 31, 2017 - \$0 No Variance*

This line consists of transfers from City of Hamilton reserve funds to cover development charge financing costs charged to the Hamilton Public Library. These transfers from the City's Development Charge reserve fund cover the repayment of debentures that were issued by the City for Library for growth-related capital projects instead of being funded directly from the Development Charge reserve.

## **EXPENSES**

### **EMPLOYEE RELATED COSTS**

*Estimated variance at December 31, 2017 - \$544,030 Favourable*

This line includes all the employee related costs such as salaries, wages and government and employer benefits including medical, dental, OMERS, WSIB and Vested Sick Leave payouts. The variance is primarily due to lower than expected salary and wage expenses as a result of gapping.

### **CAPITAL FINANCING**

*Estimated variance at December 31, 2017 - \$0 No Variance*

This line reflects the repayment of debentures issued by the City of Hamilton to fund Library capital projects. Any surplus/deficit between actual and budgeted amounts are returned to/ borne by the City.

## FINANCIAL

*Estimated variance at December 31, 2017 - \$49,515 Favourable*

The favourable variance is primarily a result of expected savings in legal fees (\$30,000) and processing fees (\$25,000). More detail on Financial expenses follows at the end of this report.

## MATERIALS AND SUPPLIES

*Estimated variance at December 31, 2017 - \$83,717 Unfavourable*

A few different factors are contributing to the unfavourable variance projection. There has been an increase in spending on computer software and operating equipment in relation to the OLCF grant (\$65,000). Funds received were spent on hardware and software products to enhance user services. Terryberry and Westdale carpet replacements are contributing to the furniture and fixtures variance (\$25,000).

Library materials and subscriptions make up the bulk of the budget for this area. Spending on subscriptions has been trending up and is expected to continue contributing to the variance (\$50,000). Savings on library materials (\$32,000) and operating supplies (\$16,000) are expected to offset these variances. More detail on Materials and Supplies follows at the end of this report.

## VEHICLE EXPENSES

*Estimated variance at December 31, 2017 - \$12,341 Unfavourable*

This line includes vehicle expenses such as costs for fuel and vehicle washing. It also includes fleet related work orders done by the City to maintain our vehicles – bookmobiles and vans. The budget is determined by the City and has been reduced in recent years however the age of the vehicles has resulted in maintenance expenses remaining high. The courier van is due to be replaced this year while the central operations and digital technology vans are scheduled to be replaced in 2018.

## BUILDINGS AND GROUNDS

*Estimated variance at December 31, 2017 - \$47,722 Favourable*

This line includes building associated costs that are paid directly by the Library and not through a cost allocation from the City. It includes costs for security guards, heating, hydro, data and external telephone lines. Security costs are projected to be unfavourable (\$16,000), however this is expected to be offset by lower than budgeted utility costs (\$10,000) along with lower than budgeted spending on accessibility (AODA) expenses (\$50,000).

## CONSULTING

*Estimated variance at December 31, 2017 - \$10,000 Unfavourable*

There is no budget for consulting services and no expenses have been incurred to date. \$10,000 has been estimated to be spent for the rest of the year based on past history.

## **CONTRACTUAL**

### *Estimated variance at December 31, 2017 - \$112,596 Unfavourable*

This line includes expenditures for items such as computers, servers, photocopiers, advertising, service contracts, collection agency fees, access copyright fees, inter-branch courier service, and programming. Main contributors to the unfavourable variance are related to expenses for lease & service contracts for items such as sorter maintenance (\$60,000). The budget for this line item needs to be reviewed since it has remained the same over recent years despite the increase in the use of technology to provide services. Facility rentals (\$38,000) for temporary leased space is another contributing factor. Programming related expenses are also expected to come in at about \$25,000 over budget. It should be noted that higher than budgeted programming expenses are offset by grant funding received such as the New Horizons Grant. Savings in computer and server costs are expected to offset this variance by \$15,000.

## **RESERVES/RECOVERIES**

### *Estimated variance at December 31, 2017 - \$317,000 Unfavourable*

This line includes expenses for the City's recovery of services and reserve transfers. There is no variance expected related to the City's recovery of services. The variance is due to Board-approved annual transfers to reserves for account-specific surpluses. Those are related to revenues for printer/ photocopiers (\$127,000) and donations received (\$16,000). In addition, surpluses in certain expense accounts related to AODA (\$50,000) and Computers & Servers (\$15,000) are transferred to reserves at year end. In each case, these funds are being transferred to Library reserves to offset future operating and capital impacts.

Repayment from operating to reserves for the Lighting Retrofit project are also transferred at year end and will be \$109,000 in 2017. The final repayment for this project will be made in 2018.



<b>Table 1: Year End Variance Report as at Mar 31, 2017</b>				
<b>Projections for Year Ending Decemeber 31, 2017</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Variance Favourable/ (Unfavourable)</b>	<b>% Spent</b>
<b>Revenues:</b>				
Grants & Subsidies	(1,209,440)	(1,323,732)	114,292	109.4%
Fees & General	(596,620)	(606,977)	10,357	101.7%
Reserves/Capital Recoveries	(281,490)	(281,490)	-	100.0%
	<b>(2,087,550)</b>	<b>(2,212,199)</b>	<b>124,649</b>	<b>106.0%</b>
<b>Expenditures:</b>				
Employee Related Costs	21,146,800	20,602,770	544,030	97.4%
Capital Financing	468,780	468,780	-	100.0%
Financial	385,220	335,705	49,515	87.1%
Materials and Supplies	3,836,880	3,920,597	(83,717)	102.2%
Vehicle Expenses	37,480	49,821	(12,341)	132.9%
Building and Grounds	2,471,170	2,423,448	47,722	98.1%
Contractual	1,241,180	1,353,776	(112,596)	109.1%
Consulting	-	10,000	(10,000)	-
Reserves and Recoveries	2,026,260	2,343,260	(317,000)	115.6%
	<b>31,613,770</b>	<b>31,508,158</b>	<b>105,612</b>	<b>99.7%</b>
<b>Net Expenditures</b>	<b>\$ 29,526,220</b>	<b>\$29,295,959</b>	<b>\$ 230,261</b>	<b>99.2%</b>

<b>Table 2: Financial, Materials and Supplies Details</b>				
<b>Description</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Explanation</b>
Legal Fees	40,000	10,000	30,000	Actual expected to be consistent with previous year.
Cash Over / Short	-	106	(106)	
Debit & Credit Card Processing Charges	14,680	12,000	2,680	Charges for customer use of eCommerce, credit, and debit cards
Audit Fees	6,720	6,720	-	2017 audit fees
Collection Fees	15,300	15,948	(648)	Fees charged by the collection agency to recover overdue accounts. 2017 Budget reduced by \$10,000.
Processing Fee	300,000	275,000	25,000	
Other Fees & Services	8,520	15,931	(7,411)	
<b>FINANCIAL</b>	<b>385,220</b>	<b>335,705</b>	<b>49,515</b>	
Operating Supplies	216,400	200,000	16,400	various small dollar items
Computer Software	53,060	60,000	(6,940)	
Operating Equipment	135,020	180,000	(44,980)	related to Ontario Libraries Capacity Fund expenditures
Furniture & Fixtures	50,000	75,000	(25,000)	TE & WE carpet replacements
Merchandise	-	12,000	(12,000)	headphones, USB sticks for resale
Library Materials	2,632,570	2,600,000	32,570	
Subscriptions	600,000	650,000	(50,000)	
Repairs-Equipment	4,440	2,000	2,440	repairs to keypads, security equip.
Service-Reader/Printer	3,100	4,000	(900)	
Postage/ Freight/ Courier	3,270	4,000	(730)	
Printing and Reproduction	82,000	84,533	(2,533)	primarily seasonal guide books
Other Fees & Services	57,020	49,065	7,955	
<b>MATERIAL &amp; SUPPLIES</b>	<b>3,836,880</b>	<b>3,920,597</b>	<b>(83,717)</b>	
Processing Fee	300,000	275,000	25,000	
Library Materials	2,632,570	2,600,000	32,570	
Subscriptions	600,000	650,000	(50,000)	
<b>Total Collections</b>	<b>3,532,570</b>	<b>3,525,000</b>	<b>7,570</b>	

**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**c.c.** Paul Takala, Chief Librarian  
**From:** Melanie Southern, Director Public Service, Partnerships & Communications  
**Subject:** **Geographic Representation of Usage**

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### RECOMMENDATION

That the Library Board receives the Geographic Representation of Usage Report for its information and feedback.

### BACKGROUND

Ensuring that HPL is relevant and responsive is one of the Library's current strategic priorities. A key element in advancing this strategic priority is to gather, analyze and interpret our quantitative data. Currently, the Board receives quarterly updates, an annual statistical trend report and other reports as needed. With the release of new 2016 Census data, Planning staff is using newly released Census data to build added detail to our numbers to provide more value added information.

### REPORT

As the attached maps illustrate, usage can be represented by plotting physical circulation using postal codes and GIS software. For comparison, a system-wide perspective is given, as well as Central Library, Turner Park, and Freelton.

This information can also be applied to Census data as it is released as a means to paint an even richer picture about HPL. Census Canada has the following four official releases scheduled this year:

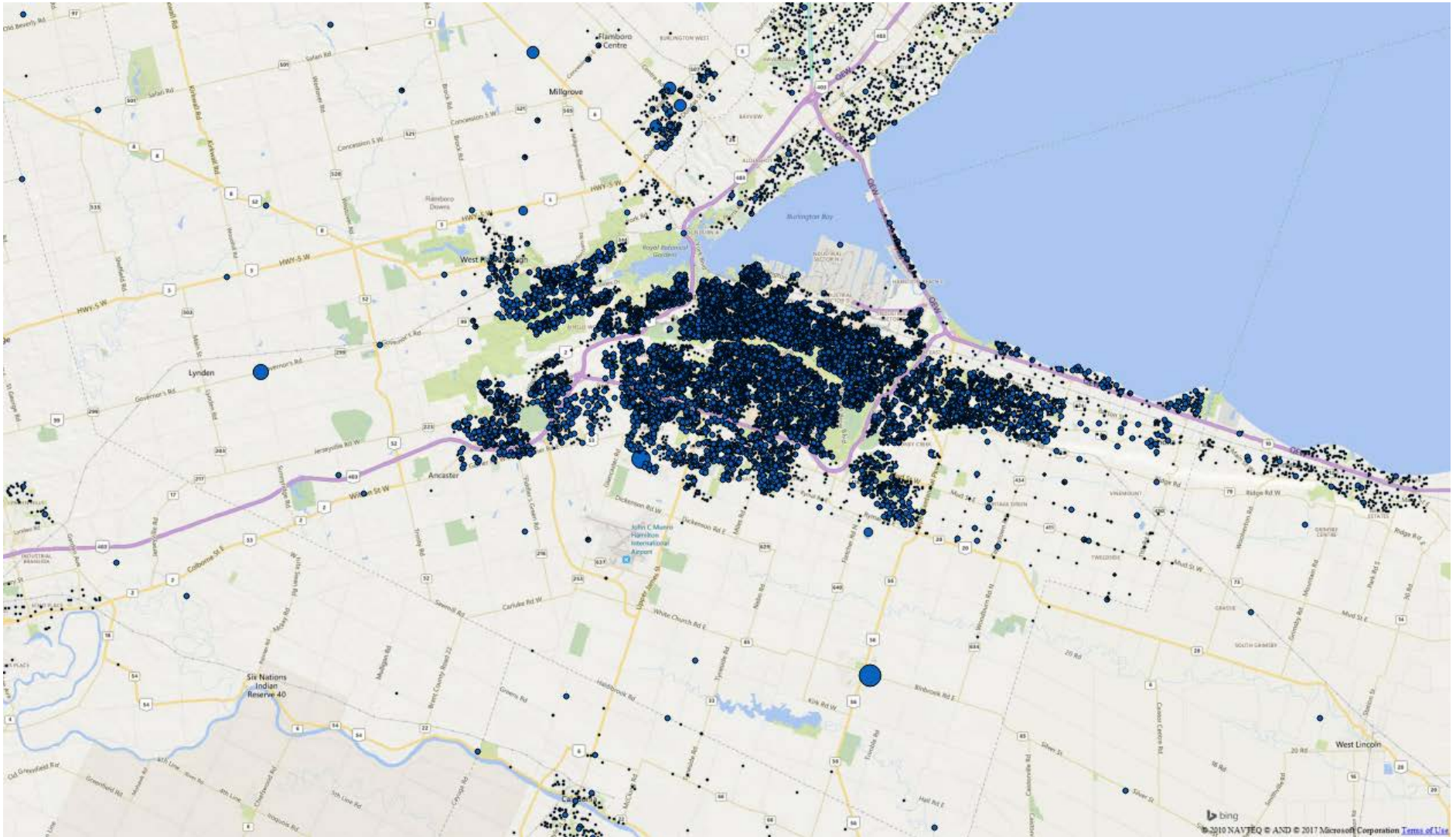
- August 2, 2017: Families, households and marital status, Language
- September 13, 2017: Income
- October 25, 2017: Immigration and ethnocultural diversity, Housing, Aboriginal peoples
- November 29, 2017: Education, Labour, Journey to work, Language of work, Mobility and migration

The Library Board will continue to be provided with quarterly updates of key performance indicators, and annual trend reports.

## Geographic Representation of Usage

### Hamilton – system wide usage

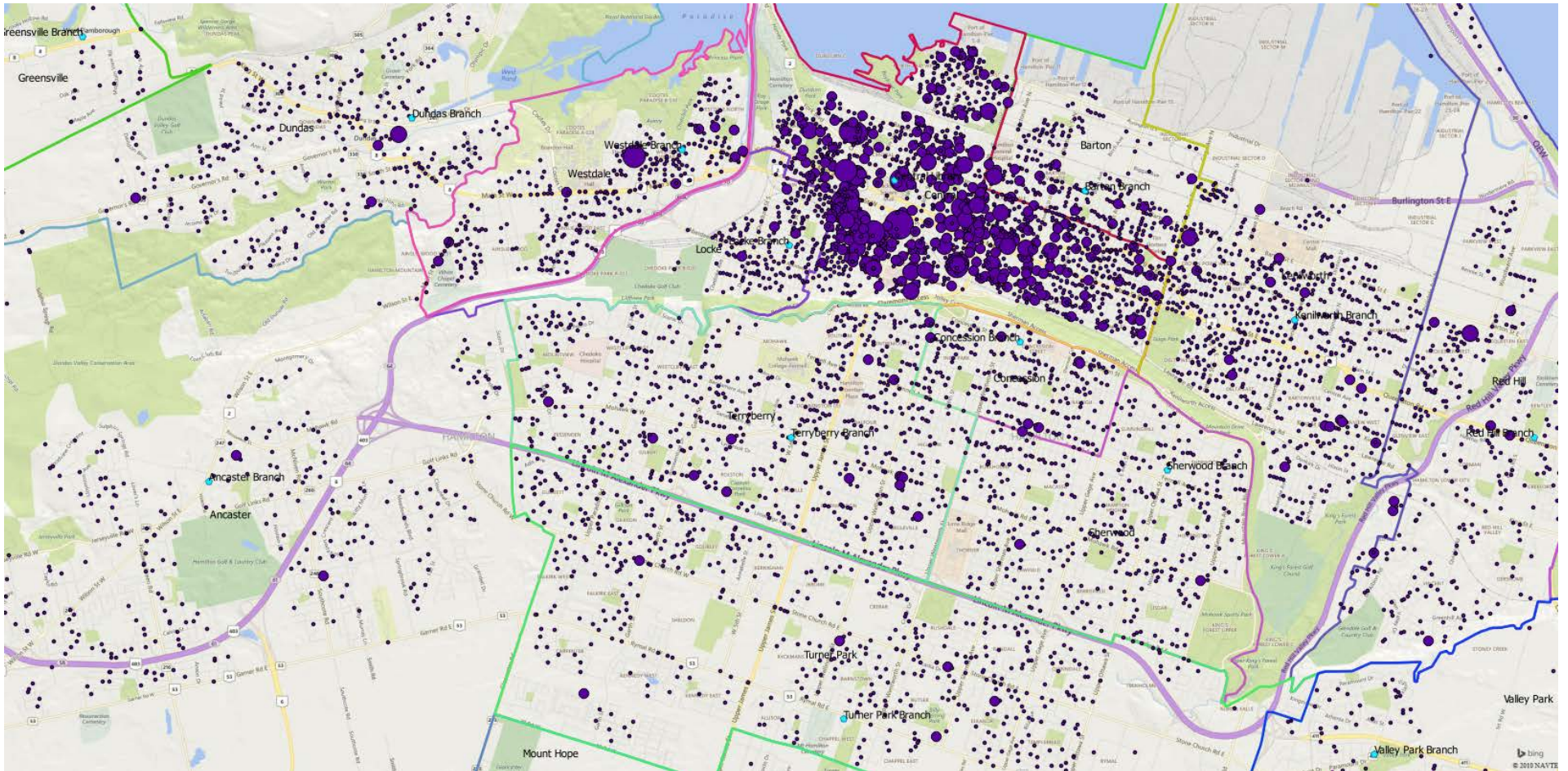
As you can see from this image, HPL physical checkout is dense in the urban and suburban areas. The image below illustrates reciprocal borrowers or those who full borrowing privileges by working, going to school, or owning property in Hamilton.





## Central Library usage

Central Library represents 19%\* of HPL's physical circulation, and as such, its usage pattern is similar to the system-wide view with a concentration to the lower mountain.

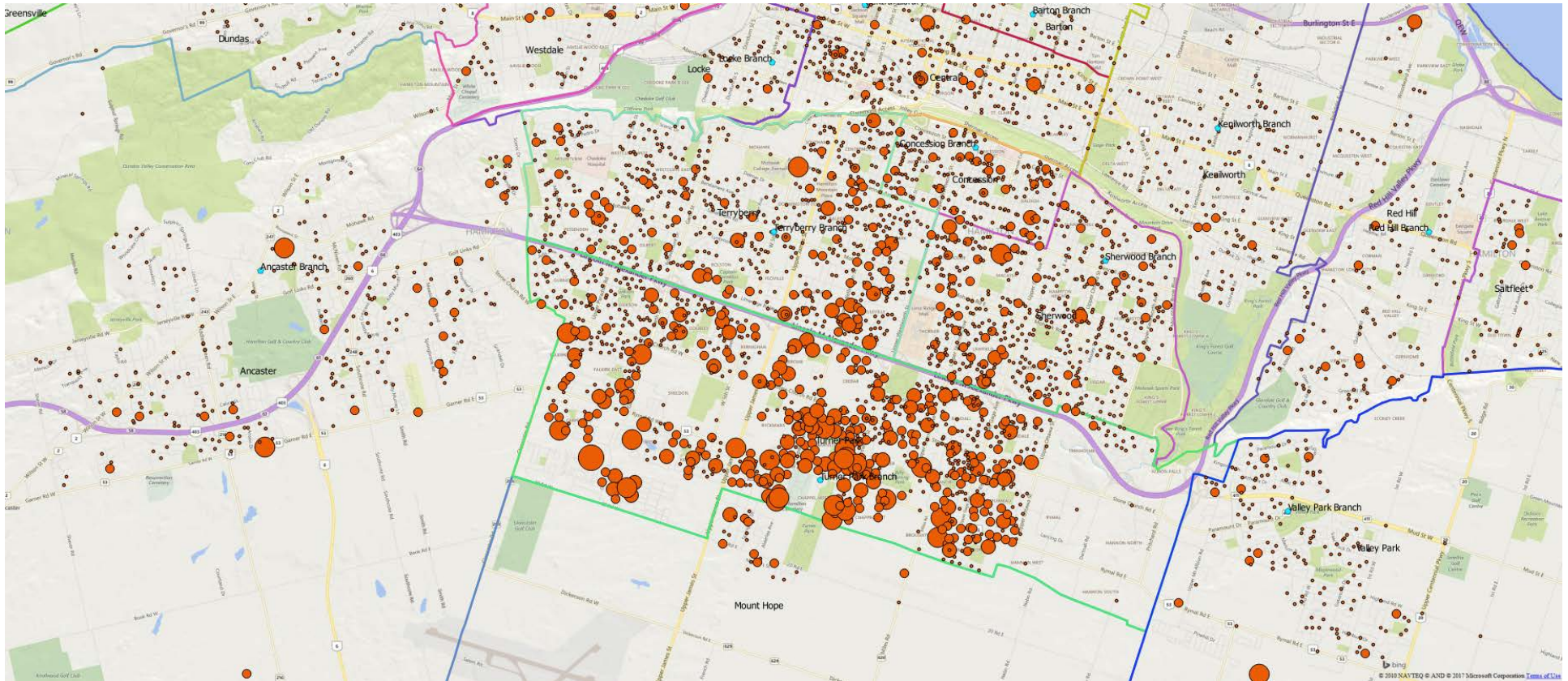


\* based on 2015 and 2016 numbers



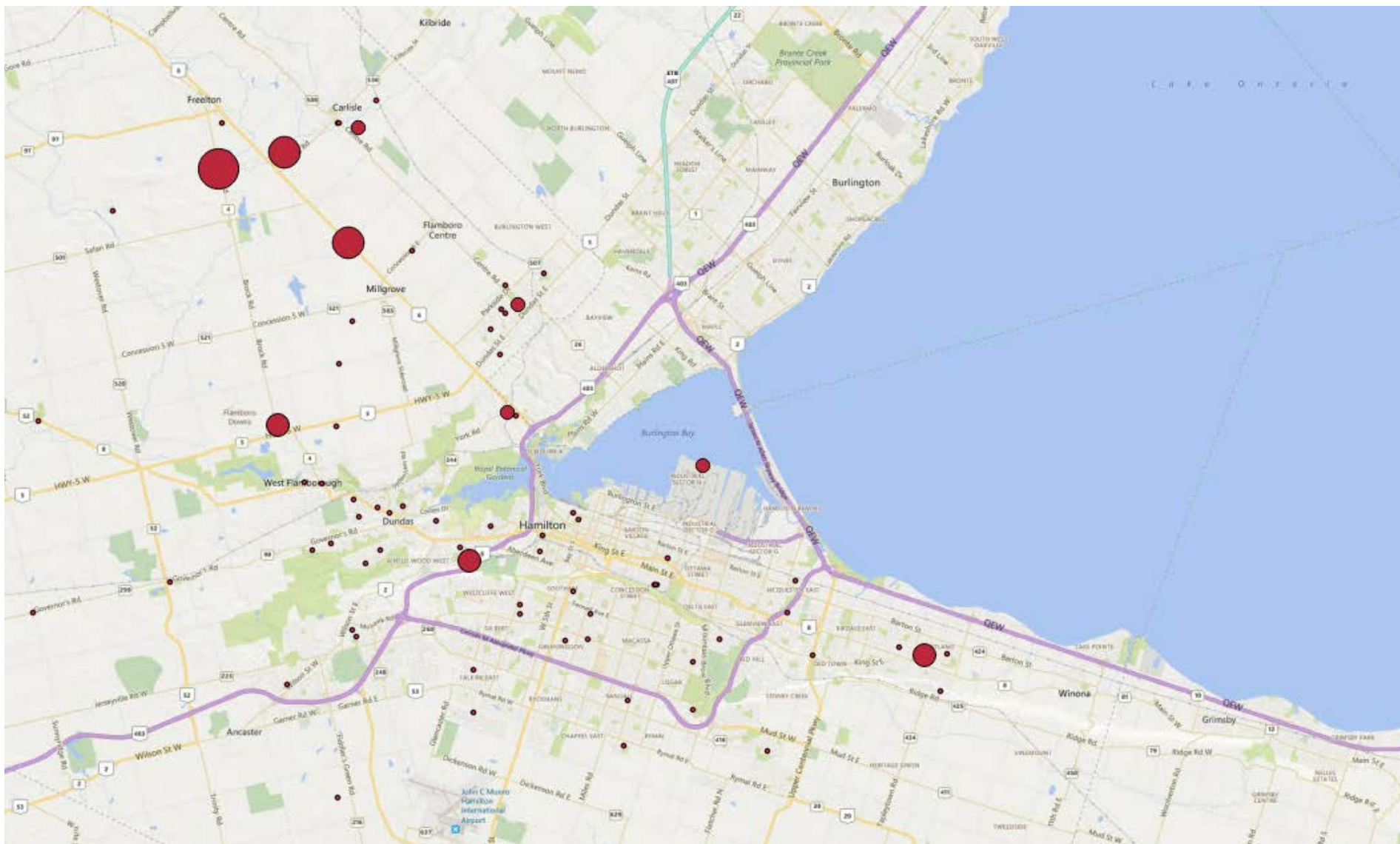
## Turner Park Branch

The usage at this location is wide spread but there is a noticeable shift towards the branch and Hamilton mountain. This location has six fewer open hours per week than Central Library.



### Freelton Branch

As expected, local residents use Freelton the most, but there is a greater scattering of use than expected.





**Date:** May 12, 2017  
**To:** Chair and Members of the Board  
**From:** Paul Takala, Chief Librarian/CEO  
Karen Anderson, Director, Public Service  
**Subject:** **Library Service Hours Implementation Report**

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## RECOMMENDATION

That the Hamilton Public Library Board receives this report for information and comment.

## FINANCIAL/STAFFING/LEGAL IMPLICATIONS

Staffing libraries is a key driver of our operating budget. Library service hours are approved by the Library Board and can change when circumstances require. The changes proposed in this report are being incorporated into the existing operating budget.

## BACKGROUND

This report is a follow-up to the February and March 2017 reports on Library service hours. Previous reports presented the context for changing service hours, including key constraints, set out principles to apply when considering service hour changes and identified service gap priorities and opportunities. Relying on a single strategy will not be an effective way to meet the needs of residents across the system. Rather, an approach that uses varied strategies has the greatest opportunity to address service gaps.

We will be looking for approval of the first round of changes at the June Library Board meeting so implementation can begin in the fall of this year. Timelines identified for subsequent reports are:

- o November/December 2017
- o May/June 2018
- o November/December 2018

## PRINCIPLES

In addition to the constraints of the operating budget, scheduling guidelines and customer expectations, the following principles were approved by the Library Board as key considerations when making recommendations to address service gaps:

1. **Geographic Balance** - Library service hours will be balanced to ensure equity between different regions of the City.



2. **Patterns of Use and Service Priorities**—Key metrics to assess the success of library service hours are: physical circulation, in person visits, computer and Wifi usage. HPL has committed to providing a range of services for all ages. Within established service hours, programs will be scheduled to ensure they meet the needs of target populations. Program attendance is the primary metric used to evaluate the effectiveness of program scheduling.
3. **Prioritizing Higher Need Communities** –Improving service in communities with higher needs will be a priority.
4. **Shared Facilities** –The service hours of partner agencies will be a factor considered.
5. **Sustainability** – Before committing to changes in service hours, we need to have a high degree of confidence that the hours can be maintained assuming current funding and staffing levels. We also need to factor in staff schedules and ensure the workload created is reasonable and sustainable.
6. **Simplicity and Consistency** – Library service hours should not be overly complex or confusing to communicate.
7. **Community Feedback** – Ward Councillors and the community will be consulted on changes to Library hours.

## SERVICE GAP PRIORITIES AND OPPORTUNITIES

The following are a list of service gaps and some opportunities that could help supplement current core service hours:

1. **Closed Days** – All locations except for Central and Turner Park are closed on either a Monday or Friday. This is the gap most noticed and commented upon.
2. **Sunday Service** – Extending Sunday service at the four locations until the end of the school year in June would meet customer demand. Expanding Sunday service to other locations is another option although this could take significant resources and would need to be geographically balanced.
3. **Friday Evening Service** – All locations that are open on Friday close at 6 pm. In parts of the City where DVD usage is still very strong, staying open later would assist families and individuals with getting their weekend entertainment. Saturdays are our busiest days and staying open later on Friday might shift some of that usage.
4. **Rural Service Hours** – Locations serving small populations currently have limited hours. The service hours in the rural model is being addressed in the Rural Service Pilot project.

5. **Expanding Study Hall Hours** –Expanding when and where this service is offered could complement our overall service hours but should not be considered a substitute.
6. **Other Local Gaps** – Appendix I shows the current schedule of Library hours. Some of our mid-sized branches could have improved hours. For example, Barton is only open two evenings and two mornings.

### **IMPLEMENTATION PLAN Q3**

To start to address service gap priorities the first phase of service hour enhancements includes five recommendations. The enhancements are to be funded through the current operating budget and current service hour levels will not be reduced. Future reports may recommend changes to existing service hours, however, this report does not. Community consultations around the new strategic plan will provide an opportunity to gather feedback about service hours. In order to better support learning and community development, there are several strategies to provide service to customers and library access. The following recommendations for September 2017 implementation support three of the key strategies:

#### **PROPOSED ENHANCEMENTS TO CORE SERVICE HOURS**

1. **Barton** – open Friday service hours from 10-6.

Rationale: This gives priority to one of Hamilton's higher needs communities where residents rely on the library for wifi, for access to public computers and for borrowing materials especially DVDs. This builds on the branch's role as a community beacon and responds to requests from local organizations and the Councillor.

2. **Red Hill** – open Monday service hours, investigating options of 10-6 or 1-9

Rationale: This recommendation builds on the branch's role in the community. RH has strong community hub participation and receives specific external funding for outreach. Additional hours would leverage already high library usage that includes: branch with the second highest for number of public computer sessions, third highest for wireless uses, fourth highest program attendance and system wide it has the third highest Summer Reading Club (SRC) registration. This could create a 6/7 day operation in the east part of the City similar to TP on mountain. This also acknowledges slower adoption rates of digital circulation in the area.

3. **Central, Dundas, Red Hill, Turner Park – pilot to extend Sunday service to June**

Rationale: Sunday hours contribute significantly to overall statistics reporting high numbers of visits and high activity (circ, wifi and computer use).

## **RURAL SERVICE MODEL**

### **4. Freelton – pilot to extend locally staffed hours from 17-24 hrs/wk and branch hours from 17-60 hrs/wk**

Rationale: To enhance service in rural branches by increasing open hours to meet the needs of residents and more fully position the library as a community beacon.

This pilot project will increase locally staffed hours from 17 to 24 per week plus provide additional facility access with Central staff providing remote customer support. Service hours under consideration are Monday to Thursday 9-8, Friday 9-5 and Saturday 9-5. Each day will have 4 staffed hours with the initial staff schedule mirroring current staffing.

As described previously, this model is best suited to a rural branch and is not considered a service model in a suburban or urban setting.

## **STUDY HALLS**

### **5. Terryberry –pilot to extend study hall hours Monday to Thursday 9-12pm**

Rationale: Study halls are a strategic solution and would be considered in limited locations. This model recognizes that residents have a need for study space after traditional hours. Terryberry is well positioned to serve the community as it has sufficient space and an appropriate layout to ensure security monitoring.

**APPENDIX I: CURRENT AND PROPOSED LIBRARY SERVICE HOURS**

Location	Hrs/ Week	Mon	Tues	Wed	Thurs	Fri	Sat	Sun
<b>Ancaster</b> 300 Wilson St. E	51	10 - 9	10 - 9	10 - 9	10 - 9	---	10 - 5	---
<b>Barton</b> 571 Barton St. E.	35 <b>43</b>	1 - 8	10 - 5	1 - 8	10 - 5	<b>10-6</b>	10 - 5	---
<b>Binbrook</b> 2641 Hwy 56	35	1 - 8	10 - 5	1 - 8	10 - 5	---	10 - 5	---
<b>Carlisle</b> 1496 Centre Rd.	32	2 - 8	2 - 8	2 - 8	10 - 5	---	10 - 5	---
<b>Central</b> 55 York Blvd	69*	9 - 9	9 - 9	9 - 9	9 - 9	9 - 6	9 - 5	1 - 5*
<b>Concession</b> 565 Concession St.	43	---	10 - 8	10 - 6	10 - 8	10 - 6	10 - 5	---
<b>Dundas</b> 18 Ogilvie Street	52*	---	10 - 9	10 - 9	10 - 9	10 - 6	10 - 5	1 - 5*
<b>Freelton</b> 1803 Brock Rd.	17 <b>60</b>	4 - 8 <b>9-8</b>	2 - 5 <b>9-8</b>	4 - 8 <b>9-8</b>	2 - 5 <b>9-8</b>	<b>9-5</b>	2 - 5 <b>9-5</b>	---
<b>Greensville</b> 59 Kirby Ave.	17	4 - 8	2 - 5	4 - 8	2 - 5	---	2 - 5	---
<b>Kenilworth</b> 103 Kenilworth Ave. N.	43	10 - 6	10 - 8	10 - 6	10 - 8	---	10 - 5	---
<b>Locke</b> 285 Locke St. S.	35	10 - 5	1 - 8	10 - 5	1 - 8	---	10 - 5	---
<b>Lynden</b> 110 Lynden Rd.	35	1 - 8	1 - 8	1 - 8	10 - 5	---	10 - 5	---
<b>Mount Hope</b> 3027 Homestead Dr.	18	2 - 5	2 - 8	2 - 5	2 - 8	---	---	---
<b>Red Hill</b> 695 Queenston Rd.	52* <b>60</b>	<b>10-6 or 1-9</b>	10 - 9	10 - 9	10 - 9	10 - 6	10 - 5	1 - 5*
<b>Saltfleet</b> 131 Gray Rd.	48	10 - 9	10 - 9	10 - 9	10 - 6	---	10 - 5	---
<b>Sherwood</b> 467 Upper Ottawa St.	48	10 - 9	10 - 6	10 - 9	10 - 9	---	10 - 5	---
<b>Stoney Creek</b> 777 Highway 8	35	1 - 8	10 - 5	1 - 8	10 - 5	---	10 - 5	---
<b>Terryberry -</b> 100 Mohawk Rd. W.	51 <b>Plus study</b>	10 - 9 <b>9-12pm</b>	10 - 9 <b>9-12pm</b>	10 - 9 <b>9-12pm</b>	10 - 9 <b>9-12pm</b>	---	10 - 5	---
<b>Turner Park</b> 352 Rymal Rd. E.	63*	10 - 9	10 - 9	10 - 9	10 - 9	10 - 6	10 - 5	1 - 5*
<b>Valley Park</b> 970 Paramount Dr	47	10 - 8	10 - 8	10 - 8	10 - 8	---	10 - 5	---
<b>Waterdown</b> 163 Dundas St E.	51	10 - 9	10 - 9	10 - 9	10 - 9	---	10 - 5	---
<b>Westdale</b> 955 King St. W.	48	10 - 6	10 - 9	10 - 9	10 - 9	---	10 - 5	---

\*Sunday hours run from September (weekend after Labour Day) until the end of **June**