

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, June 20, 2012
Central Library, Board Room**

5:00 p.m. Meeting

7:00 p.m. Dinner

AGENDA

- 1. Discussion Period**
- 2. Acceptance of the Agenda**
- 3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, May 16, 2012** Attachment #3
- 4. Presentations**
 - 4.1 McMaster Partnership – PT
- 5. Consent Items**
 - 5.1 LTD Contract – LD Attachment #5.1
Suggested Action: Recommendation
 - 5.2 Vendor of Choice for Group 4 – PT/RH Attachment #5.2
Suggested Action: Recommendation
- 6. Business Arising**
- 7. Correspondence**

8. Reports

- 8.1 Chief Librarians Report Attachment #8.1
Suggested Action: Receive
- 8.2 Report from the Audit Committee Attachment #8.2
Suggested Action: Recommendation

9. New Business

- 9.1 CEO Performance Management Sub-Committee Oral Report
- 9.2 YTD Variance Report 2012 – RH Attachment #9.2
Suggested Action: Receive
- 9.3 Non-Union Compensation – PT/LD Attachment #9.3
Suggested Action: Receive
- 9.4 HWCDSB Proposal – PT Oral Report

10. Private and Confidential

- 10.1 Employee Relations

11. Date of Next Meeting

Wednesday, September 19, 2012
Central Library, Board Room, 5th Floor
5:30 p.m. Dinner
6:00 p.m. Meeting

12. Adjournment

Mission Statement
Freedom to Discover
Strategic Priorities
Strengthening Communities Strengthening Individuals
Strengthening Our Organization

HAMILTON PUBLIC LIBRARY BOARD

Regular Board Meeting

Wednesday, May 16, 2012

Central Library, Board Room

5:30 p.m. Dinner

6:00 p.m. Meeting

MINUTES

PRESENT: Jennifer Gautrey, Suzan Fawcett, Wenda Tulloch, Kathy Baker, Nicolas vanVelzen, David Simpson, Councillor Pearson, Councillor Jackson

REGRETS: George Geczy, Richard Bagdonas, George Nakamura

STAFF: Ken Roberts, Karen Anderson, Paul Takala, Lisa DuPelle, Rebecca Raven, Michael Ciccone, Robin Hewitt, Karen Hartog

GUESTS:

Ms Fawcett called the meeting to order at 6:10 p.m.

1. Discussion Period

- 1.1 Horizon Utilities presented a cheque to the Hamilton Public Library for \$123,539.51 for savings from the lighting retrofit.
- 1.2 Ms Raven provided an update regarding the What's Happening insert in the Hamilton Spectator and costing for area papers.
- 1.3 Mr. Roberts provided an update regarding Staff Day.

1.4 Bed Bugs

Board members discussed the recent article in the Hamilton Spectator on the weekend regarding bed bugs. It was suggested to release a statement to the media.

2. Acceptance of the Agenda

MOVED by Mr. Ms Gautrey, seconded by Councillor Pearson,

THAT THE AGENDA BE APPROVED AS PRESENTED.

MOTION CARRIED.

3. Minutes of the Hamilton Public Library Board Meeting of Tuesday, April 18, 2012

MOVED by Councillor Pearson, seconded by Mr. Simpson,

THAT THE MINUTES OF THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF WEDNESDAY, APRIL 18, 2012 BE ADOPTED AS PRESENTED.

MOTION CARRIED.

4. Presentations

4.1 Future of Libraries Presentation

Mr. Roberts presented the presentation prepared for the BC Conference on the "Future of Libraries".

4.2 Website Update

Mr. Ciccone provided an update on the website.

5. Consent Items

No consent items.

6. Business Arising

6.1 Strategic Priorities

MOVED by Mr. Simpson, seconded by Mr. vanVelzen

**THAT THE STRATEGIC PRIORITIES AS OUTLINED BE
ADOPTED BY THE HAMILTON PUBLIC LIBRARY BOARD.**

MOTION CARRIED.

6.2 Concession Parking

MOVED by Councillor Jackson, seconded by Councillor Pearson,

THAT THE REPORT BE RECEIVED FOR INFORMATION.

MOTION CARRIED.

7. Correspondence

8. Reports

8.1 Chief Librarians Report

MOVED by Councillor Pearson, seconded by Ms Gautrey,

THAT THE REPORT BE RECEIVED FOR INFORMATION.

MOTION CARRIED.

8.2 Collections Budget Allocations

MOVED by Mr. Simpson, seconded by Ms Tulloch,

THAT THE REPORT BE RECEIVED FOR INFORMATION.

MOTION CARRIED.

8.3 AODA Report

MOVED by Ms Gautrey, seconded by Mr. vanVelzen

THAT THE REPORT BE RECEIVED FOR INFORMATION.

MOTION CARRIED.

9. New Business

10. Private and Confidential

11. Date of Next Meeting

Wednesday, June 20, 2012

Central Library, Board Room

5:00 meeting

7:00 dinner

12. Adjournment

MOVED by Mr. Simpson, seconded by Ms Tulloch,

**THAT THE MEETING OF WEDNESDAY, MAY 16, 2012 BE
ADJOURNED.**

MOTION CARRIED.

The meeting was adjourned at 8:25 pm

Minutes recorded by Karen Hartog.



DATE: June 20, 2012

REPORT TO: Chair and Members of the Board

C.C.: Paul Takala, Chief Librarian

FROM: Lisa DuPelle, Director, Human Resources

SUBJECT: Long Term Disability Insurance Carrier change

RECOMMENDATION:

That the Hamilton Public Library Board approves Standard Life Assurance Company of Canada as the Long Term Disability insurance provider effective August 1, 2012.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The costs for the Long Term Disability premiums are within the 2012 operational budget. Standard Life has provided a twenty seven (27) month rate guarantee.

BACKGROUND:

The Hamilton Public Library has an ongoing relationship with Brady Financial, who provides employee benefits consulting service to us for our Long Term Disability program. In preparation of the renewal process, Brady Financial took the Long Term Disability plan to market.

Our previous premium rate with RBC was \$3.49 per 100 dollars up to the maximum benefit; in April 2012 that rate increased to \$3.73. The new rate with Standard Life Assurance Company of Canada will be \$3.08 per 100 dollars up to the maximum benefit. Human Resources staff has carefully reviewed the coverage quoted by Standard Life to ensure it is similar to the previous coverage provided.



To: Chair and Members of the Board
CC: Paul Takala, Chief Librarian
From: Robin Hewitt, Director of Finance and Facilities
Subject: Keyscan Access Control Vendor
Date: June 20, 2012

RECOMMENDATION:

That the Hamilton Public Library Board identifies G4S Secure Solutions Ltd. as an authorized vendor to provide access control services to the Hamilton Public Library.

BACKGROUND

Historically, the Hamilton Public Library has installed Keyscan card swipe systems as part of capital projects. The Keyscan systems were installed by G4S and they are the administrators of the system. Unlike cameras, which are tied by IP addresses, the card swipe system cannot be tied into by other vendors. G4S is an Enterprise Certified Keyscan Partner.

The library would like to investigate the option of putting additional card swipes in various locations, including Dundas, Concession, Westdale and Local History and Archives at Central, for security purposes. Most locations would require 2 or more strikes installed. The current procurement policy limits the Library to the \$5,000 limit before the requirement to obtain 3 quotes. However, no other vendor can tie into the current system and therefore no other quotes would be applicable.

Typical costs to install a single card swipe vary by location and complexity. However, an average cost is \$1,800 to \$2,100 (plus tax) per key strike.

Chief Librarian's Report June 2011

Terryberry

The branch renovations are almost complete and have significantly transformed the space. The layout is greatly improved and customers will find easy access to collections and services. An expanded children's area, new computer teaching lab and additional space for study, laptop use and casual seating will appeal to library users of all ages. The final element of the renovation will be the reconstruction of the parking lot. This very timely and cost-effective reconstruction is the result of excellent coordination by the City of Hamilton Public Works Department, who are currently reconstructing West 5th and Mohawk Road. Terryberry will reopen in early July as soon as the parking lot is complete.

Library Hours Question

The June 1 edition of the Ancaster News included a comment from a resident about Library hours. The comment, while positive about library service, questioned why Ancaster is closed on Fridays and Sundays. A few of the key points we raised in our response are:

- Hours of operation are approved by the Library Board. Criteria such as fiscal constraints, usage data including borrowing statistics and number of visitors as well as the geographic location of all 24 library branches within the City of Hamilton are all considered.
- The decision to close Fridays or Mondays was made years ago in response to budget cuts and impacted every location in the system except Central. This was not a choice but rather a necessity to ensure a balance between operational hours and funding for collections and essential programming.
- Hours have not be decreasing in recent years. In fact, despite budget challenges, we have been successful in: opening the new Turner Park Branch to serve 60,000 south mountain residents; adding an additional evening of service at Turner Park Branch; increasing Saturday hours at Lynden Branch; opening an additional two mornings at Valley Park Branch; and, providing Sunday service at Dundas Branch so that Sunday service is offered in all four quadrants of the City.
- All aspects of our service are subject to a continual review process so that opportunities for improvement are not overlooked.

Regarding this last point, undergoing an analysis of Library hours with current usage patterns system-wide is advisable. In reviewing hours, we need to factor in the planned opening of the new Lynden and Waterdown Branches. Reviewing Library hours will be included on the agenda for a Board discussion in the fall.

Update on Bedbugs

Although Libraries are relatively low risk public spaces when it comes to bedbug exposure, we are further reducing risk with our monitoring and treatment program. The good news is, to date, the sniffer dogs have only identified small numbers of localized hits of bedbugs in the locations that have been inspected. To ensure our customers are well informed we have created a webpage that provides key information about our policy, the monitoring and treatment program, frequently asked questions and a list of the status of the inspections at each location. As we complete our first round of testing we will be updating the webpage to reflect the status of the inspections. As the program continues and we do the future rounds of testing, we plan to keep the information up-to-date. The page is linked to from our Buildings and Renovation News Page (<http://www.myhamilton.ca/site-root/public-library/about-library/building-renovation-news>). It should be noted that on May 29th we received a FOI request from a reporter at the Hamilton Spectator who was author of the May 12th article on bedbugs in the Library.

eBooks Update

Canada's English-language publishing community (represented by eBOUND Canada) and Canada's public libraries (represented by the Canadian Urban Libraries Council - CULC) have released an RFI seeking possible solution to provide eBook lending capabilities to all Canadian public libraries from Canadian publishers. Michael Ciccone and Ken Roberts are members of the group representing CULC. Ken will be staying on as the point person for CULC for this venture. The RFI was released on May 31 and closes July 11. The RFI will be followed by an RFP and the hope of launching a pilot project in early 2013. Hamilton Public Library is slated to be one of the pilot libraries. In a case of perfect timing, a news release issued jointly on June 5 by major public libraries in Canada and The United States put forth to all eBook vendors the need for better eBook access and discoverability for our customers. It very much mirrors what CULC proposed in a vision statement released in August 2010 and in the just-released RFI. The initiative was proposed by New York Public Library and they sought and gained willing participants, including the Hamilton Public Library and (to date) 94 other public libraries. More information on the RFI and the joint statement are available on the CULC website: <http://www.culc.ca/news/>

CLA Advocacy on Parliament Hill

At the CLA Conference in Ottawa I participated in an advocacy session on Parliament Hill. 60 conference attendees formed small groups and collectively we had over 60 individual meetings with Members of Parliament, Senators and Hill staff. Our discussions focused on copyright legislation, the library book rate, the CAP (Community Access Program) and budget cuts affecting federal libraries and Library and Archives Canada.

Smart Money Manager Point of Sale System (POS)

Staff have been working on the implementation Smart Money Manager, a POS system from Comprise technologies. Robin Hewitt prepared a presentation to update the Library Board on this initiative; however, due to a full agenda this month, her presentation is being rescheduled for September.

Paul Takala
Chief Librarian



Hamilton Public Library

Date: June 20, 2012

To: Chair and Members of the Board

From: Robin Hewitt, Director, Finance and Facilities
Hamilton Public Library

c.c. Paul Takala, Chief Librarian

Subject: **2011 Financial Report**

RECOMMENDATION:

That the 2011 Financial Statements for the Hamilton Public Library Board and Statements for the Hamilton Public Library Board – Trust Funds attached to this report be approved.

BACKGROUND:

Every year, the Library must prepare and present the audited financial statements to the Council of the City of Hamilton as required by the Public Libraries Act. The financial statements present the 2011 financial position of the Library as at December 31, 2011 and the financial activities for the year ended December 31, 2011.

Grant Thornton, LLP, Chartered Accountants, who are external auditors for both the City of Hamilton and the Hamilton Public Library have performed the statutory audit function and will be presenting their Audit Concluding Memorandum to the Board.

The Library derives revenue from donations and cash sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, the auditors' verification of these revenues was limited to the amounts recorded in the Library's records.

Subject to any required adjustments, if any, which they may have determined to be necessary had they been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, Grant Thornton, LLP, Chartered Accountants have expressed an opinion on the financial statements that they present fairly, in all material respects, the financial position of the Hamilton Public Library Board as at December 31, 2011 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles free of any qualifications.

The financial statements have been prepared by staff in accordance with generally accounting principles for local governments (including local boards) as recommended by

the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants (CICA). PSAB requirements for local boards include fund accounting, accrual accounting and post employment and retirement benefit obligations.

Effective January 1, 2007, the Library adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants ("CICA") with respect to the disclosure of tangible capital assets for local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets until Section 3150 - Tangible Capital Assets of the Public Sector Accounting Handbook came into effect on January 1, 2009.

Also attached to this report is the 2011 Financial Report for Hamilton Public Library Board Trust Funds.

Grant Thornton, LLP, Chartered Accountants, performed the statutory audit function and expressed an opinion, subject the limitation concerning the completeness of the donation revenue referred to previously these financial statements present fairly, in all material respects, the financial position of the trust funds of the Hamilton Public Library Board as at December 31, 2011 and the continuity of trust funds for the year then ended in accordance with Canadian generally accepted accounting principles.

Some highlights from financial results for 2011:

Operations

The Library had an operational surplus of \$1,712,396 as compared to an operational surplus of \$1,283,746 in 2010. The operational surplus was transferred to Library reserves. This surplus was due mainly to gapping, part time benefits that were budgeted to high, and unbudgeted grant revenue.

Reserve Funds

The Reserve Fund balances have increased \$999,774 from the December 31st 2010 balance of \$5,970,970 to \$6,970,746. This is mainly due to the operating surplus.

Interest Received on Reserve Funds		\$	149,062
Contributions from Operating Fund			
Funding for Mobile Equipment	\$	30,000	
Funding for Repairs to Grounds		9,000	
Funding for Accessibility & Renewal Res		200,000	
Donations		7,900	
Printer Revenue		50,669	
Operational Surplus		<u>1,712,396</u>	
			2,009,965
Expenditures			
RFID		357,644	
Library Renovations		351,608	
Lighting Project		<u>450,000</u>	
			<u>1,159,252</u>
		\$	<u>999,774</u>

Trust Funds

The Trust Account balances have increased by \$958 from the December 31st 2010 balance of \$2,693,090 to \$2,694,048

Revenue			
Investment Income/(loss)	\$	(3,850)	
Hamilton Foundation		<u>35,926</u>	
			\$ 32,076
Expenses			
Other		<u>31,118</u>	
			<u>31,118</u>
			<u>\$ 958</u>
Increase in Trust Account Balances			

Financial Statements

Hamilton Public Library Board

December 31, 2011

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Hamilton Public Library Board

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Hamilton Public Library Board – Trust Funds

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Auditors' report

Hamilton Public Library Board

Consolidated Statement of Financial Position

as at December 31

2011

2010

Financial assets

Cash	\$ 32,232	\$ 29,945
Accounts receivable	67,781	1,052,922
Due from City of Hamilton (Note 2)	<u>7,898,934</u>	<u>5,699,357</u>
	<u>7,998,948</u>	<u>9,761,955</u>

Liabilities

Accounts payable and accrued liabilities	697,672	505,232
Due to trust funds	365,643	373,232
Liability for future benefits (Note 3)	<u>2,132,236</u>	<u>2,083,285</u>
	<u>3,195,551</u>	<u>2,961,749</u>

Net financial assets

	<u>4,803,397</u>	<u>3,820,476</u>
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Non-financial assets

Prepaid expenses	35,113	67,208
Tangible capital assets (net) (Page 12)	<u>12,729,594</u>	<u>12,280,635</u>
	<u>12,764,707</u>	<u>12,347,743</u>

Accumulated surplus (Note 8)

	\$ <u>17,568,104</u>	\$ <u>16,168,319</u>
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Commitments (Note 6)

On behalf of the Board

_____ Director

_____ Director

See accompanying notes and schedule to the financial statements.

Hamilton Public Library Board

Consolidated Statement of Operations

For The Year Ended December 31

	Budget 2011 (unaudited)	Actual 2011	Actual 2010
Revenue			
Municipal contribution	\$27,635,290	\$ 27,635,290	\$27,194,013
Province of Ontario grants	949,450	949,451	949,451
Other grant revenue	581,280	965,215	727,361
Fines	461,070	513,294	484,332
Photocopier revenue	28,370	50,669	30,161
Other – rentals, sales and recoveries	79,910	110,896	96,497
Interest	-	149,062	206,432
Contribution from Municipal reserves	281,490	334,343	322,480
Contribution from Capital	-	234,529	-
Donations	-	7,900	17,465
	<u>30,016,860</u>	<u>30,950,649</u>	<u>30,028,193</u>
Expenditures			
Employee costs	19,946,540	18,331,765	18,755,367
Amortization	-	3,361,194	3,248,665
Facility costs	2,335,460	2,183,914	1,984,206
Long term debt charges (Note 4)	351,310	627,612	350,234
Contribution to Municipal reserves	203,400	455,729	5,370
Supplies and services	<u>3,562,570</u>	<u>3,431,398</u>	<u>3,324,697</u>
	<u>26,399,280</u>	<u>28,391,612</u>	<u>27,668,539</u>
Net revenue	<u>3,617,580</u>	<u>2,559,037</u>	<u>2,359,654</u>
Contributions from reserves to Municipality	-	<u>1,159,252</u>	<u>3,855,737</u>
Annual surplus (deficit)	3,617,580	1,399,785	(1,496,083)
Accumulated surplus, beginning of year	<u>16,168,319</u>	<u>16,168,319</u>	<u>17,664,402</u>
Accumulated surplus, end of year	<u>\$19,785,899</u>	<u>\$ 17,568,104</u>	<u>16,168,319</u>

See accompanying notes and schedule to the financial statements.

Hamilton Public Library Board

Consolidated Statement of Changes in Net Financial Assets

For The Year Ended December 31

	<u>2011</u>	<u>2010</u>
Annual surplus (deficit)	\$ 1,399,785	\$ (1,496,083)
Acquisition of tangible capital assets	(3,810,151)	(3,712,014)
Amortization of tangible capital assets	<u>3,361,193</u>	<u>3,248,665</u>
	<u>(448,958)</u>	<u>(463,349)</u>
Acquisition of prepaid expenses	(35,113)	(67,208)
Use of prepaid expenses	<u>67,207</u>	<u>26,828</u>
	<u>32,094</u>	<u>(40,380)</u>
Change in net financial assets	982,921	(1,999,812)
Net financial assets, beginning of the year	<u>3,820,476</u>	<u>5,820,288</u>
Net financial assets, end of the year	\$ <u>4,803,397</u>	\$ <u>3,820,476</u>

See accompanying notes and schedules to the financial statements.

Hamilton Public Library Board

Consolidated Statement of Cash Flows

For The Year Ended December 31

Increase (decrease) in cash and cash equivalents	<u>2011</u>	<u>2010</u>
Cash flows from operating transactions		
Annual surplus (deficit)	\$ 1,399,785	\$(1,496,083)
Non-cash charges to operations		
Amortization	3,361,193	3,248,665
Decrease (increase) in accounts receivable	985,141	(914,348)
(Increase) decrease in due from City of Hamilton	(692,647)	3,182,417
Decrease (increase) in prepaid expenses	32,095	(40,380)
Increase (decrease) in accounts payable and accrued liabilities	192,441	(987,026)
Increase in due to trust funds	<u>593,694</u>	<u>712,610</u>
Cash provided by operating transactions	<u>4,471,916</u>	<u>5,201,938</u>
Capital transactions		
Purchase of tangible capital assets	<u>(3,810,151)</u>	<u>(3,712,014)</u>
Financing activities		
Decrease in future benefits	<u>48,951</u>	<u>(2,533)</u>
Net change in cash	<u>2,287</u>	<u>(8,692)</u>
Cash and cash equivalents, beginning of year	<u>29,945</u>	<u>38,637</u>
Cash and cash equivalents, end of year	<u>\$ 32,232</u>	<u>\$ 29,945</u>

See accompanying notes and schedule to the financial statements.

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2011

1. Summary of significant accounting policies

The consolidated financial statements of the Hamilton Public Library Board (the Board) are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The budget established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be incurred over a number of years and therefore may not be comparable with the current year's actual expenditures. The Board does not budget actively within reserves and reserve funds, with the exception being those transactions which affect either operations or capital investments. Budget figures do not include amounts for tangible capital assets amortization.

Significant aspects of the accounting policies adopted by the Board are as follows:

Basis of accounting

Revenues are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, with the exception of fines and other desk receipts which are reported on the cash basis of accounting. Expenditures are reported on the accrual basis of accounting which recognizes expenditures 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.

Tangible capital assets

(a) Determination of costs

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.

(a) 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:

Collections (asset pool)	7 years
Furniture, equipment and shelving	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.

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2011

1. Summary of significant accounting policies (continued).

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles 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. Actual results could differ from those estimates.

Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

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 PSAB guidelines the Board is required to report obligations for retirement benefits earned over the employment period of its employees.

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 benefit 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.

	<u>2011</u>	<u>2010</u>
Accrued Benefit Obligation		
Vested sick leave liability	\$ 102,588	\$ 129,313
Retirement Benefits	<u>2,602,454</u>	<u>2,269,785</u>
	2,705,042	2,399,098
Net unamortized actuarial loss	<u>(572,806)</u>	<u>(315,813)</u>
Accrued Liability	<u>\$ 2,132,236</u>	<u>\$ 2,083,285</u>

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2011

3. Liability for future benefits (continued)

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

	<u>2011</u>	<u>2010</u>
Liability for Employee Benefits and Other Obligations balance at beginning of the year	\$2,083,285	\$ 2,085,818
Benefit expenditure	60,508	66,507
Interest expenditure	119,395	118,136
Amortization of actuarial loss	64,737	42,848
Benefit payments	<u>(195,689)</u>	<u>(230,024)</u>
Liability for Employee Benefits and Other Obligations balance at end of the year	<u>\$2,132,236</u>	<u>\$ 2,083,285</u>

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	4.5%	NA	2%	4%	NA	12
Retirement Benefits – Health and Dental	4.5%	NA	2%	4%	3.5% (1)	12
Note (1):	Medical costs are assumed to increase at a rate of 6% in 2012 and 3.5% in 2017 and thereafter.					

(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, 2011 is \$102,588 (2010 - \$129,313).

(b) Liability for retirement benefits

The Board provides certain health, dental and life insurance benefits between the time an employee retires under the Ontario Municipal Employees Retirement System (OMERS) or the normal retirement age and up to the age of 65 years. The estimated accrued benefit obligation at December 31, 2011 is \$2,602,454 (2010 - \$2,269,785).

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2011

4. Long term debt

The City charges the Library 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 repayment of the debt.

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

<u>Debenture Number</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>2011</u>	<u>2010</u>
01-244	Westdale Branch	3.125% to 6%	2011	0	99,691
01-244	Barton Branch	3.125% to 6%	2011	0	227,791
01-162	Central Library	4.65% to 6.75%	2016	13,203	15,381
08-120	South Mtn Complex	4.728%	2023	<u>2,475,152</u>	<u>2,633,966</u>
				<u>\$ 2,488,355</u>	<u>\$ 2,976,829</u>

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

2012	168,731
2013	176,842
2014	185,345
2015	194,256
2016	203,598
2017 and thereafter	1,559,583

(c) The Board was charged \$627,612 (2010 \$350,234) for long term debt charges during the year as follows:

	<u>2011</u>	<u>2010</u>
Principal	\$ 488,474	\$ 197,973
Interest	<u>139,138</u>	<u>152,261</u>
	<u>\$ 627,612</u>	<u>\$ 350,234</u>

5. Pension agreements

The Hamilton Public Library makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 280 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, 2010 indicated that current member and employer contributions were sufficient to fund future benefits. Contributions were made in the 2011 calendar year at rates ranging from 7.4% to 10.7% depending on the level of earnings. As a result, \$986,471 was contributed to OMERS (2010 - \$974,304) for current service.

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2011

6. Commitments

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

2012	560,289
2013	509,400
2014	509,400
2015	484,400
2016	504,800
	<u>\$2,568,289</u>

7. Trust funds

Trust funds administered by the Board amounting to \$2,694,048 (2010 - \$2,693,090) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Financial Activities.

8. Accumulated surplus

	2011	2010
Consists of:		
Reserves and reserve funds	6,970,746	5,970,969
Amounts to be recovered in future	(2,132,236)	(2,083,285)
Tangible capital assets	12,729,594	12,280,635
	<u>17,568,104</u>	<u>16,168,319</u>

Reserves and reserve funds

	<u>2011</u>	<u>2010</u>
Mobile equipment	\$ 129,726	\$ 194,866
Library collections	1,213,569	1,176,333
Library general development	1,150,859	1,414,752
Library major capital projects	3,071,661	2,139,170
Summer reading	457,266	446,140
Redevelopment, training & restructuring	373,379	364,294
Youth Programming	13,325	13,000
Accessibility Health & Safety	222,973	22,414
Computer Reserve	337,988	200,000
	<u>\$ 6,970,746</u>	<u>\$ 5,970,969</u>

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2011

9. Budget figures

The budgets originally approved by the Library for 2011 are reflected on the Consolidated Statement of Operations and the Consolidated Statement of Changes in Net Financial Assets and do not include amounts relating to PSAB reporting requirements.

- The budget reflects anticipated expenditures for collection purchases, whereas actual results have been adjusted to move capital-related collection items to tangible capital assets. An amount for amortization expense has not been included in the budget, but is reflected in actual results.
- Amounts included in the original council approved capital budget which are not recognized as tangible capital assets are included in Consolidated Statement of Operations under the appropriate functional expense category, while those recognized as tangible capital assets are included in the Consolidated Statement of Change in Net Financial Assets.

10. Contribution From Reserves to the Municipality

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

Net Transfer to Municipality	\$1,159,252
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Historically, there has been no budgeted amount for transfers to the Municipality. This is due the fact that impending projects are not necessarily known or approved at the time of the budget preparation.

The Hamilton Public Library Board Schedule of Tangible Capital Assets

December 31, 2011

Cost	<u>Comp Hardware</u> <u>2011</u>	<u>Comp Software</u> <u>2011</u>	<u>Collections</u> <u>2011</u>	<u>Furn & Equip</u> <u>2011</u>	<u>Total</u> <u>2011</u>	<u>Total</u> <u>2010</u>
Beginning of year	-	-	21,674,913	1,799,061	\$ 23,473,973	\$ 23,132,251
Add: Additions during the year	227,974	98,985	3,200,884	282,308	\$ 3,810,151	\$ 3,712,015
Less: Disposals during the year	-	-	(2,694,506)	(266,039)	\$ (2,960,545)	\$ (3,370,292)
End of year	<u>227,974</u>	<u>98,985</u>	<u>22,181,291</u>	<u>1,815,329</u>	<u>\$ 24,323,579</u>	<u>\$ 23,473,973</u>
Accumulated Amortization						
Beginning of year	-	-	10,237,156	956,182	\$ 11,193,338	\$ 11,314,965
Add: Amortization during the year	37,996	9,892	3,132,586	180,720	\$ 3,361,193	\$ 3,248,665
Less: Amortization on Disposals	-	-	(2,694,506)	(266,039)	\$ (2,960,545)	\$ (3,370,292)
End of year	<u>\$ 37,996</u>	<u>\$ 9,892</u>	<u>\$ 10,675,236</u>	<u>\$ 870,863</u>	<u>\$ 11,593,986</u>	<u>\$ 11,193,338</u>
Net Book Value	<u>\$ 189,978</u>	<u>\$ 89,094</u>	<u>\$ 11,506,055</u>	<u>\$ 944,467</u>	<u>\$ 12,729,594</u>	<u>\$ 12,280,635</u>

Auditor's Report

**The Hamilton Public Library Board
Trust Funds
Statement of Financial Position**

December 31 2011 2010

Assets		
Cash	\$ 301,163	\$ 297,423
Accrued interest receivable	714,772	768,476
Deposits Hamilton Community Foundation	1,314,470	1,253,959
Due from City of Hamilton	<u>365,643</u>	<u>373,232</u>
Total assets	<u>\$ 2,694,048</u>	<u>\$ 2,693,090</u>
 Accumulated surplus	 <u>\$ 2,694,048</u>	 <u>\$ 2,693,090</u>

On behalf of the Board

_____ Director

_____ Director

See accompanying notes to the financial statements.

**The Hamilton Public Library Board
Trust Funds
Statement of Operations**

December 31	2011	2010
Revenue		
Investment income	\$ (3,850)	\$ 146,900
Hamilton Foundation	<u>35,926</u>	<u>-</u>
Total revenue	<u>\$ 32,076</u>	<u>\$ 146,900</u>
Expenses		
Investment loss	\$	\$ 112
Other	<u>31,118</u>	<u>69,025</u>
Total expenses	<u>\$ 31,118</u>	<u>\$ 69,027</u>
Annual surplus	<u>\$ 958</u>	<u>\$ 77,763</u>
Accumulated surplus, beginning of year	<u>2,693,090</u>	<u>2,615,327</u>
Accumulated surplus, end of year	<u>\$ 2,694,048</u>	<u>\$ 2,693,090</u>

See accompanying notes to the financial statements.

The Hamilton Public Library Board

Trust Funds

Notes to the Financial Statements

December 31, 2011

1. Accounting policies

Basis of accounting

Income and capital receipts are reported on the cash basis.

Expenditures are reported on the cash basis of accounting with the exception of administrative expenses, which are reported on the accrual basis of accounting, which recognizes expenditures, as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

2. Accumulated surplus

	<u>2011</u>	<u>2010</u>
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The accumulated surplus consists of:

Library

M. Walden Thompson Estate	\$ 19,673	\$ 18,891
Special Gift Fund Central	1,955,114	1,950,196
Permanent Endowment Fund	587,449	594,190
Keetha McLaren Memorial Fund	28,064	27,808
F. Walden Library Bequest	62,317	61,582
Waterdown Library Fundraising	41,431	40,423
	<u>\$ 2,694,048</u>	<u>\$ 2,693,090</u>

Report to the Audit Committee - Communication of audit results

Hamilton Public Library Board
For the year ended **December 31, 2011**



April 4, 2012

Grant Thornton LLP
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Hamilton, ON
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To the members of the Audit Committee of the
Hamilton Public Library Board

We are pleased to report that we have now substantially completed our audit of the financial statements of the Hamilton Public Library Board for the year ended December 31, 2011. We enclose our *Report to the Audit Committee-Communication of audit results* to continue our dialogue with the committee on the audit of Hamilton Public Library Board. This report provides an overview of the results of our audit including comments on significant accounting policies, sensitive accounting estimates, and other matters that may be of interest to the committee.

This communication has been prepared to comply with the requirements outlined in CAS 260 *Communication with those Charged with Governance*. The information in this document is intended solely for the information and use of the Audit Committee, Board of Directors and management. It is not intended to be distributed or used by anyone other than these specified parties.

We express our appreciation for the cooperation and assistance received from the management and staff of the Hamilton Public Library Board during the course of our audit.

If you have any particular comments or concerns, please do not hesitate to raise them at our scheduled meeting.

Yours sincerely,
Grant Thornton LLP

A handwritten signature in black ink, appearing to read "Melanie Dugard".

Melanie Dugard, CA
Principal

cc: Robin Hewitt

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Status of the audit

Outstanding items

We have substantially completed our audit of the financial statements of the Hamilton Public Library Board for the year ended December 31, 2011 and the results of that audit are included in this report.

We have attached our draft auditors' report as Appendix A. We will finalize the report once the Board of Directors has approved the financial statements. The following items were outstanding as at the date of this report:

- Receipt of signed management representation letter (draft has been attached as Appendix B); and
- Approval of the financial statements by the Board of Directors.

Planned audit approach

We have successfully executed our audit strategy in accordance with the plan provided to the committee on March 21, 2012.

Audit results and reportable matters

Our audit did not identify any misstatements.

Summary of disclosure matters

Our audit did not identify any misstatements

Internal control

Management is responsible for the design and operation of an effective system of internal control that provides reasonable assurance that the accounting system provides timely, accurate and reliable financial information, and safeguards the assets of the Board.

The audit is designed to express an opinion on the financial statements. Our understanding of internal control is sufficient to enable us to plan the audit and to determine the nature, timing and extent of tests to be performed. However, if we become aware of a deficiency in your internal controls systems, auditing standards requires us to communicate to the audit committee those deficiencies we consider significant or material. However, a financial statement audit is not designed to provide assurance on internal control.

During the course of performing our audit, we did not identify any such reportable weaknesses in internal control.

Significant new accounting policies

There were no significant new accounting policies noted in the year.

Cooperation during the audit

We report that we received full cooperation from management and the employees of the Hamilton Public Library Board. To our knowledge, we were provided access to all necessary records and other documentation and any issues that arose as a result of our audit were discussed with management and have been resolved to our satisfaction.

Consultations with other accountants

To our knowledge, management did not seek the advice or opinion of other external accountants on financial reporting or accounting matters.

Report to the Audit Committee – Communication of audit results
Hamilton Public Library Board
For the year ended December 31, 2011

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Fraud and illegal acts

Our inquiries of management did not reveal any fraud or illegal acts..

Independence

As external auditors of Hamilton Public Library Board, we are required to be independent in accordance with Canadian professional standards. These standards require that we disclose to the audit committee all relationships that, in our professional judgement, may reasonably be thought to bear on our independence. We have provided a letter to the audit committee, dated February 6, 2012, which confirms our independence with respect to Hamilton Public Library Board.

Appendix A – Draft independent auditor's 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 consolidated statement of financial position as at December 31, 2011, and the consolidated statement of operations, statement of changes in net financial assets and cash flow statement for the year then ended, and 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.

Auditor's 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 the auditor's 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, the auditor considers 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

Report to the Audit Committee – Communication of audit results
Hamilton Public Library Board
For the year ended December 31, 2011

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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 financial position of the Hamilton Public Library Board as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Emphasis of matter

Without modifying our report we draw attention to the budget figures which are provided for comparative purposes only. They have not been subject to audit procedures. Accordingly, we do not express an opinion on the budget figures.

Hamilton, Canada

Grant Thornton LLP
Chartered Accountants
Licensed Public Accountants

Appendix B – Draft Management representation letter

June 20, 2012

Grant Thornton LLP
33 Main Street East
Hamilton, ON
L8N 4K5

Dear Ms. Dugard:

We are providing this letter in connection with your audit of the financial statements of the Hamilton Public Library Board (the Board) as of December 31, 2011, and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, changes in net financial assets and cash flows of the Hamilton Public Library Board in accordance with Canadian generally accepted accounting principles.

We acknowledge that we have fulfilled our responsibilities for the preparation of the financial statements in accordance with Canadian public sector accounting standards and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of June 20, 2012, the following representations made to you during your audit.

Financial statements

- 1 The financial statements referred to above present fairly, in all material respects, the financial position of the Board as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, as agreed to in the terms of the audit engagement.

Completeness of information

- 2 We have made available to you all financial records and related data and all minutes of the meetings of directors, and committees of directors, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been prepared have been provided to you. All significant board and committee actions are included in the summaries.
- 3 We have provided you with unrestricted access to persons within the Board from whom you determined it necessary to obtain audit evidence.
- 4 There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- 5 There were no restatements made to correct a material misstatement in the prior period financial statements that affect the comparative information.
- 6 We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
- 7 We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
- 8 We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
- 9 We have identified to you all known related parties and related party transactions, including revenues, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.

Fraud and error

- 10 We have no knowledge of fraud or suspected fraud affecting the Board involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
- 11 We have no knowledge of any allegations of fraud or suspected fraud affecting the Board's financial statements communicated by employees, former employees, analysts, regulators or others.
- 12 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

Recognition, measurement and disclosure

- 13 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.

- 14 All related party transactions have been appropriately measured and disclosed in the financial statements.
- 15 The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- 16 All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
- 17 All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- 18 The Board has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the Board's assets nor has any been pledged as collateral.
- 19 We have disclosed to you, and the Board has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- 20 The Harmonized Sales Tax (HST) transactions recorded by the Board are in accordance with the federal and provincial regulations. The HST liability/receivable amounts recorded by the Board are considered complete.
- 21 Employee future benefit costs, assets, and obligations have been determined, accounted for and disclosed in accordance with the requirements of Section PS3255 *Post-employment Benefits, Compensated Absences and Termination Benefits* of the Canadian Public Sector Handbook.
- 22 There have been no events subsequent to the date of the statement of financial position up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

- 23 We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Board's ability to continue as a going concern and have concluded that no such events or conditions are evident.

Yours very truly,

Chief Librarian

Director, Finance and Facilities



Hamilton Public Library

Date: June 20, 2012
To: Chair and Members of the Audit Committee
c.c. Paul Takala, Chief Librarian
From: Robin Hewitt, Director, Finance and Facilities
Subject: **Budget Variance Report – April 30th, 2012**

RECOMMENDATION:

That Budget Variance Report as at April 30, 2012 and Estimate to December 31, 2012 be received for information.

Summary

Estimated variance at December 31, 2012 - \$386,886 Favourable

The total 2012 annual operating budget for the Hamilton Public Library has a net expenditure of \$28,108,160 (gross expenditures of \$30,480,720 less gross revenues of \$2,381,560). The current estimated variance as at December 31, 2012 is favourable by \$386,886 which is ninety-eight point six percent of the budgeted net expenditure. 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.

Grants and Subsidies

Estimated variance at December 31, 2012 - \$205,541 Unfavourable

This line includes the annual operating grant from the Province of Ontario which is budgeted at \$949,450 and funding by Provincial and Federal governments for specific grant programs such as Literacy Instruction for New Canadians (LINC) and Job Discovery Centres (JDC). The annual operating grant is paid in one lump sum and is normally received in the last quarter of the year. The claims for the funding for the grant programs are submitted monthly to the funding governments. It was recently announced that the JDC funding will cease on June 30, 2012. As a result, an unfavourable variance is generated as the Library will not receive all of the budgeted funds.

Fees and General

Estimated variance at December 31, 2012 - \$51,255 Favourable

Page 2 of 3
Subject: Budget Variance Report – April 30th, 2012
Date: June 20, 2012



The major items contained in this line are revenues from library fines, book sales, photocopiers, printers and donations. The estimated revenue for this line for the end of December 2012 shows a positive variance of \$51,255 of which the major cause is represented by fines, which are \$19,125 over budget, and photocopier revenue, which is \$10,895 over budget. Donations received also play a role since we do not include a figure for donations in our budget.

Reserves/Capital Recoveries

Estimated variance at December 31, 2012 - \$0

This line currently contains transfers from City of Hamilton reserve funds to cover specific costs charged to the Hamilton Public Library. Transfers from the City's Development Charge reserve fund are intended to cover the repayment of debentures that were issued by the City for a Library capital project instead of being funded directly from the Development Charge reserve.

Employee Related Costs

Estimated variance at December 31, 2012 - \$551,033 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. There has been significant gapping with many positions still to be filled.

Capital Financing

Estimated variance at December 31, 2012 - \$0

This line reflects the repayment of debentures issued by the City of Hamilton to fund Library capital projects.

Financial

Estimated variance at December 31, 2012 - \$4,278 Favourable

The favourable variance is attributable to various minor variances, such as in cash short/over, credit card charges etc.

Materials and Supplies

Estimated variance at December 31, 2012 - \$100,159 Unfavourable

The major items in this line are library materials and subscriptions, operating supplies and furnishings. Library Materials represents \$3,532,570 or 86.5% of the amount budgeted under this line. The estimated unfavourable variance results from increased

Page 3 of 3
Subject: Budget Variance Report – April 30th, 2012
Date: June 20, 2012



costs related to Operating Equipment which includes the purchase of a Digital View Scanner, and Cisco switches and HPL wireless.

Vehicle Expenses

Estimated variance at December 31, 2012- \$3,764 Unfavourable

This line includes those vehicle expenses that are paid directly by the Library and not through a cost allocation from the City. These include costs for fuel and vehicle washing.

Buildings and Grounds

Estimated variance at December 31, 2012 \$9,421 Favourable

This line includes building associated costs that are paid directly by the Library and not through a cost allocation from the City. They also include relocation costs, data and external telephone lines and security guards. The hydro charges to date are under budget, and should continue to be with the implementation of the lighting upgrade.

Contractual

Estimated variance at December 31, 2012 - \$117,603 Favourable

This line includes the expenditures for items such as rental of photocopiers, advertising, service contracts, aquarium maintenance, collection agency fees, Access Copyright fees and inter-branch courier service. The variance is driven by the courier budget, which is projected to be under spent by approximately \$20,561 and the contractual services costs, by approximately \$65,876 and the savings in server costs of nearly \$62,000.

Reserves/Recoveries

Estimated variance at December 31, 2012 \$37,240 Unfavourable

This line includes budgeted transfers from operating to Library reserve funds and recoveries related to security service provided to the Hamilton Farmer's Market, transfers for future computer and server purchases. This section now also includes both direct and indirect charges from the city that were formerly known as cost allocations. Unbudgeted painting of the ductwork is included here (\$28,000).

HAMILTON PUBLIC LIBRARY

BUDGET VARIANCE REPORT

As At April 30, 2012 and Estimate to December 31, 2012

	YEAR TO DATE			
	YTD BUDGET	YTD ACTUAL	YTD VARIANCE	% SPENT
REVENUE				
Grants and Subsidies	\$ 191,622	\$ (13,919)	\$ (205,541)	-7.3%
Fees and General	194,160	245,415	51,255	125.4%
Reserves/Capital Recoveries	93,832	93,831	(1)	124.5%
	\$ 479,614	\$ 325,327	\$ (154,287)	67.8%

	ALL YEAR			
	ANNUAL BUDGET	ESTIMATED ACTUAL	ANNUAL VARIANCE	% SPENT
	\$ 1,530,720	\$ 1,325,179	\$ (205,541)	86.6%
	569,350	620,605	51,255	109.0%
	281,490	281,489	(1)	100.0%
	\$ 2,381,560	\$ 2,227,273	\$ (154,287)	93.5%

EXPENDITURES				
Employee Related Cost	\$ 7,009,694	\$ 6,458,661	\$ 551,033	92.1%
Capital Financing	117,012	117,012	\$ -	100.0%
Financial	30,470	26,192	\$ 4,278	86.0%
Materials and Supplies	1,362,608	1,462,767	\$ (100,159)	107.4%
Vehicle Expense	21,269	25,033	\$ (3,764)	117.7%
Building and Grounds	561,842	552,421	\$ 9,421	98.3%
Contractual	832,219	714,616	\$ 117,603	85.9%
Reserves and Recoveries	578,500	615,740	\$ (37,240)	106.4%
	\$ 10,513,614	\$ 9,972,441	\$ 541,173	94.9%

	\$ 20,309,730	\$ 19,758,697	\$ 551,033	97.3%
	351,040	351,040	\$ -	100.0%
	113,840	109,562	\$ 4,278	96.2%
	4,083,500	4,183,659	\$ (100,159)	102.5%
	63,430	67,194	\$ (3,764)	105.9%
	1,684,190	1,674,769	\$ 9,421	99.4%
	1,971,990	1,854,387	\$ 117,603	94.0%
	1,912,000	1,949,240	\$ (37,240)	101.9%
	\$ 30,489,720	\$ 29,948,547	\$ 541,173	98.2%

NET EXPENDITURES	\$ 10,034,000	\$ 9,647,114	\$ 386,886	96.1%
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	\$ 28,108,160	\$ 27,721,274	\$ 386,886	98.6%
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Hamilton Public Library

Date: June 20, 2012
To: Chair and Members of the Board
From: Paul Takala, Chief Librarian
Subject: **Non-union Compensation**

RECOMMENDATIONS

Whereas the Hamilton Public Library Board 's Non-Union Pay Equity Agreement requires the Board to match cost of living increases given by the City of Hamilton, the Board approves a cost-of-living increase for Library Management and Professional Exempt employees of 1.9% to the salary schedule effective January 1, 2012 to match the City of Hamilton increase.

That the non-union casual employees (pages and shelf readers) also receive the 1.9% increase to the salary schedule effective January 1, 2012.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

The Library Board 's Non-Union Pay Equity Agreement requires the Board to match cost of living increases given by the City of Hamilton.

The proposed increases have been budgeted for in 2012. HPL will be required to follow future cost of living wage adjustments made by the City of Hamilton. Currently the City of Hamilton has approved budgeting for a 1.9% increase in 2013 and 2014 and that those increases will be reviewed each year.

BACKGROUND

The Hamilton Public Library Board has a province-approved non-union pay equity plan that requires the Library Board to use City of Hamilton salaries as their comparator.

The library's non-union employees includes the Chief Librarian, all other senior administration, all branch and department managers, several professional and administrative staff positions in Human Resources whose positions are non-union because of the nature of their work and the administrative assistant for the Chief Librarian and the Board.

The casual staff (Shelf-readers and Pages) are non-unionized and their wage structure was adjusted in 2010 related to the change in Ontario's minimum wage. For the purposes of wage increases for this group we normally follow the City Non-Union cost of living increases.