



Newmarket Public Library Board Agenda

Date: Wednesday, June 19, 2019
Time: 5:30 PM
Location: Newmarket Public Library Boardroom
Newmarket Public Library
438 Park Avenue
Newmarket ON L3Y 1W1

Pages

1. Adoption of Agenda Items

- 1.1 Adoption of the Regular Agenda
- 1.2 Adoption of the Closed Session Agenda
- 1.3 Adoption of the Consent Agenda Items

2. Declarations

3. Consent Agenda Items

- 3.1 Adoption of the Regular Board meeting for May 15, 2019 1
- 3.2 Adoption of the Closed Session minutes for May 15, 2019
- 3.3 Strategic Operations Report for May, 2019 6
- 3.4 Monthly Bank Transfer 8

4. Reports

- 4.1 2018 Draft Audited Financial Statements 9

5. Business Arising

- 5.1 Marketing and IT efficiencies update 22
- 5.2 Interlibrary Loan Service update 23
- 5.3 Library Board Action List 25

6. New Business

6.1 2020 Operating and Capital Budget Requests

7. Closed Session (If required)**8. Dates of Future Meetings**

The next Regular Board meeting is scheduled for Wednesday, September 18, 2019 at 5:30 pm in the Library Board room.

9. Adjournment



Newmarket Public Library Board

Minutes

Date: Wednesday, May 15, 2019
 Time: 5:30 PM
 Location: Newmarket Public Library Boardroom
 Newmarket Public Library
 438 Park Avenue
 Newmarket ON L3Y 1W1

Jane Twinney, Vice Chair (left at 6:55 pm)
 Kelly Broome
 Darryl Gray
 Leslee Mason
 Art Weis

Absent: Victor Woodhouse

Staff Present: Todd Kyle, CEO
 Linda Peppiatt, Deputy CEO
 Lianne Bond, Administrative Coordinator

Guests: Ian McDougall, Commissioner, Community Services, Town of Newmarket (left at 6:55 pm)
 Lynn Georgeff, Director, Human Resources, Town of Newmarket (left at 6:55 pm)

1. Adoption of Agenda Items

In the absence of the Chair, the Vice Chair called the meeting to order at 5:38 pm.

The Chair arrived at 5:39 pm and resumed the role as Chair.

- 1.1 Adoption of the Regular Agenda
- 1.2 Adoption of the Closed Session Agenda
- 1.3 Adoption of the Consent Agenda Items

Motion 19-05-24**Moved by** Kelly Broome**Seconded by** Leslee Mason

That Agenda items 1.1 to 1.3 be adopted as presented.

Carried**2. Declarations**

None were declared.

3. Consent Agenda Items

3.1 Adoption of the Regular Board meeting minutes for Wednesday, April 17, 2019

3.2 Adoption of the Closed Session minutes for Wednesday, April 17, 2019

3.3 Strategic Operations Report for April, 2019

3.4 Monthly Bank Transfer

Motion 19-05-25**Moved by** Darryl Gray**Seconded by** Art Weis

That Consent Agenda items 3.1 to 3.4 be approved and adopted as presented.

Carried**4. Closed Session****4.1 Motion 19-05-26****Moved by** Kelly Broome**Seconded by** Art Weis

That the Library Board move in to a Closed Session at 5:39 pm to discuss labour relation matters.

Carried**Motion 19-05-27****Moved by** Jane Twinney**Seconded by** Kelly Broome

That the Library Board move out of Closed Session at 5:53 pm.

Carried

Motion Arising from Closed Session:

Motion 19-05-28

Moved by Art Weis

Seconded by Darryl Gray

That the Library Board receive the report on Labour relations.

Carried

Motion 19-05-29

Moved by Art Weis

Seconded by Darryl Gray

That the Library Board move in to a second closed session at 6:13 pm to discuss matters pertaining to an individual.

Carried

Motion 19-05-30

Moved by Art Weis

Seconded by Leslee Mason

That the Library Board move out of closed session at 6:55 pm.

Carried

Motion arising from closed session.

Motion 19-05-31

Moved by Art Weis

Seconded by Darryl Gray

That the Library Board receive the report Operational Efficiencies and Library IT Shared Services and defer to the next Library Board meeting for further discussion.

Carried

5. Reports

5.1 Library Facility Needs - Update

The Board discussed the report on library facility needs and what next steps can be taken to further expand library services.

Motion 19-05-32

Moved by Jane Twinney

Seconded by Kelly Broome

That the Library Board receive the report on Library Facility Needs - Update;

And that the Library Board authorize the CEO to work with Town of Newmarket staff on doing a facility needs assessment study as a joint effort with the Town of Newmarket;

Carried

6. Business Arising

6.1 Revisions to the Code of Conduct

The Board agreed to the recommended changes to the Governance policy and revisions to the provision for Gifts.

Motion 19-05-33

Moved by Art Weis

Seconded by Leslee Mason

That the Library Board receive the report on revisions to Code of Conduct: provisions for Gifts;

And That the Library Board approve the recommended revisions to the Code of Conduct as contained in the Governance Policy.

Carried

6.2 Provincial Budget Cuts update

The CEO reported that interlibrary loan service has been suspended due to provincial budget cuts affecting Southern Ontario Library Services at this time. The CEO will update the Board on options to resume service as information becomes available.

6.3 Library Board Action List

The Board reviewed the revisions to the Action List.

Motion 19-05-34

Moved by Darryl Gray

Seconded by Leslee Mason

That the Library Board receive the Action List as presented.

Carried

6.4 Leadership by Design Board Orientation 3

This item was deferred to the next Library Board meeting.

7. New Business

There was no New Business.

8. Dates of Future Meetings

8.1 The next Regular Library Board meeting is scheduled for Wednesday, June 19, 2019 at 5:30 pm in the Library Board room.

9. Adjournment

Motion 19-05-35

Moved by Art Weis

Seconded by Kelly Broome

That there being no further business, the meeting adjourn at 7:11 pm.

Carried

Darcy McNeill, Chair

Todd Kyle, Secretary/Treasurer



Strategic Operations Report: May, 2019

| | Igniting Community Dialogue, Discovery and Debate | Leading a Learning Community | Readying our Capabilities |
|------------------------------------|---|--|---|
| Collaborative Relationships | <ul style="list-style-type: none"> Library participating in Indigenous History Month town programs with displays and by providing film for panel discussion night Paws'n'Tales reading to dogs event held with St. John Ambulance Pride Month flags and displays mounted | <ul style="list-style-type: none"> Southlake Cinemania May screening had 207 attendees; next season to begin in September Solo Traveler program had 27 participants; handwriting analysis program 42; Let's Talk cultural program 11; online health info program by Southlake medical librarian 13. An additional book club program being set up for fall | <ul style="list-style-type: none"> Occasional short Internet outages are being investigated with the Town |
| Spaces | <ul style="list-style-type: none"> Writers Community of York Region promoted their Bookshelf event at library community kiosk Pop-up library events held at Magna Centre and farmer's market | <ul style="list-style-type: none"> Maker Hub 3D design projects included a custom Dungeons & Dragons miniture, and a castle made by a homeschooled student 79 drop-in visitors to Maker Hub this month Bradford library staff visited Maker Hub for a tour | <ul style="list-style-type: none"> Green Reads used book vending machine at Magna replaced with one remaining functioning machine and now operational Basement and 2nd floor carpet replacement beginning June 3 |
| Positioning | <ul style="list-style-type: none"> Article on local history resources at library in Ontario Genealogical Society newsletter Brochure produced called "Discovering your family in Newmarket" | <ul style="list-style-type: none"> Library participated in Writer's Community of York Region "Bookshelf" event for promo purposes Staff participated in local school STREAM event to promote summer | |

| | Igniting Community Dialogue, Discovery and Debate | Leading a Learning Community | Readying our Capabilities |
|--------------------------------------|---|---|--|
| | | reading club and button maker | |
| Resources | <ul style="list-style-type: none"> Local history 2-volume <i>Memorable Merchants & Trades</i> digitized and available on library website | <ul style="list-style-type: none"> Kanopy had 328 video plays in May Children's program attendance is up 10% over same period last year | <ul style="list-style-type: none"> Interlibrary loan service to be reinstated June 1 but without courier service and with limited shipping cost reimbursement |
| Organization & Operations | <ul style="list-style-type: none"> Incentive program for staff who cycle, walk, or carpool to earn gift cards begun | | <ul style="list-style-type: none"> Senior staff attending Workplace Wellness training for managers at Town Staff appreciation luncheon held Staff attended users group conference for library computer system |



438 Park Avenue
Newmarket, Ontario L3Y 1W1

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Library Board Report

To: Newmarket Public Library Board

From: Todd Kyle, CEO

Date: June 19, 2019

RE: **Newmarket Public Library Bank Account – Fund Transfer**

Recommendation:

The CEO recommends that the Library Board authorize the transfer of funds from the Newmarket Library bank account to the Town of Newmarket bank account through the following motion:

THAT the Library Board directs the CEO to authorize the Town of Newmarket Treasurer to transfer the net closing balance at May 31, 2019 of \$28,625.37 from the Newmarket Public Library bank account to the Town of Newmarket bank account.

Financial statements of
Town of Newmarket
Public Library Board

December 31, 2018

| | |
|---|------|
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Independent Auditor's Report

To the Chair and Members of the Town of Newmarket Public Library Board, and the Mayor and Members of Council of the Corporation of the Town of Newmarket

Opinion

We have audited the financial statements of Town of Newmarket Public Library (the "Library"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2018, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Library's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Library's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants
Licensed Public Accountants
_____, 2019

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD**Statement of Financial Position**

As at December 31, 2018

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| | 2018 | 2017 |
|---|--------------------|--------------------|
| Financial Assets | | |
| Cash and cash equivalents | \$91,308 | \$20,300 |
| Accounts receivable | 10,636 | 10,598 |
| Due from Town of Newmarket (Note 3) | 684,251 | 550,470 |
| | 786,195 | 581,368 |
| Liabilities | | |
| Due to Other Groups (Note 4) | 21,856 | 20,635 |
| Accounts payable and accrued liabilities | 212,108 | 106,445 |
| Deferred revenue (Note 5) | 737 | 3,283 |
| Employee future benefits liability (Note 6) | 53,910 | 51,910 |
| | 288,611 | 182,273 |
| Net Financial Assets | 497,584 | 399,095 |
| Non-Financial Assets | | |
| Prepaid expenses | 45,186 | 89,592 |
| Tangible capital assets, net (Note 13) | 1,133,481 | 1,099,754 |
| | 1,178,667 | 1,189,346 |
| Accumulated Surplus | \$1,676,251 | \$1,588,441 |

APPROVED BY THE BOARD

.....
Board Chair: Darcy McNeill

.....
Board Secretary / Treasurer: Todd Kyle

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TOWN OF NEWMARKET PUBLIC LIBRARY BOARD
Statement of Operations

Year ended December 31, 2018

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| | 2018 | | 2017 |
|--|------------------|------------------|------------------|
| | Budget | Actual | Actual |
| REVENUES | | | |
| Municipal operating grant | \$3,182,452 | \$3,182,452 | \$3,107,452 |
| Municipal Contributions towards tangible capital assets (Note 8) | - | 275,422 | 151,075 |
| Provincial grants | 64,401 | 67,824 | 78,640 |
| Other grants | - | - | - |
| Federal grants | - | 4,614 | 3,078 |
| Fines | 39,247 | 27,545 | 32,113 |
| Program fees | 44,700 | 23,291 | 27,765 |
| Financed from development charges (Note 9) | 125,000 | 125,000 | 125,000 |
| Financed from reserves (not funds) | - | - | - |
| Other fees and miscellaneous revenues | 65,842 | 87,065 | 89,595 |
| | 3,521,642 | 3,793,213 | 3,614,718 |
| EXPENSES | | | |
| Library materials | | | |
| Books | 166,364 | - | - |
| Magazines, newspapers and periodicals | 13,200 | 10,106 | 13,682 |
| Electronic materials and subscriptions | 126,065 | 129,844 | 127,418 |
| Audio-visual materials | 28,600 | - | - |
| Book binding and processing | 30,471 | 25,753 | 24,695 |
| Amortization expense | - | 313,653 | 326,172 |
| | 364,700 | 479,356 | 491,967 |
| Operations | | | |
| Programs and projects | 36,898 | 23,921 | 24,191 |
| Other supplies | 17,800 | 16,419 | 21,667 |
| Building and property maintenance | 73,473 | 151,363 | 79,012 |
| Utilities | 103,597 | 90,908 | 102,921 |
| Equipment repairs and maintenance | 89,499 | 108,002 | 117,955 |
| Minor capital from operations | 4,156 | 22,584 | 10,279 |
| | 325,423 | 413,197 | 356,025 |
| Administration | | | |
| Employee salaries | 2,026,056 | 2,041,366 | 1,940,339 |
| Employee benefits | 433,932 | 358,673 | 339,847 |
| Education, conferences, consulting and travel | 44,450 | 28,177 | 49,119 |
| Other sundry expenses | 50,825 | 45,370 | 47,682 |
| Telephone and internet | 10,150 | 7,745 | 9,224 |
| | 2,565,413 | 2,481,331 | 2,386,211 |
| | 3,255,536 | 3,373,884 | 3,234,203 |
| Transfers and other | | | |
| Fund for future capital replacements (Note 7) | (223,550) | (223,550) | (223,550) |
| Fund for future minor capital replacements (Note 9) | - | (20,000) | - |
| Transfer to Long-term Disability Town of Newmarket Reserve | (42,556) | (42,372) | (42,001) |
| Fund for Strategic Plan Implementation Reserve (Note 10) | - | - | (125,621) |
| Transfer to Town of Newmarket Reserve (Note 11) | - | (45,597) | - |
| | (266,106) | (331,519) | (391,172) |
| Annual (deficit) surplus | - | 87,810 | (10,657) |
| Opening Accumulated Surplus | 1,588,441 | 1,588,441 | 1,599,098 |
| Ending Accumulated Surplus | \$1,588,441 | \$1,676,251 | \$1,588,441 |

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Statement of Cash Flows

Year ended December 31, 2018

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| | 2018 | 2017 |
|---|-----------------|-----------------|
| Increase (decrease) in cash and cash equivalents | | |
| Operating Activities | | |
| Annual (deficit) surplus | \$87,810 | (\$10,657) |
| Amortization of tangible capital assets | 313,653 | 326,172 |
| <u>Changes in non-cash operating items</u> | | |
| Accounts receivable | (38) | (5,423) |
| Inventory- York Region Transit tickets/passes | - | 10,172 |
| Due from Town of Newmarket | (133,781) | (46,820) |
| Due to Other Groups | 1,221 | 457 |
| Accounts payable and accrued liabilities | 105,663 | 28,285 |
| Deferred revenue | (2,546) | 626 |
| Employee future benefits liability | 2,000 | 1,540 |
| Prepaid expenses | 44,406 | (12,956) |
| | 418,388 | 291,396 |
| Capital Activity | | |
| Acquisitions of tangible capital assets | (347,380) | (260,135) |
| Increase (decrease) in cash and cash equivalents | 71,008 | (10,683) |
| Cash and cash equivalents, beginning of year | 20,300 | 30,983 |
| Cash and cash equivalents, end of year | \$91,308 | \$20,300 |
| Cash and cash equivalents is comprised of: | | |
| Cash balances | \$91,308 | \$20,300 |
| Short-term deposits | - | - |
| | \$91,308 | \$20,300 |

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Statement of Change in Net Financial Assets

Year ended December 31, 2018

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| | 2018 | | 2017 |
|---|-----------|-----------|------------|
| | Budget | Actual | Actual |
| Annual (deficit) surplus | \$ - | \$87,810 | (\$10,657) |
| Acquisition of tangible capital assets | (438,375) | (347,380) | (302,079) |
| Amortization of tangible capital assets | 329,210 | 313,653 | 326,172 |
| | (109,165) | 54,083 | 13,436 |
| Change in prepaid expenses | - | 44,406 | (12,956) |
| Change in net financial assets | (109,165) | 98,489 | 480 |
| Net financial assets, beginning of year | 399,095 | 399,095 | 398,615 |
| Net financial assets, end of the year | \$289,930 | \$497,584 | \$399,095 |

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2018

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1. NATURE OF OPERATIONS

The Town of Newmarket Public Library Board (the "Library") is a local board of the Corporation of the Town of Newmarket (the "Town") deemed to be a public library established under the Public Libraries Act. The Library Board is not subject to income taxes under Section 149(1) of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Library are the representation of management prepared in accordance with Canadian Public Sector accounting standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

Significant accounting policies adopted by the Library are as follows:

(a) *Basis of accounting*

Revenues and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available and measurable.

Expenses are recognized, as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) *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 an asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| | |
|--------------------|-------------|
| Library collection | 7 years |
| Equipment | 8-10 years |
| Furniture | 15 years |
| Shelving | 15-25 years |
| Computer hardware | 3-4 years |

Tangible capital assets are amortized in the month following the purchase or in-service date. One half of the annual amortization is charged in the year of acquisition for pooled assets. The tangible capital asset threshold amount for capitalization is pooled at \$10,000.

(c) *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.

(d) *Revenue Recognition*

Government transfers are recognized in the financial statements as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recorded as deferred revenue when transfer stipulations give rise to a liability. Revenue is recognized in the statement of operations as stipulations related to the transfers are settled.

Fines are recognized when collected.

Fees for programs and services are recognized over the period of service or when related expenditures occur.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2018

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) *Deferred revenue*

Deferred revenues represent amounts which have been collected but, for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(f) *Use of estimates*

The preparation of financial statements in conformity with Canadian 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 and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. The principle estimates used in the preparation of these financial statements include the useful life and valuation of tangible capital assets. Actual results could differ from these estimates.

(g) *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, balances with the bank, net of overdrafts and short term deposits with maturities of three months or less.

(h) *Pension Plan*

The Library makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer, defined benefit pension plan on behalf of eligible members of its staff. The OMERS Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of assets and administration of the benefits. The Library has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles. The Library records as pension expense the current service cost, amortization of past service costs and interest costs related to the future employer contributions to the Plan for past employee service.

3. DUE FROM TOWN OF NEWMARKET

The amount receivable from the Town of Newmarket is non-interest bearing and has no set terms of repayment.

4. DUE TO OTHER GROUPS

The Library partners with other parties and as part of the agreements holds the balance of funds and records the partnership as a liability at year end on the Library's audited financial statements.

5. DEFERRED REVENUE

Deferred revenue consists of the following:

| | 2018 | 2017 |
|--|--------|----------|
| Program fees, room rental fees, provincial grant and endowment | \$ 737 | \$ 3,283 |

6. EMPLOYEE FUTURE BENEFITS LIABILITY

The Library provides vacation pay benefits that will require funding in future periods. Employees may become entitled to a cash payment when they leave the Library's employment. An estimate of employee future benefits was completed at December 31, 2018 and forms the basis for estimated employee future benefits liability reported in these financial statements.

| | 2018 | 2017 |
|------------------------|-----------|-----------|
| Vacation pay liability | \$ 53,910 | \$ 51,910 |

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2018

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7. RESERVE FUND FOR FUTURE CAPITAL REPLACEMENTS

The reserve fund, held by the Town of Newmarket on behalf of the Town of Newmarket Public Library Board, is designated for future Library capital expenses.

Changes during the year were as follows:

| | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| Balance, beginning of year | \$ 1,165,609 | \$ 1,076,195 |
| Interest earned | 10,474 | 16,939 |
| Transfer from Operating Fund | 223,550 | 223,550 |
| Capital expenditures - Library purposes | (275,422) | (151,075) |
| Balance, end of year | <u>\$ 1,124,211</u> | <u>\$ 1,165,609</u> |

8. UNEXPENDED CAPITAL FUND

The following fund, held by the Town of Newmarket on behalf of the Town of Newmarket Public Library Board, have been designated by the Town Council for future Library capital expenses:

| | <u>2018</u> | <u>2017</u> |
|--------------------------------------|---------------------|---------------------|
| Balance, beginning of year | \$ 951,616 | \$ 1,164,691 |
| New capital allocations for the year | 58,200 | 118,800 |
| Transferred to Town of Newmarket | - | (180,800) |
| Rounding Adj. | 1 | 0 |
| Total Capital Budget | <u>\$ 1,009,817</u> | <u>\$ 1,102,691</u> |
| Financing expenditures | (275,422) | (151,075) |
| Balance, end of year | <u>\$ 734,395</u> | <u>\$ 951,616</u> |

9. OTHER RESERVE FUNDS

The following funds, held by the Town of Newmarket on behalf of the Town of Newmarket Public Library Board, have been designated by the Town Council for future Library expenses:

| <u>Development Charges</u> | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| Balance, beginning of year | \$ 2,674,134 | \$ 2,406,634 |
| Interest earned | 24,275 | 38,145 |
| Developers contributions | 226,238 | 354,355 |
| Transfer to Operating Fund to finance expenditures | (125,000) | (125,000) |
| Balance, end of year | <u>\$ 2,799,647</u> | <u>\$ 2,674,134</u> |

Library Minor Capital Fund

| | <u>2018</u> | <u>2017</u> |
|---------------------------------|------------------|------------------|
| Balance, beginning of year | \$ 30,627 | \$ 30,171 |
| Interest earned | 360 | 456 |
| Transfer from Reserve (Note 11) | 20,000 | - |
| Balance, end of year | <u>\$ 50,987</u> | <u>\$ 30,627</u> |

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2018

DRAFT**10. OTHER RESERVES**

| <u>Library Fundraising</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|
| Balance, beginning of year | \$ 9,247 | \$ 3,212 |
| Other contributions | 4,008 | 6,035 |
| Balance, end of year | \$ 13,255 | \$ 9,247 |
| <u>Strategic Planning</u> | <u>2018</u> | <u>2017</u> |
| Balance, beginning of year | \$ 1,257 | \$ 1,257 |
| Transfer from Operating Fund | - | - |
| Balance, end of year | \$ 1,257 | \$ 1,257 |
| <u>Insurance Reserve</u> | <u>2018</u> | <u>2017</u> |
| Balance, beginning of year | \$ 10,000 | \$ 10,000 |
| Transfer from Operating Fund | - | - |
| Balance, end of year | \$ 10,000 | \$ 10,000 |
| <u>Strategic Plan Implementation Reserve</u> | <u>2018</u> | <u>2017</u> |
| Balance, beginning of year | \$ 167,642 | \$ 42,021 |
| Transfer from Reserve | - | 125,621 |
| Balance, end of year | \$ 167,642 | \$ 167,642 |

11. GENERAL RESERVE

The Town of Newmarket Public Library Board set a target level of \$400,000 for the General Reserves for the Library held by the Town of Newmarket and once achieved any surplus is to be returned to the Town after Library Board approval of audited financial statements, per motion 15.11.69. In 2018, the 2017 operating surplus (\$140,597) was partially transferred to the Minor Capital Fund (\$20,000) and (\$45,597) transferred to the Town of Newmarket. The balance of the surplus (\$75,000) remained in the Reserve for carpet replacement as per Library Board motion 18.03.273. In 2017, \$125,621 (2016 balance above target) was transferred to the Strategic Plan Implementation Fund Reserve.

| <u>General Reserve</u> | <u>2018</u> | <u>2017</u> |
|---------------------------------------|-------------|-------------|
| Opening Balance | \$ 540,597 | \$ 525,621 |
| Transfer from Operating Fund | 121,678 | 140,597 |
| Transfer to Town of Newmarket Reserve | (45,597) | (125,621) |
| Transfer to Other Reserves | (20,000) | - |
| Closing Balance | \$ 596,678 | \$ 540,597 |

12. PENSION AGREEMENTS

The Library makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time 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 credited service and average earnings. No past service liability exists. During the year, \$145,647 (2017: \$143,461) was recorded as an operating expense of the Library.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2018

13. TANGIBLE CAPITAL ASSETS

DRAFT

| 2018 | | | | | | |
|--|-----------------------|-----------------|------------------|-----------------|----------------------|--------------------|
| | Library Collection | Furniture | Equipment | Shelving | Computer Hardware | Total |
| Cost | | | | | | |
| Balance, beginning of year | \$1,693,070 | \$114,023 | \$401,726 | \$144,481 | \$261,756 | \$2,615,056 |
| Add: Additions during the year | 186,529 | - | 61,722 | - | 99,129 | 347,380 |
| Less: Disposals during the year | (221,478) | - | (23,567) | - | (43,411) | (288,456) |
| Balance, end of year | 1,658,121 | 114,023 | 439,881 | 144,481 | 317,474 | 2,673,980 |
| Accumulated amortization | | | | | | |
| Balance, beginning of year | 979,143 | 49,854 | 242,988 | 113,697 | 129,620 | 1,515,302 |
| Add: Amortization during the year | 206,856 | 7,601 | 36,777 | 6,341 | 56,078 | 313,653 |
| Less: Amortization on Disposals | (221,478) | - | (23,567) | - | (43,411) | (288,456) |
| Balance, end of year | 964,521 | 57,455 | 256,198 | 120,038 | 142,287 | 1,540,499 |
| Net book value of Tangible Capital Assets | \$693,600 | \$56,568 | \$183,683 | \$24,443 | \$175,188 | \$1,133,481 |

| 2017 | | | | | | |
|--|-----------------------|-----------------|------------------|-----------------|----------------------|--------------------|
| | Library Collection | Furniture | Equipment | Shelving | Computer Hardware | Total |
| Cost | | | | | | |
| Balance, beginning of year | \$1,737,903 | \$114,023 | \$397,947 | \$144,481 | \$228,827 | \$2,623,181 |
| Add: Additions during the year | 193,809 | - | 19,000 | - | 89,270 | 302,079 |
| Less: Disposals during the year | (238,642) | - | (15,221) | - | (56,341) | (310,204) |
| Balance, end of year | 1,693,070 | 114,023 | 401,726 | 144,481 | 261,756 | 2,615,056 |
| Accumulated amortization | | | | | | |
| Balance, beginning of year | 1,005,581 | 42,252 | 210,539 | 107,356 | 133,606 | 1,499,334 |
| Add: Amortization during the year | 212,204 | 7,602 | 47,670 | 6,341 | 52,355 | 326,172 |
| Less: Amortization on Disposals | (238,642) | - | (15,221) | - | (56,341) | (310,204) |
| Balance, end of year | 979,143 | 49,854 | 242,988 | 113,697 | 129,620 | 1,515,302 |
| Net book value of Tangible Capital Assets | \$713,927 | \$64,169 | \$158,738 | \$30,784 | \$132,136 | \$1,099,754 |

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



438 Park Avenue
Newmarket, Ontario L3Y 1W1

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Library Board Report

To: Newmarket Public Library Board
From: Todd Kyle, C.E.O.
Date: June 19, 2019
RE: **Marketing and IT efficiencies update**

Background:

At the May 15, 2019 Board meeting an in-depth discussion was held in closed session on the best way to enhance the efficiency and effectiveness of library IT and marketing functions in light of recommendations of greater integration of both into parallel operations at the Town of Newmarket. A number of concerns and issues were brought forward by the C.E.O. and the Board requested more information and consideration of these concerns before it would be able to accept any recommendations on the issue.

Since then, conversations have continued among Library and Town senior staff as to the best way forward. In addition, the C.E.O. is continuing to investigate comparator libraries in order to determine best practices in these areas. While some progress has been made in terms of a high-level implementation plan that meets the needs and concerns of the Town and of the Library, more time is needed in order to present a comprehensive set of recommendations to the Board in order to make an informed decision.

Conclusion:

The following motions are recommended:

THAT the Library Board receive the report on Marketing and IT efficiencies update;

AND THAT the Library Board defer to the next meeting a decision on marketing and IT integration.



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Library Board Report

To: Newmarket Public Library Board

From: Todd Kyle, C.E.O.

Date: June 19, 2019

RE: **Interlibrary loan service update**

Background:

As reported at the April 17, 2019 meeting, the Province of Ontario has cut the annual grant to Southern Ontario Library Service (SOLS) roughly in half. SOLS is relied on by the Library for many services, including consortial purchasing (e.g. Overdrive e-books), training, consultation, and governance advice. One of the most important services SOLS provides is inter-library loan (ILL). ILL is facilitated by a shared online database that allows staff and patrons to place requests that are then routed to the nearest holding library. Books are then delivered through a network of courier vans. For deliveries in remote areas, or for books coming from outside Ontario, shipment is made via Canada Post, who offer a steeply discounted Library Book Rate, using an online shipping label tool operated by the library community. (The Library Book Rate is paid for only once, by the loaning library, and includes return shipping).

Immediately following the budget announcement, SOLS announced that they were suspending the ILL service and permanently cancelling the delivery service. As of June 1, the interlibrary loan database has been restored, but without the courier service. Instead, libraries will need to use Canada Post for deliveries. SOLS has made further cuts to their budget, freeing up \$340,000 for reimbursement of libraries' shipping costs. This amount will be divided up by shipping volume among all participating libraries one per year starting in January 2020.

For Newmarket Public Library, reinstating the service comes with a number of pressures beyond the upfront cost and uncertain rate of reimbursement. These include the staff time to weigh and label each book, apply postage (a standard postage meter is unusable), and deliver it to a mailbox (we have made inquiries with Canada Post about possible pick-up). This is in addition to possible packaging costs—Canada Post will likely not accept the reusable cloth bags that the SOLS courier used.

At this point, most libraries, like NPL, are planning to reinstate the service, but will have to consider some measures to restrict lending in order to contain the costs. For example, the SOLS

database allows libraries to create restrictions such as the type of material (such as not lending DVDs, which can also be damaged in the mail). In addition, libraries may consider placing restrictions on the requests their own patrons place, such as by requiring staff authorization of all patron-placed requests. At this point NPL has taken no definitive measures. Instead, we will monitor the volume in both directions as well as how many libraries continue to participate, and determine what measures might be necessary. In addition, we will gather information in order to determine any needed increase to our shipping budget line over and above the eventual reimbursement, and report that back to the Board.

Conclusion:

The following motion is recommended:

THAT the Library Board receive the report on Interlibrary Loan Service Update.



Newmarket Public Library – Action Tracking List

| Item No. | Target Date | Item description | Assigned action | Status / Date of Completion |
|----------|-------------|---|---|---|
| 9-11a | Ongoing | Policy reviews | <ul style="list-style-type: none"> Board to consider policies according to policy review schedule Revise Governance Policy to comply with new Code of Conduct and integrity investigations rules Revise section on Gifts Approve full revised Governance Policy | <ul style="list-style-type: none"> Ongoing April 2018 Code of conduct and investigations sections revised except for section on Gifts May 15, 2019 Board approved revisions to Governance policy |
| 2-13 | Ongoing | C.E.O. Annual Performance Review | <ul style="list-style-type: none"> Library Board Chair and Vice Chair to prepare and report to Board | Next review due May 2019 |
| 1-15 | TBD | Annual Report to the Community | <ul style="list-style-type: none"> TBD | Last report completed October 2017 |
| 2-15 | June 2019 | Library facility and service delivery options | <ul style="list-style-type: none"> Motion 16.09.144 “And that the Library Board apportion up to \$50,000 of the Alternative Service Delivery capital project to a facility needs study, if and when Council indicates its willingness to support it” | <ul style="list-style-type: none"> Deferred by Town of Newmarket Council to fall of 2017 after completion of the Joint Efficiency Review. |

| Item No. | Target Date | Item description | Assigned action | Status / Date of Completion |
|----------|-------------|---|--|---|
| | | | <ul style="list-style-type: none"> Motion 18.02.265 “And that the Library Board request the Library facility needs study be considered by the Town of Newmarket Council in the first or second quarter of 2019” Board to reconsider study | <ul style="list-style-type: none"> Council declined to include a study in its Strategic Priorities for 2019-2023 CEO to work with ToN staff on a joint effort to doing a facility study (Motion 19-05-32) |
| 1-19 | June 2019 | 2020 budget | <ul style="list-style-type: none"> Draft budget request to be presented to board for approval | |
| 2-19 | TBD | Collective Agreements (2019-) | <ul style="list-style-type: none"> Updates and discussions as negotiations progress Board to ratify agreement when negotiated | <ul style="list-style-type: none"> Board briefed March 2019 Negotiations began April 2018 |
| 8-15 | TBD | Strategic planning | <ul style="list-style-type: none"> TBD | Current plan ended 2016. Previous board moved to update actions only but this not completed. |
| 3-19 | May 2019 | Library Board orientation | <ul style="list-style-type: none"> Leadership by Design presentations to be held at first 3 board meetings N6 Library Board orientation session May 11 | <ul style="list-style-type: none"> Part 1 and 2 completed – April 17, 2019 3 Board members attended N6 Orientation session May 11 |
| 4-19 | May 2019 | Library Operational Efficiencies Review | <ul style="list-style-type: none"> Board to consider recommendations | <ul style="list-style-type: none"> Board approved implementation of recommendations February 2018 but reserved approval of marketing and IT sections pending draft Service Level Agreements |

| Item No. | Target Date | Item description | Assigned action | Status / Date of Completion |
|----------|-------------|------------------|---|--|
| | | | <ul style="list-style-type: none"> • Board to give input into marketing and IT SLAs in light of Library-IT Shared Services Review • Board to consider report on benefits and risks of marketing and IT recommendations May 2019 | <ul style="list-style-type: none"> • Marketing and IT SLAs discussed April 2018 |