



Newmarket Public Library Board Agenda

Date: Wednesday, June 17, 2020
Time: 5:45 PM
Location: Electronic VIA ZOOM
See How to Join Meeting Details

Pages

1. Meeting to be held with live video interface via Zoom

1.1 Instructions on how to connect to meeting

Join Zoom Meeting

<https://us02web.zoom.us/j/86421422861?pwd=YXhyMEFPcEh4bVd6L2NNd080V3Z3UT09>

Meeting ID: 864 2142 2861

Password: 755522

2. Adoption of Agenda Items

2.1 Adoption of the Regular Agenda

2.2 Adoption of the Closed Session Agenda

2.3 Adoption of the Consent Agenda Items

3. Declarations

4. Consent Agenda Items

4.1 Adoption of the Regular Board meeting minutes for Wednesday, February 19, 2020

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4.2 Adoption of Emergency Board meeting minutes - Open Session, for Thursday, April 2, 2020 and Thursday, April 9, 2020

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5. Reports

5.1 First Quarter Financial Statements

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7.	New Business	
7.1	2021 Draft Operating and Capital Budget Requests	39
8.	Closed Session	
8.1	Labour relations per section(d) of the Public Libraries Act. R.S.O.1990, Chapter P.44	
9.	Dates of Future Meetings	
9.1	The next Regular Board meeting is scheduled for Wednesday, September 15, 2020 at 5:45 pm in the Library Board room	
10.	Adjournment	



Newmarket Public Library Board

Minutes

Date: Wednesday, February 19, 2020
 Time: 5:45 PM
 Location: Newmarket Public Library Boardroom
 Newmarket Public Library
 438 Park Avenue
 Newmarket ON L3Y 1W1

Members Present: Darcy McNeill, Chair
 Jane Twinney, Vice Chair
 Darryl Gray
 Leslee Mason
 Victor Woodhouse

Members Absent: Kelly Broome
 Art Weis

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

The Chair called the meeting to order at 5:44 pm

1. **Adoption of Agenda Items**

Motion 20-02-93

Moved by Darryl Gray

Seconded by Victor Woodhouse

That items 1.1 to 1.3 be adopted as presented.

Carried

- 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**

None were declared.

3. **Consent Agenda Items**

- 3.1 Adoption of the Regular Board meeting minutes for Wednesday, December 18, 2019
- 3.2 Adoption of the Closed Session minutes for Wednesday, December 18, 2019
- 3.3 Strategic Operations Report for January, 2020
- 3.4 Fourth Quarter Statistical Data Report
- 3.5 Monthly Bank Transfer

Motion 20-02-94

Moved by Leslee Mason

Seconded by Darryl Gray

That Consent Agenda items 3.1 to 3.3 be approved and adopted as presented.

Carried

Board members were invited to join the Library during the Newmarket Chamber of Commerce Home and Life Style show being held April 3rd to 5th.

4. **Reports**

4.1 Bridge Toolkit: Preliminary Results

Preliminary results received so far from the Bridge Technology Services Assessment Toolkit were reviewed by the Board. The Toolkit provides data on the use and outcomes of technology services offered by public library systems.

Motion 20-02-95

Moved by Leslee Mason

Seconded by Victor Woodhouse

That the Library Board receive the report on Bridge Toolkit preliminary results.

Carried

5. Business Arising

5.1 Update on Reducing Barriers to Borrowing

An update on the implementation of changes to borrowing and revised Membership and Borrowing policy to incorporate the changes were reviewed.

Motion 20-02-96

Moved by Darryl Gray

Seconded by Jane Twinney

That the Library Board receive the report on Update to Reducing Barriers to Borrowing;

And That the Library Board approved the Membership and Borrowing Policy as drafted.

Carried

5.2 Library Board Action List

The Action List was reviewed by the Board.

Motion 20-02-97

Moved by Leslee Mason

Seconded by Victor Woodhouse

That the Library Board receive the Action List as presented.

Carried

6. New Business

6.1 Strategic Planning Considerations

Considerations to undertake strategic planning was discussed by the Board. As part of the exercise would include future service delivery, the Board directed the CEO to draft a communication to Town of Newmarket Council requesting that the planned future service delivery study be expedited.

Motion 20-02-98

Moved by Victor Woodhouse

Seconded by Darryl Gray

That the Library Board receive the report on Strategic Planning Considerations;

And That the CEO bring back to the Library Board strategic planning options and estimated costs.

Carried

Motion 20-02-99

Moved by Leslee Mason

Seconded by Victor Woodhouse

That the Library Board direct the CEO to draft a letter to share with the Board a communication to Town of Newmarket Council on moving forward the Library's strategic priorities and service delivery for medium and long-term planning.

Carried

7. Closed Session

7.1 Advice that is subject to solicitor-client privilege

Motion 20-02-100

Moved by Jane Twinney

Seconded by Darryl Gray

That the Library Board move into Closed Session at 6:55 pm to discuss advice that is subject to solicitor-client privilege.

Carried

Motion 20-02-101

Moved by Jane Twinney

Seconded by Victor Woodhouse

That the Library Board move out of Closed Session at 7:10 pm.

Carried

Motion 20-02-102

Moved by Darryl Gray

Seconded by Leslee Mason

That the Library Board receive the solicitor-client report and proceed with the recommendations from the legal advice.

Carried

8. Dates of Future Meetings

8.1 The next Regular Board meeting is scheduled for Wednesday, March 18, 2020, at 5:45 pm in the Library Board room

9. Adjournment

Motion 20-02-103

Moved by Darryl Gray

Seconded by Jane Twinney

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

Carried

Darcy McNeill, Chair

Todd Kyle, Secretary/Treasurer



Newmarket Public Library Board

Minutes

Date: Thursday, April 2, 2020
Time: 5:30 PM

Members Present: Darcy McNeill, Chair
Jane Twinney, Vice Chair
Kelly Broome
Darryl Gray
Leslee Mason
Art Weis
Victor Woodhouse

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

Guests: Kathryn Richards, Unit Chair, CUPE Local 905 (left at 5:50 pm)
Lynn Georgeff, Director of Human Resources, Town of Newmarket

1. Meeting to be held via live video interface via Zoom

1.1 Instructions on how to connect to meeting

The Chair called the meeting to order at 5:30 pm. Clarification regarding the procedure for conducting the meeting using live video stream were made.

2. Adoption of Agenda Items

2.1 Adoption of the Regular Agenda

2.2 Adoption of the Closed Session Agenda

Motion 20-04-104

Moved by Victor Woodhouse

Seconded by Jane Twinney

That agenda items 2.1 to 2.2 be adopted as presented.

Carried

3. Declarations

None were declared.

4. New Business

4.1 Emergency Delegated Authority

The Library Board agreed with the report regarding designating Emergency Delegation of Authority to the Chair, Vice Chair and one appointed Director in order to have the ability to make certain decisions during the current COVID-19 pandemic as outlined in the report.

Motion 20-04-105

Moved by Victor Woodhouse

Seconded by Leslee Mason

That the Library Board receive the report on Emergency Delegation of Authority;

And That the Library Board ratify the decisions outlined in the report and approve the delegated authority to the Executive Committee and to the C.E.O., and authorize the C.E.O. to take the actions necessary to give effect to those decisions;

And that the Library Board appoint Director Darryl Gray as member of the Executive Committee in addition to the Chair and the Vice-Chair.

Carried

5. Closed Session

5.1 Labour relations per section 16.1.4. (d) of the Public Libraries Act, R.S.O. 1990, Chapter P.44

Motion 20-04-106

Moved by Leslee Mason

Seconded by Kelly Broome

That the Library Board move into a Closed Session at 5:45 pm for matters pertaining to Labour relations.

Carried

Motion 20-04-107**Moved by** Kelly Broome**Seconded by** Jane Twinney**That** the Library move out of Closed Session at 6:40 pm.**Carried****Motion arising from Closed Session:****Motion 20-04-109****Moved by** Victor Woodhouse**Seconded by** Leslee Mason

That the Library Board receive the deputation by the Newmarket Public Library Unit Chair, CUPE Local 905;

And that the Library Board give direction to the C.E.O. on the decisions made by the Library Board regarding labour relations.

Carried**6. Adjournment****Motion 20-04-110****Moved by** Victor Woodhouse**Seconded by** Art Weis**That** there being no further business the meeting adjourn at 6:43 pm**Carried**

 Darcy McNeill, Chair

 Todd Kyle, Secretary/Treasurer



Newmarket Public Library Board

Minutes – Open Session

Date: Thursday, April 9, 2020
 Time: 5:30 PM
 Location: Via Zoom and Bell Teleconference

Members Present: Darcy McNeill, Chair
 Jane Twinney, Vice Chair
 Kelly Broome
 Darryl Gray
 Leslee Mason
 Art Weis
 Victor Woodhouse

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

Guests: Kathryn Richards, Unit Chair, CUPE Local 905 (left at 5:50 pm)
 Lynn Georgeff, Director of Human Resources, Town of Newmarket

1. **Emergency Closed Session meeting**

1.1 Meeting to be held via live video interface via Zoom

2. **Adoption of Agenda Items**

2.1 Adoption of the Closed Session Agenda

Motion 20-04-111

Moved by Art Weis

Seconded by Jane Twinney

That agenda item 2.1 be adopted as presented.

Carried

3. **Declarations**

None were declared.

4. **Closed Session**

- 4.1 Labour relations per section 16.1.4 (d) of the Public Libraries Act, R.S.O. 1990 Chapter P. 44

Motion 20-04-112

Moved by Kelly Broome

Seconded by Leslee Mason

That the Library Board move into a Closed Session at 5:40 pm for matters pertaining to Labour relations.

Carried

Motion 20-04-113

Moved by Darryl Gray

Seconded by Art Weis

That the Library Board move out of Closed Session at 6:25 pm.

Carried

Motion arising from Closed Session:

Motion 20-04-114

Moved by Art Weis

Seconded by Darryl Gray

That the Library Board receive the deputation by the Newmarket Public Library Unit Chair, CUPE Local 905;

And that the Library Board give direction to the CEO on the decisions made by the Library Board regarding labour relations.

Carried

5. Adjournment

Motion 20-04-116

Moved by Kelly Broome

Seconded by Victor Woodhouse

That there being no further business the meeting adjourn at 6:27 pm.

Carried

Darcy McNeill, Chair

Todd Kyle, Secretary/Treasurer



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 17, 2020
RE: First Quarter Financial Statement

Background:

Note that the First Quarter Financial Statements do not take in to account the impact from COVID-19. At that time Library was on target for the first quarter of 2020 in both expenditures and revenue, and there were no significant issues to report at that time that might affect our ability to meet budget for 2020.

Conclusion

The following motion is recommended:

That the Library Board receive the First Quarter Financial Statement as presented

NEWMARKET PUBLIC LIBRARY

1st QTR Income Statement Comparison of 2020 Actual to 2020 Budget and 2019 Actual

11-06-2020

EXPENSES

MATERIALS

	2020 1st QTR	2020 ANNUAL BUD	2019 1st QTR	Q1 2020 Vs Q1 2019	% of Budget	Comments for 2020 Vs 2019 variances > \$3000
Books	\$22,732	\$153,864	\$27,041	\$4,309	15%	Timing of purchases
Reference Materials	962	10,800	3,853	2,891	9%	
Magazines & Newspapers	4,901	11,100	5,646	746	44%	
Electronic Materials and Subscriptions	79,391	157,530	70,024	(9,367)	50%	Timing of invoices and higher pay-per-download use in Q1 2020 Vs Q1 2019
Talking Books	1,516	9,100	1,254	(262)	17%	
Compact Sound Discs	0	100	0	-	0%	
DVD/Console Games	3,131	18,000	3,165	34	17%	Timing of installment payments for fixed price processing plan
Book Binding and Materials Processing	25,344	30,843	12,412	(12,932)	82%	
Sub-Total	\$137,977	\$391,337	\$123,395	(\$14,582)	35%	

FACILITIES AND EQUIPMENT

Caretakers' Contract	\$6,693	\$48,000	\$9,958	\$3,264	14%	Timing of invoices
Caretakers' Supplies	712	4,393	905	193	16%	Timing of reversal of prepaids in 2020 Vs 2019
Equipment-Repairs/Maintenance Contracts	6,492	90,007	25,872	19,380	7%	
Building-Repairs/Maintenance Contracts	5,810	27,400	2,891	(2,919)	21%	
Sub-Total	\$19,708	\$169,800	\$39,626	\$19,918	12%	

CAPITAL

Minor Capital	\$3,685	\$5,656	\$190	(\$3,495)	65%	Timing of purchases
Asset Replacement Fund	55,887	223,550	55,888	0	25%	
Sub-Total	\$59,572	\$229,206	\$56,078	(\$3,495)	26%	

UTILITIES

Hydro	\$17,655	\$90,000	\$19,843	\$2,188	20%	
Heat	4,694	11,000	5,109	415	43%	
Water	1,324	4,000	865	(459)	33%	
Sub-Total	\$23,673	\$105,000	\$25,816	\$2,143	23%	

ADMINISTRATION - Salaries, Wages & Benefits

Salaries and Wages	\$398,983	\$2,116,727	\$460,255	\$61,272	19%	Reversal of 2019 vacation accrl at year-end partially offset by Youth internship Q1 2019 ASO - timing of usage
Employee Benefits *	96,121	444,000	83,283	(12,838)	22%	
Inter-Depart Human Resources Cost	3,713	14,851	3,640	(73)	25%	
Sub-Total	\$498,816	\$2,575,578	\$547,178	\$48,362	19%	

ADMINISTRATION - General

Stationery and Office Supplies	\$444	\$2,780	\$258	(\$187)	16%	
Photocopier/Microfilm Lease & Supplies	(88)	3,000	19	107	-3%	
Health and Safety	382	2,400	424	42	16%	
Program and Project Costs	2,461	26,159	3,346	985	9%	
Coffee Supplies	67	1,000	60	(7)	7%	
Circulation and Processing Supplies	919	14,300	1,117	198	6%	
Miscellaneous Expense	167	4,725	129	(38)	4%	
Telephone and Internet	878	5,440	1,247	370	16%	
Audit Legal and Finance	0	4,000	0	-	0%	

NEWMARKET PUBLIC LIBRARY**1st QTR Income Statement Comparison of 2020 Actual to 2020 Budget and 2019 Actual**

11-06-2020

EXPENSES

2020 1st QTR	2020 ANNUAL BUD	2019 1st QTR	Q1 2020 Vs Q1 2019	% of Budget
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Comments for 2020 Vs 2019 variances > \$3000

ADMINISTRATION - General Continued

Consulting Fees	666	\$14,400	\$0	(\$666)	5%
Postage and Freight	2,075	8,275	809	(1,266)	25%
Advertising	4,678	17,700	2,326	(2,352)	26%
Education and Training	2,467	11,400	2,253	(214)	22%
Services & Rents	983	0	0	(983)	
Copyright fees	509	500	509	-	102%
Other Fees	168	600	616	448	28%
Travel Expense	1,486	6,800	1,206	(280)	22%
Memberships and Subscriptions	829	10,895	1,059	230	8%
Conference/Seminar Fees & Expenses	7,064	12,405	5,148	(1,915)	57%
Bank Charges	361	3,000	344	(17)	12%
Transfer to LTD. Reserve	7,868	48,195	7,281	(587)	16%
Sub-Total	\$34,382	\$197,974	\$28,150	(\$6,132)	17%
TOTAL EXPENSES	\$774,128	\$3,668,895	\$820,242	\$46,214	21%

1st QTR Income Statement Comparison of 2020 Actual to 2020 Budget and 2019 Actual**REVENUES**

2020 1st QTR	2020 ANNUAL BUD	2019 1st QTR	Q1 2020 Vs Q1 2019	% of Budget
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Comments for 2020 Vs 2019 variances > \$3000

Municipal Grant	\$866,356	\$3,465,422	\$814,356	\$52,000	25%
Provincial Grant	0	64,401	0	-	0%
Program Fees	3,142	29,752	5,054	(1,912)	11%
Photocopier/Microfilm Receipts	2,999	10,000	2,814	185	30%
Room Rentals	9,621	37,750	6,505	3,116	25%
Coffee Supplies Recovered	242	1,000	263	(21)	24%
Fines	5,331	38,070	7,131	(1,800)	14%
Financing from D.C.	0	0	31,250	(31,250)	
Sundry Receipts	1,955	19,200	3,052	(1,098)	10%
Non-Resident Fees	90	300	120	(30)	30%
Donations Received	759	3,000	78	681	25%
Gain/Loss on Disposal	4	0	0	4	
TOTAL REVENUES	\$890,496	\$3,668,895	\$872,733	\$17,763	24%
SURPLUS/(DEFICIT) CURRENT	\$116,368	\$0	\$52,491	\$63,978	

Higher grant in 2020

More room rental requests in 2020

Change in DC funding policy



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Library Board Report

To: Newmarket Public Library Board

From: Todd Kyle, C.E.O.

Date: June 17, 2020

RE: **2019 Draft Audited Financial Statements**

Background:

The Board is asked annually to approve the Library's Audited Financial Statements for the previous year. The audit has been completed by the Town's contracted firm, Deloitte, as part of the full audit of the Town and various entities. The Library's audited statements are approved independently by the Board, but are also "rolled up" into the Town's statements, which are approved by Council on recommendation of the Audit Committee. The Library C.E.O. attends Audit Committee meetings in order to provide any information requested by the Committee relating to Library-specific entries.

When the full statements are signed and released by Deloitte, the Library submits these to Canada Revenue Agency as part of its annual charitable tax return, as well as to the Ontario government as part of the Annual Survey of Public Libraries in order to satisfy the requirements of applying for the Public Library Operating Grant.

Discussion:

The 2019 audit did not reveal any material concerns or errors related to the draft Financial Statements as prepared by staff, nor any significant concerns related to accountability practices or potential fraud. A small number of misstatements, related mainly to the application of expenses to the incorrect year, were noted by the auditors and subsequently corrected in the draft statements.

The following explanations might aid members in understanding the draft statements as presented:

- **SURPLUS/DEFICIT** (Statement of Operations, page 4). The amount recorded for 2019 is a deficit of \$238,333. This should not be interpreted as a deficit of spending over operating budget. Instead, this number represents the difference between the accumulated amortization of our Tangible Capital Assets and the acquisition of new

assets. As acquisitions in 2019 were lower than the accumulated value, it shows as a deficit. What some might refer to as the actual operating surplus/deficit is recorded in Note 11 General Reserve as Transfer from Operating fund. This amount is \$4,044 and represents the underspending of the operating budget (a “surplus”). As per Council motion, this amount is being transferred to a new reserve fund (under control of the Town so not accounted for here) for future Library building needs.

- **BOOKS/AUDIO VISUAL MATERIALS** (Statement of Operations, page 4): Note that the “zero” expenses for these two lines are always recorded as such because physical library materials are considered Tangible Capital Assets. The actual expenses are included in the total of “amortization of tangible capital assets” in the same section.
- **DUE TO OTHER GROUPS** (Statement of Financial Position, page 3, as well as Note 4). This refers to liabilities the Library had at the end of the year to a number of partnership agreements. For 2019, that refers to the York Info Community Information partnership (now dissolved, which will eventually see the Library receiving its share of the accumulated funds) and the Southlake Cinemania partnership with East Gwillimbury Public Library. Neither should be interpreted as negative liabilities.
- **VACATION PAY LIABILITY** (Note 4). This is the liability of the library of accumulated vacation pay in the event an employee leaves our employ. This year the auditors changed the wording from “Employee Future Benefits”.
- **OTHER RESERVES** (Note 10). Note that a decision was made to close out the small balance of the “Strategic Planning Reserve” and transfer it to the “Strategic Plan Implementation Reserve”. The consolidated reserve can be used both for future strategic planning and one-time capacity building expenses that come out of it.
- **GENERAL RESERVE** (note 11). Note that there is a transfer of \$75K from this to the “Unexpended Capital Fund”. This was in order to fulfill the Board motion that \$75K of the General Reserve be used for the final phase of carpet replacement.

Conclusion:

The following motion is recommended:

THAT the Library Board approve the draft audited 2019 Financial Statements as presented.

Financial statements of
Town of Newmarket
Public Library Board

December 31, 2019

Independent Auditor's Report	1-2
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Statement of operations	4
Statement of cash flows	5
Statement of change in net financial assets	6
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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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Town of Newmarket Public Library Board (the "Library"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, 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, 2019, 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.

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

As at December 31, 2019

DRAFT

	2019	2018
Financial Assets		Note 14
Cash and cash equivalents	\$93,225	\$91,308
Accounts receivable	15,124	10,636
Due from Town of Newmarket (Note 3)	400,045	684,251
	508,394	786,195
Liabilities		
Due to Other Groups (Note 4)	31,264	21,856
Accounts payable and accrued liabilities (Note 6)	155,721	266,018
Deferred revenue (Note 5)	1,256	737
	188,241	288,611
Net Financial Assets	320,153	497,584
Non-Financial Assets		
Prepaid expenses	83,891	45,186
Tangible capital assets, net (Note 15)	1,033,874	1,133,481
	1,117,765	1,178,667
Accumulated Surplus	\$1,437,918	\$1,676,251

APPROVED BY THE BOARD OF DIRECTORS

.....
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, 2019

DRAFT

	2019		2018
	Budget	Actual	Actual Note 14
REVENUES			
Municipal operating grant	\$3,257,422	\$3,257,422	\$3,182,452
Municipal contributions towards tangible capital assets (Note 8)	-	158,910	275,422
Provincial grants	64,401	69,878	67,824
Federal grants	-	10,679	4,614
Fines	38,070	27,164	27,545
Program fees	33,706	16,325	23,291
Financed from development charges (Note 9)	125,000	125,000	125,000
Other fees and miscellaneous revenues	70,300	66,398	87,065
	3,588,899	3,731,776	3,793,213
EXPENSES			
Library materials			
Books	164,364	-	-
Magazines, newspapers and periodicals	13,200	11,779	10,106
Electronic materials and subscriptions	139,530	144,019	129,844
Audio-visual materials	27,400	-	-
Book binding and processing	30,843	26,735	25,753
Amortization of tangible capital assets	-	323,671	313,653
	375,337	506,204	479,356
Operations			
Programs and projects	28,759	23,737	23,921
Other supplies	18,300	18,192	16,419
Building and property maintenance	79,793	177,055	151,363
Utilities	105,000	90,554	90,908
Equipment repairs and maintenance	88,499	66,468	108,002
Minor capital	5,656	10,606	22,584
	326,007	386,612	413,197
Administration			
Employee salaries	2,085,826	2,163,344	2,097,276
Employee benefits	427,809	380,489	302,763
Education, conferences, consulting and travel	44,905	23,808	28,177
Other sundry expenses	50,825	41,891	45,370
Telephone and internet	10,550	7,419	7,745
	2,619,915	2,616,951	2,481,331
	3,321,259	3,509,767	3,373,884
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	(44,090)	(40,114)	(42,372)
Transfer to Capital Financing (Note 11)	-	(75,000)	-
Transfer to Library Capital Needs Reserve fund (Note 9)	-	(121,678)	(45,597)
	(267,640)	(460,342)	(331,519)
Annual (deficit) surplus	-	(238,333)	87,810
Opening Accumulated Surplus	1,676,251	1,676,251	1,588,441
Ending Accumulated Surplus	\$1,676,251	\$1,437,918	\$1,676,251

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD**Statement of Cash Flows**

Year ended December 31, 2019

DRAFT

	<u>2019</u>	<u>2018</u>
		Note 14
Increase (decrease) in cash and cash equivalents		
Operating Activities		
Annual (deficit) surplus	(\$238,333)	\$87,810
Amortization of tangible capital assets	323,671	313,653
<u>Changes in non-cash operating items</u>		
Accounts receivable	(4,488)	(38)
Due from Town of Newmarket	284,206	(133,781)
Due to Other Groups	9,408	1,221
Accounts payable and accrued liabilities	(110,297)	107,663
Deferred revenue	519	(2,546)
Prepaid expenses	(38,705)	44,406
	<u>225,981</u>	<u>418,388</u>
Capital Activity		
Acquisitions of tangible capital assets	(224,064)	(347,380)
Increase in cash and cash equivalents	1,917	71,008
Cash and cash equivalents, beginning of year	91,308	20,300
Cash and cash equivalents, end of year	\$93,225	\$91,308
Cash and cash equivalents is comprised of:		
Cash balances	\$93,225	\$91,308
Short-term deposits	-	-
	<u>\$93,225</u>	<u>\$91,308</u>

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD**Statement of Change in Net Financial Assets**

Year ended December 31, 2019

DRAFT

	2019		2018
	Budget	Actual	Actual
Annual (deficit) surplus	\$ -	(\$238,333)	\$87,810
Acquisition of tangible capital assets	(225,820)	(224,064)	(347,380)
Amortization of tangible capital assets	329,284	323,671	313,653
	103,464	(138,726)	54,083
Change in prepaid expenses	-	(38,705)	44,406
Change in net financial assets	103,464	(177,431)	98,489
Net financial assets, beginning of year	497,584	497,584	399,095
Net financial assets, end of the year	\$601,048	\$320,153	\$497,584

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2019

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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, 2019

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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 external parties, and as part of various agreements, holds the balance of unspent funds and records these unspent funds as a liability at December 31, 2019 and 2018.

5. DEFERRED REVENUE

Deferred revenue consists of the following:

	2019	2018
Program fees and room rental fees	\$ 1,256	\$ 737

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is the vacation pay liability. The Library provides vacation pay benefits to current employees. Employees may become entitled to a cash payment when they leave the Library's employment.

	2019	2018
Vacation pay liability	\$ 68,841	\$ 53,910

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2019

DRAFT**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>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 1,124,211	\$ 1,165,609
Interest earned	48,832	10,474
Transfer from Operating Fund	223,550	223,550
Capital expenditures - Library purposes	(83,910)	(275,422)
Balance, end of year	<u>\$ 1,312,683</u>	<u>\$ 1,124,211</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>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 734,395	\$ 951,616
New capital allocations for the year	-	58,200
Transferred from General Reserve	75,000	-
Transferred to Town of Newmarket	(460,320)	-
Rounding Adj.	-	1
Total Capital Budget	<u>\$ 349,075</u>	<u>\$ 1,009,817</u>
Financing capital expenditures	\$ (158,910)	(275,422)
Deferred Funds	204,354	0
Balance, end of year	<u>\$ 394,519</u>	<u>\$ 734,395</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>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 2,799,647	\$ 2,674,134
Interest earned	109,994	24,275
Developers contributions	59,736	226,238
Transfer to Operating Fund to finance expenditures	(125,000)	(125,000)
Balance, end of year	<u>\$ 2,844,377</u>	<u>\$ 2,799,647</u>

<u>Library Minor Capital Fund</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 50,987	\$ 30,627
Interest earned	2,030	360
Transfer from Reserve (Note 11)	-	20,000
Balance, end of year	<u>\$ 53,017</u>	<u>\$ 50,987</u>

<u>Library Capital Needs Fund</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ -	\$ -
Interest earned	2,617	-
Transfer from Reserve (Note 11)	121,678	-
Balance, end of year	<u>\$ 124,295</u>	<u>\$ -</u>

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2019

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10. OTHER RESERVES

The following reserves, 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>Library Fundraising</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 13,255	\$ 9,247
Other contributions	11,164	4,008
Balance, end of year	\$ 24,419	\$ 13,255

<u>Strategic Planning</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 1,257	\$ 1,257
Transfer to Strategic Plan Implementation Reserve	(1,257)	-
Balance, end of year	\$ -	\$ 1,257

<u>Insurance Reserve</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 10,000	\$ 10,000
Transfer to Operating Fund	-	-
Balance, end of year	\$ 10,000	\$ 10,000

<u>Strategic Plan Implementation Reserve</u>	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 167,642	\$ 167,642
Transfer from Strategic Planning Reserve	1,257	-
Balance, end of year	\$ 168,899	\$ 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 2019, the 2018 operating surplus (\$121,678) was transferred to a new Library Reserve Fund for Capital Needs. 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 from 2017 (\$75,000) remained in the Reserve for carpet replacement as per Library Board motion 18.03.273 and was transferred to Capital for that purpose in 2019.

<u>General Reserve</u>	<u>2019</u>	<u>2018</u>
Opening Balance	\$ 596,678	\$ 540,597
Transfer from Operating Fund	4,044	121,678
Transfer to Library Capital Needs Reserve Fund	(121,678)	(45,597)
Transfer to Other Reserves	-	(20,000)
Transfer to Unexpended Capital Fund	(75,000)	-
Closing Balance	\$ 404,044	\$ 596,678

12. PENSION AGREEMENTS

The Library makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer defined benefit 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. During the year, \$166,270 (2018: \$145,647) was recorded as an operating expense of the Library.

TOWN OF NEWMARKET PUBLIC LIBRARY BOARD**Notes to the Financial Statements**

Year ended December 31, 2019

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13 SUBSEQUENT EVENT

Subsequent to the year-end, on March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Library in future periods.

14 COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified to conform to the current year's financial statement presentation. The reclassification primarily relates to a previously presented employee future benefits liability balance consisting of the vacation pay liability regrouped and is now included as part of accounts payable and accrued liabilities. In addition, this balance has also been reclassified from employee benefits to employee salaries in the statement of operations.

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TOWN OF NEWMARKET PUBLIC LIBRARY BOARD

Notes to the Financial Statements

Year ended December 31, 2019

15. TANGIBLE CAPITAL ASSETS

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2019						
	Library Collection	Furniture	Equipment	Shelving	Computer Hardware	Total
Cost						
Balance, beginning of year	\$1,658,121	\$114,023	\$439,881	\$144,481	\$317,474	\$2,673,980
Add: Additions during the year	196,476	10,467	-	-	17,121	224,064
Less: Disposals during the year	(233,714)	-	(142,002)	-	(23,155)	(398,871)
Balance, end of year	1,620,883	124,490	297,879	144,481	311,440	2,499,173
Accumulated amortization						
Balance, beginning of year	964,521	57,455	256,198	120,038	142,287	1,540,499
Add: Amortization during the year	202,103	8,059	37,235	6,340	69,934	323,671
Less: Amortization on Disposals	(233,714)	-	(142,002)	-	(23,155)	(398,871)
Balance, end of year	932,910	65,514	151,431	126,378	189,066	1,465,299
Net book value of Tangible Capital Assets	\$687,973	\$58,976	\$146,448	\$18,103	\$122,374	\$1,033,874

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

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



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Library Board Report

To: Newmarket Public Library Board

From: Todd Kyle, C.E.O.

Date: June 17, 2020

RE: **Recovery and Re-opening Considerations for Library**

Background:

While the library has been closed to all but online services since March 14, 2020, staff have been working to develop plans in order to be prepared for changes to the Ontario government's emergency orders that will allow phased re-opening and re-introduction of services. This report will outline steps taken so far, including confirmation of decisions taken under emergency authority approved by the Board on April 2, 2020, as well as a high-level overview of future contingencies and guiding principles for further phases of recovery.

Discussion:

Emergency decisions taken since April 2, 2020: Curbside Pickup (Stage 1)

After Board decisions about the disposition of Library staff during the closure, the Ontario government authorized a "curbside pickup" model of service for public libraries as of May 19, 2020. Staff then prepared a plan for this service, using community and staff safety as its prime priority. This plan was reviewed by the library's Joint Health and Safety Committee, our CUPE bargaining unit, Town of Newmarket Human Resources, and by members of the Library Board via e-mail. Under the CEO's authority to make decisions on Library service operations, and with the agreement of the Library Board Executive, the plan was put into affect as of June 3, 2020, with the first service being offered on June 6.

In short, curbside pickup has been introduced as a walk-up model two days per week, which may be extended depending on need and continued staff safety. Library patrons place holds for desired material online or by phone, and staff are assigned on these days to "pick" these materials from the shelves, check them in to trigger a notification e-mail, then check them out and bag them for pickup. Patrons approach the library doors one at a time, indicate their name, and staff retrieve their bag, placing it for pickup while at all time maintaining a distance of 2 metres from the patron. At all times, staff maintain physical distancing, practice appropriate hygiene and cleaning protocols, wear Personal Protective Equipment as needed, and minimize

the number of people handling each patron's materials as much as possible. This adds layers of complexity to the operation and slows it down. Guidance as to best practices on how to operate such a service has come from the Ontario government's COVID-specific Health and Safety guidelines and from the Southern Ontario Library Service.

At the same time, the CEO's emergency decisions included a limited reintroduction of staff into the library workplace. Previously, only essential tasks related to building systems, Information Technology, and financial services were typically reasons for staff to attend the workplace. For curbside service, teams of 7 staff at a time including managers, are arranged in such a way as to limit overlap between teams and limit each staff member's time in the building. In addition, decisions are currently being made to allow staff to attend on the remaining weekdays in order to restore some services related to receiving and processing of new library books and other material. There will potentially also be some staff attending the workplace to conduct some online programming which has proven difficult to sustain in a home context.

Emergency decisions have also included some purchases of Personal Protective Equipment (PPE) for staff; these are being tracked using a unique accounting code in the event of reimbursement of COVID-related expenses by other levels of government. Finally, a decision was made to continue both extending due dates and not assessing overdue fines for all materials borrowed since just prior to the shutdown. For the time being, the message to users has simply been to return items when you are finished with them.

Future decisions: Limited Library Re-opening (Stage 2)

On June 8, 2020, the Ontario government announced further re-openings as part of a "Stage 2" including public libraries, as of June 12. However, as of the date of this report, this does not yet include a number of regions, mainly in the Greater Toronto Area, including York Region. Staff have begun working on a plan to introduce limited service as per Stage 2 so as to be ready for when this is extended to York.

This model will include only limited services of the library, continuing a pickup service for reserved items but adding public computer use and information and browsing assistance provided by staff. Staff stationed at the entrance would allow a limited number of patrons in for limited times and only for approved services, and monitor their time spent in order to make space for other patrons. The existing reservation system for public computers would be leveraged in order to fairly distribute capacity, and computer workstations would be spread apart as much as possible. Patrons wishing information, technology, or browsing assistance would approach a reference desk where staff behind a shield would discuss their needs and retrieve a selection of items for the patron from the shelves if needed. The items would be placed on a designated counter and those items the patron does not select would be placed into 72-hour quarantine. No group programming, meeting rooms, study space, shelf browsing, or other casual activity would be provided or allowed.

As with the curbside phase, review of this plan by all concerned parties would take place, and has already begun with Town of Newmarket Human Resources health and safety staff. In

addition, new guidelines for library employers for safe delivery of services during Stage 2 have been posted by the Ontario government and will be followed. One of these mandates continuing to limit the number of staff in the library at a given time. It is NPL's intention to continue to have staff mainly attending the workplace for rotating public duties and working from home when not, and doing so in two distinct teams so as to maintain a separation in the event of a staff infection.

Some considerations in this phase may need Board guidance. These include:

- Employment status of those Library staff currently on Declared Emergency Leave
(discussion can be held in Closed Session if needed)
- Opening hours of the library
- Limit of number of patrons in the library at a time
- Status of the current fine-free arrangement for all borrowers

It is recommended that the Board give general guidance on the plans and considerations above, and that any further significant decisions with budgetary, policy, or strategic implications be made by the Executive Committee as contingencies occur, with decisions being ratified at a Board meeting within one month, as per the report on Emergency Delegation of Authority. In addition, it is recommended that the C.E.O. be authorized to continue to make emergency COVID-related purchases, with a future report coming to the Board on budget implications if significant.

Conclusion:

The following motions are recommended:

THAT the Library Board receive the report on Recovery and Re-opening Considerations for the Library;

AND THAT the Library Board ratify the decisions and continued emergency authority as outlined in the report.

Appendix: Emergency Authorities as approved by the Board April 2, 2020

Executive Committee

Decisions of the Executive Committee may be made without constituting a formal public meeting. They are subject to ratification at the next regular board meeting. If a regular board meeting cannot be held due to the emergency situation, a special meeting must be legally constituted within one month of any Executive Committee decision, or failing that, as soon as is practically possible.

Decisions of the Executive Committee are those that are necessitated by unusual circumstances and that are budgetary, strategic, or fundamental to the Library's status or operations. These include, but are not limited to:

- Extended closure decisions. The existing Policy on Inclement Weather, or Other Emergencies Causing Closure of the Library gives all closure decision authority to the C.E.O. but questions of continued staff payment beyond the first day are referred to the Board. As these two are inextricably linked, it may be necessary to amend this policy going forward. At this point it is most prudent to seek Executive authorization for extended closures.
- Continued employment parameters for staff (see above)
- Extraordinary expenditures outside of approved budgets
- Any Capital Budget expenditure
- Deployment of staff outside of Library functions

Chief Executive Officer

Decisions that may be made by the C.E.O. independently are those that are operational in nature and that may be required for business continuity. These include, but are not limited to:

- Services and activities of the Library to cancel and those to continue
- Expenditures within approved budgets, subject to guidance from the Director of Finance
- Deployment of staff within Library functions
- Emergency communications with the public, subject to any Service Level Agreement with Town of Newmarket Corporate Communications
- Monthly bank balance transfer
- Any other decision required to ensure continued operation of essential activities of the Library

In addition to the above, any other decisions made at this meeting by the Board, including the labour relations items in Closed Session, will be considered to be final and therefore not subject to the ratification provisions as above. Only decisions made the the Executive subsequent to this meeting, as circumstances change, will be subject to future ratification.



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 	Completed <ul style="list-style-type: none"> To Board for approval September 18, 2019 Approved for submission September 18, 2019
2-19	TBD	Collective Agreements (2019 -)	<ul style="list-style-type: none"> Updates and discussions as negotiations progress Board to ratify agreement when negotiated 	Completed <ul style="list-style-type: none"> Board briefed March 2019 Negotiations began April 2018 Library Board and Union ratified as of August 19, 2019
8-15	TBD	Strategic planning	<ul style="list-style-type: none"> TBD 	<ul style="list-style-type: none"> Current plan ended 2016. Previous board moved to update actions only but this not completed. Include a long-term strategy related to fines at future strategic planning (motion 19-10-66) Consider diverse Board member recruitment in future strategic planning (motion 19-11-71)

Item No.	Target Date	Item description	Assigned action	Status / Date of Completion
				<ul style="list-style-type: none"> Report to Board March 18, 2020 with planning options(motion 20-02-98)
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 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 CEO to report on regular basis on the progress and outcome measures related to these pilots (motion 19-09-59) 	<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 Marketing and IT SLAs discussed April 2018 Marketing and IT Agreements to Board September 18, 2019 Board authorized one-year pilot Information Technology Joint Steering Committee Board authorized one-year pilot Service level Agreement with Town of Newmarket Recreation and Culture/Marketing and Sponsorhip

Item No.	Target Date	Item description	Assigned action	Status / Date of Completion
5-19	TBD	Library Advocacy	<ul style="list-style-type: none"> • CEO to bring Library Advocacy items to Board for endorsement outside of election campaigns as coordinated by library associations. 	
6-19		Inclusion and Diversity	<ul style="list-style-type: none"> • CEO to report back to Board if Board input and review are needed 	



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Library Board Report

To: Newmarket Public Library Board

From: Todd Kyle, C.E.O.

Date: June 17, 2020

RE: **2021 Draft Operating and Capital Budgets**

Background:

The draft budget requests for 2021 need to be submitted to Town of Newmarket Finance staff by the end of June, so I am presenting them to the Board for approval. If they cannot be approved at this meeting, past practice has been to submit them as they are to Finance noting that they are not as yet approved by the Board; any changes after approval can still be made prior to presenting of full draft budgets to Council in the fall.

Discussion:

Due to the COVID emergency and the resulting fiscal pressures, as well as a current inflation rate of near-zero, 2021 is an extraordinary budget year. We have prepared our submission based on assumptions made by Finance and on the best available information at the current time. Some of the assumptions and observations about the operating budget are as follows:

- Finance have suggested a zero increase to the base budget because of the near-zero inflation rate, and this is reflected in the budget summary distributed.
- However, cost increases are included in the summary as placeholders for already-approved and Collective Agreement salary and wage increases, including the accompanying increases to benefits costs.
- Finance have suggested that the recommended allocation for Growth expenditures of 1.5% be reduced to a net \$22K. This is reflected in the summary as a proposal for additional funds for Electronic Materials. This might be used either for additional costs

for pay-per-download materials, or if those costs do not increase significantly, for a potential Internet hotspot loan program.

- Finance have also suggested a \$14K reduction to base budget costs. This has been achieved by reducing the Consulting and Hydro lines to amounts closer to the 2018 and 2019 actuals.
- All personnel changes as per the Library Efficiencies Study have been fully incorporated into the budget, assuming they can all be in place by January.
- No requests for service level enhancements, such as extending hours to Monday service, are included.
- No changes to revenue lines have been incorporated as there is still much unknown in this area; for example, it is unknown what the library's capacity to offer room rentals will be, and it is unknown what the impacts of recent changes to the overdue fines structure will be in a "normal" year.

For the capital budget, due to changes made in 2019 the expectation from Council is that requests only be made for those purchases that are in an advanced stage of readiness, such as those for which a Purchase Order or Request for Quotation is being prepared. In addition, capital projects approved for 2020 cannot be carried over for 2021 but must be subject to a new request. Given the uncertainty in the current situation, it is very difficult to predict which purchases would have to be re-requested and which could reasonably be completed. At the same time, most requests would be for funding already provided for in the Asset Replacement Plan.

For these reasons, it is suggested at this time that no requests be presented to the Board. Instead, staff will work internally to determine the most needed items and submit the request to Finance noting that it is not yet approved by the Board. These requests would be presented for Board approval prior to a deadline for making changes, by September 2020 at the latest.

Conclusion:

The following motion is recommended:

THAT the Library Board approve the draft 2021 Operating Budget for submission to Council;

AND THAT the Library Board approve the draft 2021 Capital Budget at a later date following submission of a preliminary draft to Finance by staff.

Highlights of Changes to Base Operating Budget 2021 over 2020

<u>EXPENDITURES</u>	2021 Request	2020 Final Budget	\$ change	% change	Comments
Materials	\$ 413,337	\$ 391,337	\$22,000	5.62%	Additional electronic materials funds for growth
Facilities & Equipment	169,800	169,800	0	0.00%	
Capital includes ARF	229,206	229,206	0	0.00%	
Utilities	101,000	105,000	-4,000	-3.81%	Hydro reduced based on previous 2 year actuals
Salaries & Wages	2,192,125	2,131,578	60,547	2.84%	Previously approved increases
Benefits	505,166	492,195	12,971	2.64%	Related to Salaries
General	139,779	149,779	-10,000	-6.68%	Reduced Consulting line based on previous year and anticipated cost for 2021.
Total Expenditures	\$ 3,750,414	\$ 3,668,895	\$ 81,519	2.22%	

<u>REVENUES</u>					
Provincial Grant	64,401	64,401	0	0.00%	
Municipal Grant	3,546,941	3,465,422	81,519	2.35%	
Operating Reserve	0	0	0	0.00%	
Other (Fines, Room Rentals, etc)	139,072	139,072	0	0.00%	
Total Revenues	\$ 3,750,414	\$ 3,668,895	\$ 81,519	2.22%	