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Report



1. Introduction

1.1 Background

In early 2019 the Province of Ontario provided unconditional grant funding for municipalities to undertake service delivery reviews, implement recommendations, and modernize service delivery through technologies via one-time grant funding. This grant funding was provided through the Service Modernization Funding for Small and Rural Communities. Subsequently, the Province provided conditional grant funding through the Municipal Modernization Program that was available to municipalities through submitting applications for third-party service delivery reviews.

The Pelham Library Board and Lincoln Library Board have submitted a joint application through the Municipal Modernization Program for a third-party reviewer to undertake a detailed study on potential Library Integration between the two library boards. Building on the two libraries' long history of partnership and working together, the goal of the review is to find ways in which to streamline administrative functions and expenditures in order to provide enhanced delivery of library services for the two communities. The two Library Boards serve communities that are similar and have staff that have comparable work cultures with a focus on excellent customer service. Further, the goal a potential merger is to dedicate more resources directly to programs and materials. Currently the Towns both utilize existing savings/efficiencies to enhance delivery of library services and wish to expand on these existing efficiencies.

The study seeks to assist the two library boards in providing a thorough feasibility analysis with respect to a shared service between the Town of Lincoln and Town of Pelham. This study is intended to explore the various advantages, disadvantages, and opportunities for a joint service delivery model between the two library boards. Should a joint library board be feasible, there is potential for additional municipal library services in the Region to join. This may provide for increased efficiencies and enhanced delivery of library services in the Region.

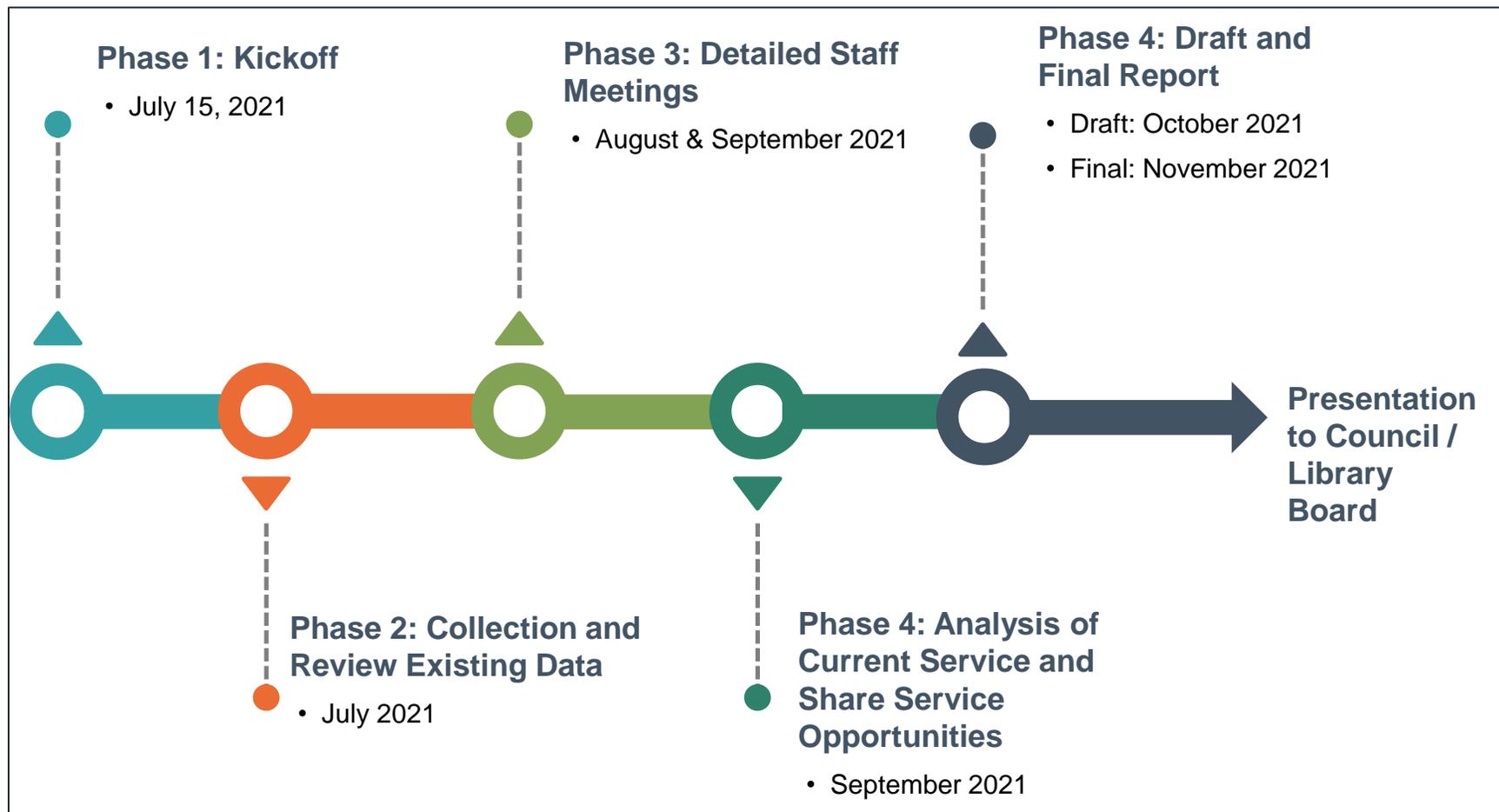
The Towns retained Watson & Associates Economists Ltd. (Watson) to undertake the study process. Watson worked with staff from both Towns and library boards in preparing the analysis and policy recommendations.

1.2 Summary of the Process

The study process undertaken began with a kickoff meeting in July 2021. Subsequent to this kickoff meeting, the Towns and their respective library boards began providing Watson with background data for review. Detailed staff meetings with staff from various service areas were held throughout August and September. The draft report was prepared in late October and finalized in November. The project will complete with presentations to the respective Town Councils and Library Boards. A schematic of the process is provided in Figure 1-1.



Figure 1-1
Summary of the Study Process





1.3 Library Profiles

1.3.1 Overview

The following provides an overview of the current provision of library services for the Towns of Pelham and Lincoln. Detailed analysis and review of the services are provided in subsequent chapters of this report.

1.3.2 Pelham Public Library

Library services in the Town of Pelham are provided by the Pelham Public Library. The library operates out of two facilities; the Fonthill branch, located at 43 Pelham Town Square in Fonthill and the Maple Acres Branch located at 781 Canboro Road in Fenwick. These branches serve the Town's population of approximately 17,000 residents. In 2020, the number of active library card holders totaled approximately 8,300.

Pelham Public Library currently employs a total of 15 staff members; 4 full-time, 8 part-time, and 3 pages. The staff provide various services to the community as well as facilitate programs for children, teens, and adults. In addition to programs, the library offers a variety of circulation materials and resources for the community. These include various databases, books, magazines, etc. as well as electronic resources such as computer equipment.

Funding for the Pelham Public Library is predominately provided from property taxes. In 2021, the library portion of the Town levy equates to approximately 4.5% of the overall budget.



Figure 1-2
Pelham Public Library Statistics

Pelham Public Library



Households  7,300

Population  17,000

Source: 2020 Financial Information Return



Fonthill
Branch

Total Hours of
Operation per
Week

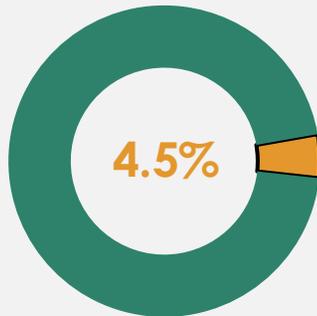
79



Maple Acres
Branch

Source: 2021 Staff Data

Share of Town Levy



Source: 2021 Budget

Staff



 3 Full-time

 9 Part-time

 3 Pages

Source: 2021 Staff Data

Number of Active Library Card Holders



8,300+



Source: 2020 Ontario Public Library Statistics



1.3.3 Lincoln Public Library

Library services in the Town of Lincoln are provided by the Lincoln Public Library. The library operates out of two facilities; the Fleming branch, located at 5020 Serena Drive in Beamsville and the Moses F. Rittenhouse branch located at 4080 John Charles Boulevard in Vineland. These branches serve the Town's population of approximately 24,000 residents. In 2020, the number of active library card holders totaled approximately 6,800.

Lincoln Public Library currently employs a total of 20 staff members; 7 full-time, 9 part-time, and 4 pages. The staff provide various services to the community as well as facilitate programs for children, teens, and adults. In addition to programs, the library offers a variety of circulation materials and resources for the community. These include various databases, books, magazines, etc. as well as electronic resources such as computer equipment.

Funding for the Lincoln Public Library is predominately provided from property taxes. In 2021, the library portion of the Town levy equates to approximately 5.8% of the overall budget.



Figure 1-3
Lincoln Public Library Statistics

Lincoln Public Library



Households  9,400

Population  24,000

Source: 2019 Financial Information Return



Fleming
Branch

Source: 2021 Staff Data

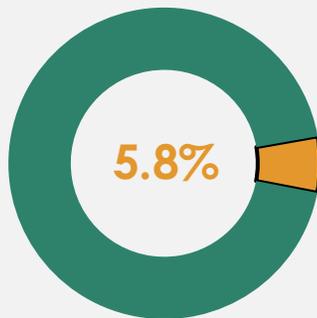
Total Hours of
Operation per
Week

102



Moses F.
Rittenhouse
Branch

Share of Town Levy



Source: 2021 Budget

Staff



 7 Full-time

 9 Part-time

 4 Pages

Source: 2021 Staff Data

Number of Active Library Card Holders



6,800



Source: 2020 Ontario Public Library Statistics



1.3.4 Services Provided by the Towns

The Towns of Lincoln and Pelham provide service and support to their respective public libraries. Payroll, accounts payable, and facility maintenance are serviced provided directly to the respective libraries. Payroll and accounts payable services are provided using the Towns' current financial accounting and payroll systems. Facility maintenance includes snow clearing and lawn maintenance at all library facilities.

Other services are provided on an as-needed basis such as human resource and information technology (I.T.) support as well as use of the corporate offices. Both the Lincoln Public Library and the Pelham Public Library received these supports from their respective Towns, with the exception of I.T. support in Pelham, which is undertaken in-house/contracted by an outside provider.

Further discussion of the provision of services is discussed later in this report.

1.4 Discussion Principles

In undertaking the assignment, the primary objective was to review how the Town of Lincoln and Town of Pelham provide library services and explore options for shared service arrangements. Potential alternative arrangements were reviewed with regard to potential efficiencies, cost savings, and/or enhanced levels of service that could be achieved through shared services. The analysis was organized into the following main sections; Governance (organization of the board), Human Resources (staffing, salaries, benefits, etc.), Administration (accounting/finance, information technology, etc.), and Facilities and Programs.

Through the detailed staff meetings, various questions were posed to ascertain the required information to undertake the analysis. These questions included:

- How do the operations function currently? Are there any issues?
- Are there any opportunities for efficiencies, enhanced level of service, etc.?
- How are expenditures and revenues tracked? Are there chargebacks to the Towns for work undertaken by the Towns at the libraries?
- How could a shared service work? Are there any hurdles to overcome in sharing services (e.g. using different email clients, allocation of chargebacks for work, etc.)? Is there expertise in-house for one library that can be used for the other?



1.5 Options for Shared Services

As noted, the primary objective of this assignment was to review how the Town of Lincoln and Town of Pelham provide library services and explore options for shared service arrangements. To ascertain if there are any cost savings, efficiencies, or enhanced levels of service that could be obtained, a review of three options was undertaken for each service; status quo, purchased service/shared service arrangement, and a union library board (Note: a union library is a combined library system consisting of more than one municipality. These libraries are considered one business entity and receive funding from the member municipalities.).

A review of how the current service is provided (i.e. status quo) was undertaken as the first step in the process. This review provided key insights into areas where efficiencies, cost savings, or enhanced levels of service may be obtained. Note that for some areas, such as collections, the Towns have already explored shared service opportunities by joining the Libraries in Niagara Cooperative (LiNC) which is a cooperative consortium, consisting of multiple Niagara public libraries and one college library. LiNC was created to share an open-source library catalogue system called Evergreen. It eliminates the need for individual LiNC member libraries to select, mount, manage and upgrade a singly owned library system. There are also areas where the two libraries already share program ideas which provides for efficiencies in the current provision of services.

Next was a consideration of providing a union library board. Under this option, the library boards would form one joint library board whereby the costs would be shared by the two Towns. In this option, each service was assessed with respect to potential efficiencies, cost savings, and/or enhanced levels of service that could be obtained through moving to a union library board.

Finally, a review of a purchased service/shared service arrangement was undertaken whereby the public libraries would remain separate entities. Upon a review of this option it appears there would be limited opportunities for additional efficiencies, cost savings, or enhanced levels of service due to scheduling inefficiencies, prioritization of services provided to each board, and additional administrative burdens as compared to the union library approach. Hence, this approach is not dealt with in detail with this assessment.



The report provided herein, therefore compares the current provision of services (status quo) to potential efficiencies, cost savings, or enhanced levels of service gained through forming a union library board.

1.6 Format of the Report

This report has been prepared pursuant to the request for proposal jointly issued by the Town of Lincoln and the Town of Pelham. The report reviews the current provision of library services in the respective Towns and recommends policies and considerations for shared services.

Chapter 1 of this report provides an introduction for the study purpose along with background information on library services in the Town of Lincoln and Town of Pelham.

Chapters 2 through 5 present an analysis of the various services provided by the libraries. These various services have been summarized into Human Resources, Administration, Programs/Facilities, and Governance. The analysis presented in these chapters is provided in the following components:

- **Current Service Provided (Status Quo):** This subsection summarizes how each respective library currently provides library services in the respective Towns.
- **Potential Savings/Enhanced Level of Service Provided by Union Board:** Through detailed discussions with staff, review of background materials, and a review of the current service delivery, options for shared services through a union library board are discussed and compared. Each option includes an overview/description, a potential rationale for selecting this method, and the impacts to each of the Towns.
 - *It should be noted that both Towns provide services to their respective Boards, however, a charge from the Town to the Board is not consistently provided, hence, a full financial impact is not possible without this data.*
- **Recommended Approach:** A recommended approach to shared services is provided for short-term and medium-term time horizons.

Chapter 6 provides for a summary of the recommendations identified in Chapters 2 through 5.



Chapter 7 outlines a potential implementation plan for the Library Boards and Council to consider.

Note: The analysis presented herein does not provide for a detailed review of potential expenditures arising from shared service arrangements. These costs will be realized as the libraries enact a potential shared service arrangement. It is assumed that potential savings may be used to enhance service delivery while utilizing the same level of expenditures. The analysis and discussion do, however, provide for policy considerations for both Town Councils and Library Boards. These policy considerations will assist library staff in preparing for and undertaking potential shared service arrangements. Ultimately, senior staff and the respective library boards are best suited to carry out potential next steps as they have the most experience and in-depth knowledge of the day-to-day operations of the libraries.



2. Human Resources

Human Resource delivery is the function that supports and provides services to staff and employees. For both the Town of Lincoln and Town of Pelham, the Human Resource department responsibilities to their Libraries include compensation and benefits, along with support, expertise, and advice on recruitment, termination, and legislation related to staff employment.

The following human resource-related services are reviewed below:

- Salaries and wages;
- Employee Benefits;
- Human Resources (support); and
- Payroll.

2.1 Salaries and Wages

The workforce for both the Lincoln Public Library and the Pelham Public Library are a mix of full-time staff, part-time staff, and pages. The staff for each library provide a variety of services from administrative functions to facilitating programming for the community. The current organizational charts for each library are provided in Appendix A.

2.1.1 *Current Service Provided (Status Quo)*

In both library systems, library staff resources are deployed in a relatively similar manner whereby staff assume many duties (e.g. programming coordinators also assist with administrative rolls such as staffing the circulation and help desks). The following table provides a list of the positions by library system, categorized by part-time and full-time staff, as well as pages.

Full descriptions of the jobs are not provided in this report; however, it is noted that positions with similar titles, have similar duties in each library system. Salaries and wages are also similar between library systems.

As noted, some staff have mixed roles. There are opportunities for enhanced levels of service through reorganization and assigning staff to specific roles. This would allow



staff that specialize in a particular area to focus solely on that program area (e.g. children’s programming). Additionally, cost savings may be realized through combining the libraries as there may be an opportunity to reduce the number of senior staff positions (i.e. the vacant CEO position in the Pelham Public Library). These cost savings could be redirected towards additional programming.

Table 2-1
Summary of Current Staffing

Position	Lincoln Public Library	Pelham Public Library
Full -Time Staff		
CEO	1	0*
Deputy CEO / Operations Manager	0**	1
Technical Services Coordinator / Manager	1*	1
Children’s Services Coordinator	1	
Youth Services	1	
Library Technician Local History	1	
Library Technician Administrative Assistant	1	
Marketing and Outreach Services Coordinator	1	
Cataloguing and Computer Technician		1
Total Full-Time Staff	7	3
Part -Time Staff		
Fund Development and Communications	1	0
Website and Maker	1	0
Technical Services Assistant / Program Assistant	1	1
Children Services Assistant / Summer Program Assistant	1	1
Customer Service Assistant / Circulation Assistant	5	4
Children’s and Youth Services Coordinator	0	1
Adult Programming / Volunteer	0	1
Marketing Content Specialist	0	1
Total Part-Time Staff	9	9
Total Students/Pages	4***	3

*Position not currently filled

**Position in progress of being filled

***Two positions not currently filled



2.1.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

There are potential benefits to establishing a Union Board with respect to staffing salaries and wages. Through combining staff and undertaking a reorganization review, the following benefits may be realized:

- **Reduction in Costs** - There would potentially be a cost savings as the organizations move to have one CEO. As Pelham Public Library does not currently have a full-time CEO (currently they are utilizing an Acting CEO), this reduced level of staffing could continue. The potential annual cost savings of approximately \$100,000 to \$120,000 would be shared by both Towns. This could remain a cost savings, be redirected to increased programming activities, or assist in moving Part-time staff members to Full-time.
- **Enhanced Level of Service** – combining staff and undertaking a reorganization may allow staff to focus on the role for which they specialize. This will allow programming staff to dedicate more time to programming and less time covering other duties, such as the help desk.

Note: There are no labour union positions at either library. This removes a potential barrier in aligning staff roles, responsibilities, wages, and benefits.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Lincoln Public Library	Impact on Pelham Public Library
Consolidate Positions Through a Union Library Board	Positions in the respective library systems could be consolidated into one organizational chart. It is assumed there would be one CEO and one deputy CEO, providing for a cost savings through the	Overall administrative cost savings would be shared between both Towns Change of position titles, restructure of organizational chart	Overall administrative cost savings would be shared between both Towns Change of position titles, restructure of organizational chart



Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Lincoln Public Library	Impact on Pelham Public Library
	reduction of a position (not currently filled in Pelham). Other positions, job titles, and wages would be aligned which may enhance the level of service with a minor increase in costs to align the wage grids.	Changes to salary grid may be required, however, as both systems have similar salaries and wages, the impact is anticipated to be nominal	Changes to salary grid may be required, however, as both systems have similar salaries and wages, the impact is anticipated to be nominal



2.1.3 Recommended Approach

Consideration of a Union Library Board would provide the Towns with a potential cost savings and may gain efficiencies through reduced overhead and staffing at the senior level as well as allow staff to focus on areas of specialization.

2.1.3.1 Short Term Impacts

As the Pelham Library is not currently staffing the CEO position and the Lincoln Library is not currently staffing the Manager of Technical Services position, it is assumed no additional staff would be required until the reorganization of staffing for the union library would be complete.

Senior library staff would prepare an organizational structure for the new union library. Once the union library board is formed there would be anticipated adjustments to wages for some staff members as the library combines the current salary grids.

2.1.3.2 Medium Term Impacts

Develop a longer-term organization plan which addresses programming goals with the appropriate staff positions. Once the reorganization is complete, the Towns would benefit from the overall alignment of staff to programming goals.

2.2 Employee Benefits

In addition to salaries, library staff are afforded non-wage compensation in the form of benefits. Types of benefits include life insurance, various types of health care coverage, and pensions.

The P.L.A. Section 25(1) states that the board may provide pensions for employees and their surviving spouses and children. Section 25(2) states that the board may establish a system of sick leave credits for employees as set out in section 281 of the Municipal Act, 2001.



2.2.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
<p>The Town of Lincoln has Life Insurance, Health Coverage, Dental and Vision through their insurance provider; Greenshield.</p> <p>There is also a pension plan (OMERS) for staff who work a minimum of 35 hours per week as well as part-time staff that work a certain number of hours who opt into the program.</p> <p>The library participates in the coverage purchased by the Town of Lincoln.</p>	<p>The Town of Pelham has Life Insurance, Health Coverage, Dental and Vision through their insurance provider; Equitable Life of Canada.</p> <p>There is a pension plan (OMERS) for staff who that work a minimum of 30 hours per week as well as part-time staff that work a certain number of hours who opt into the program.</p> <p>The library participates in the coverage purchased by the Town of Pelham.</p>

The current benefit plans for both the Town of Lincoln and Town of Pelham meet the minimum requirement of the P.L.A. Specific coverage amounts are relatively similar between both Towns; however, it appears that the Town of Pelham offers a slightly higher level of coverage in some areas.

As coverage is provided by the Towns, the share of the costs apportioned to the library is provided on a per full-time equivalent staff basis. Note that some benefits (such as OMERS pension contributions) are a function of the salary/wages paid, hence, quantification of the costs would be a function of the new organization and positions under the Union Library option. This has not been fully quantified in the discussion provided herein, however, it is observed through information provided by the Towns that the benefit plans result in similar costs per employee, with Pelham being marginally higher.



2.2.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Under a Union Board, three options for the provision of benefits were reviewed:

1. Pelham to add the Union Library staff to their benefits plan;
2. Lincoln to add the Union Library staff to their benefits plan; and
3. Union Library staff to obtain their own benefits plan.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact on Town of Pelham
Move all staff to the Town of Pelham's current benefit provider	<p>Would provide a potential enhanced benefit for current Lincoln Public Library employees.</p> <p>Cost to add staff to benefit plan would be a marginal increase in the current cost to the Lincoln Library based on present positions.</p>	<p>Recently entered into new benefit agreement, so may incur cost to remove staff</p> <p>Staff should review further to determine if overall cost to Town decreases (i.e. cost are per staff and not total for the Town)</p> <p>Lincoln Library staff would see a slight increase in benefit coverage</p>	<p>Potential to reduce cost in the Town's overall benefit plan due to the increased number of plan takers (i.e. cost per person may decrease)</p> <p>May create a marginal increase in workload for the existing payroll staff</p>



Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact on Town of Pelham
<p>Move all staff to the Town of Lincoln's current benefit provider.</p>	<p>Would decrease the benefits provided to Pelham Public Library staff.</p> <p>Cost to add staff to benefit plan would be a marginal decrease in the current cost to the Pelham Library based on present positions.</p>	<p>Potential to reduce cost in the Town's overall benefit plan due to the increased number of plan takers (i.e. cost per person may decrease)</p> <p>May create a marginal increase in workload for the existing payroll staff</p>	<p>This may result in a reduction in the Town's overall benefit plan but may increase the overall Town cost per employee</p> <p>Pelham Library staff would see a slight decrease in benefit coverage.</p>
<p>Move all staff to a new benefit plan for a Joint Union Library Board.</p>	<p>A new benefit plan could be obtained however, details of the benefit plan will have to be determined.</p> <p>It is unclear whether independent coverage for a smaller organization is at a higher cost per employee.</p>	<p>Staff should review further to determine if overall cost to Town decreases (i.e. cost are per library staff and not total for the Town)</p>	<p>Staff should review further to determine if overall cost to Town decreases (i.e. cost are per library staff and not total for the Town)</p>



2.2.3 Recommended Approach

Based on the options presented above, Senior library staff should consider the costs of the benefit plans of each Town. Senior library staff may seek estimates to create their own benefits plan, however, due to the number of staff at the libraries versus the Towns, it is anticipated that a separate plan may cost more. This analysis may be presented to the Board for decision on the best approach. Note, pursuant to the Ontario Municipal Employees Retirement System (OMERS) Act, 2006, library staff may not terminate its participation in an OMERS pension plan unless it has the consent of the Sponsors Corporation (s.8(1)).

2.2.3.1 Short Term

Should the libraries choose to create a Union Library Board, senior library staff should undertake a cost comparison of the three options above. In the interim, library staff may wish to continue under their current plans until the review by senior staff is complete.

2.2.3.2 Medium Term

Should the libraries choose to create a Union Library Board, once the senior staff have undertaken a review of the costs to establish their own benefit plans, staff should compare that to the cost of coverage in the short-term alternative.



2.3 Human Resources Support

2.3.1 *Current Service Provided (Status Quo)*

The Lincoln and Pelham public libraries both receive human resource (H.R.) support from their respective Towns.

Town of Lincoln	Town of Pelham
Library staff are responsible for their Talent and Performance Management, Recruitment, Training and Development, Labour Relations and Job Design and Evaluation. H.R. support is provided by the Town of Lincoln, where required.	Library staff are responsible for their Talent and Performance Management, Recruitment, Training and Development, Labour Relations and Job Design and Evaluation. H.R. support is provided by the Town of Pelham, where required.



2.3.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Three options for consideration are summarized below. These options include:

1. Lincoln provides H.R. support
2. Pelham provides H.R. support; or
3. Union Board hires a dedicated H.R. staff member.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
Town of Lincoln Provides H.R. Support	H.R. support from one Town will reduce staffing requirements marginally in the other and provide for potential efficiencies	Town is already providing the service, however there will be a marginal increase in workload to accommodate the new library staff (<5%).	Pelham's H.R. staff would have the capacity to reallocate their workload from the library to the other departments.
Town of Pelham Provides H.R. Support	H.R. support from one Town will reduce staffing requirements marginally in the other and provide for potential efficiencies	H.R. staff would have the capacity to reallocate their workload from the library to the other departments.	Town is already providing the service, however there will be a marginal increase in workload to accommodate the new library staff (<5%).



Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
Hire a dedicated H.R. Staff Person	A dedicated Human Resource FTE for the joint library may provide the library with a staff member to achieve its goal and objectives. The H.R. position would focus on training, hiring, policies, and procedures directly for library.	The Town of Lincoln's H.R. staff would have marginal capacity to reallocate their workload from the library to the other departments.	The Town of Pelham's H.R. staff would have marginal capacity to reallocate their workload from the library to the other departments.



2.3.3 Recommended Approach

It is recommended that consideration is provided to utilizing one of the Towns' H.R. support services. Utilizing existing H.R. professionals ensures that the support is provided by an expert in municipal H.R. policies and procedures, thus providing an efficient delivery of services. Additionally, hiring a dedicated H.R. staff person would be more costly than utilizing existing services (approximately \$60,000 to \$80,000 annually for a full-time staff member).

Through discussion with Town staff, utilizing H.R. support from either Town would not increase the cost in the interim. This approach would provide for the most efficiencies.

Senior library staff should confer with both Towns to assess the least disruptive and most beneficial arrangement.

2.3.3.1 Short Term

The H.R. support could be provided by one of the Towns immediately using existing resources.

2.3.3.2 Medium Term

Continued H.R. support to be provided from one of the Towns.

2.4 Payroll

Payroll processing and maintaining the employee database with respect to salary and benefits is an activity required for each respective library service.

2.4.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
Payroll for library staff is administered through the Town of Lincoln's finance department biweekly, including benefits and pension.	Payroll for library staff is administered through the Town of Pelham's finance department biweekly, including benefits and pension.



2.4.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Three options for consideration are summarized below. These options include:

1. Lincoln provides payroll support
2. Pelham provides payroll support; or
3. Union Board purchases payroll software and facilitates payroll in-house.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact on Town of Pelham
Town of Lincoln Provides Payroll Services	It is anticipated that little to no efficiencies would be gained as both Towns provide this service to each respective library	There would be a marginal increase in workload for Lincoln staff (<5%) to address payroll for the additional staff	This would create a reduction in workload for the existing payroll staff.
Town of Pelham Provides Payroll Services	It is anticipated that little to no efficiencies would be gained as both Towns provide this service to each respective library	This would create a reduction in workload for the existing payroll staff.	There would be a marginal increase in workload for Pelham staff (<5%) to address payroll for the additional staff
Purchase payroll system and facilitate in-house	Potential cost savings through utilization of existing staff. No charge for service from the Towns.	Finance staff time dedicated to payroll would be reduced marginally.	Finance staff time dedicated to payroll would be reduced marginally.



2.4.3 Recommended Approach

Subsequent to the initial investment of the payroll software, potential efficiencies may be realized through utilization of current library staff in undertaking payroll activities.

Senior library staff should undertake a review of potential staff requirements through the reorganization to confirm existing staff can undertake this role and what/if savings and benefits can be achieved as a result.

2.4.3.1 Short Term

Payroll support could be provided from the Towns as they currently are, until such time that library staff can evaluate the purchase and set up a new payroll system.

2.4.3.2 Medium Term

Once consideration of a new payroll system is completed, consideration of the board facilitating payroll using in-house library staff may be decided.



3. Administration

3.1 Accounting / Finance

Accounting and Finance activities are required to support the operations of the libraries. These activities include accounts payable, general accounting services, and annual reporting. These activities are currently provided by the Towns, in support of the respective libraries.

3.1.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
The Town of Lincoln's finance department provides support to the Lincoln Public Library on an as-needed basis. The Town handles all accounts payable and general accounting requirements.	The Town of Pelham's finance department provides support to the Pelham Public Library on an as-needed basis. The Town handles all accounts payable and general accounting requirements.



3.1.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Three options for consideration are summarized below. These options include:

1. Lincoln provides accounting/finance support
2. Pelham provides accounting/finance support; or
3. Union Board undertakes accounting/finance activities using in-house staff.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
Lincoln to support and implement accounting/finance functions for both libraries.	The support from the Town of Lincoln's Accounting / Finance team would be consistent for both library branches. This would provide efficiencies in having one provider of accounting/finance rather than two.	Town is already providing the service, however there will be an increase in workload to accommodate the additional Pelham Library invoices and accounting Lincoln would need to create new entries for the Pelham's invoices in the financial system.	The Town of Pelham's accounting/ finance team would have the capacity to reallocate their workload from the library to the other departments.



Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
<p>Pelham to support and implement accounting / finance functions for both libraries.</p>	<p>The support from the Town of Pelham’s accounting / finance team would be consistent for both library branches.</p> <p>This would provide efficiencies in having one provider of accounting/finance rather than two.</p>	<p>The Town of Lincoln’s accounting / finance team would have the capacity to reallocate their workload from the library to the other departments.</p>	<p>Town is already providing the service, however there will be an increase in workload to accommodate the additional Lincoln invoices and accounting</p> <p>Pelham would need to create new entries for the Lincoln’s invoices in the financial system</p>
<p>Union Board undertakes accounting/finance activities using in-house staff.</p>	<p>The Union Library can utilize efficiencies from the reorganization to allocate additional staff resources to undertaking accounting/finance activities in-house.</p> <p>This would provide internal efficiencies as one staff member could undertake accounting/ finance and payroll activities.</p>	<p>The Town of Lincoln’s Finance staff would have the capacity to reallocate their workload from the library to the other departments.</p>	<p>The Town of Pelham’s Finance staff would have the capacity to reallocate their workload from the library to the other departments.</p>



3.1.3 Recommended Approach

It is recommended that consideration be provided to utilizing in-house staff to undertake these activities. Efficiencies gained through the reorganization can be utilized to allocate staff time towards accounting/finance activities. This can be combined with payroll activities as well.

This approach would also reduce Town staff time allocated to the libraries.

3.1.3.1 Short Term

Finance/accounting support may be provided by one of the Towns on an interim basis, until the Union Library undertakes the reorganization. Senior library staff should discuss resourcing with both Towns to determine which Town could provide the service on an interim basis that would be the least disruptive to Town and library operations.

3.1.3.2 Medium Term

Once new finance/accounting staff time is allocated, facilitate the activities using in-house library staff.

3.2 Information Technology

Information Technology (I.T.) is responsible to provide support, guidance and troubleshoot issues related to software and hardware problem faced by their clients. I.T. support assists with phones, emails, computers, and internet/WiFi issues.

3.2.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
Lincoln Library uses the Town of Lincoln's I.T. support. The Town allocates costs to the library based on a proportionate share of Library staff to total Town staff (on a full-time equivalent basis).	The Town of Pelham manages most I.T. in-house with some services outsourced through contracted services.



3.2.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Two options for consideration are summarized below. These options include:

1. Lincoln provides I.T. support; or
2. Union Board undertakes I.T. support activities using in-house staff.

As the Town of Pelham does not currently provide I.T. support services, and is not able to due to limited resources, this option is not discussed below.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
Lincoln to support and implement I.T. services for the Union Board	The Town I.T. staff and resources in Lincoln would allow for the library staff to focus on library activities.	There would be an increase of workload for I.T. staff in Lincoln.	No impact to Town staffing as currently the services are provided in-house/ through contract
Utilize in-house Services and Contract More Complex I.T. Support Requirements	In-house I.T. services combined with contracted services. This would allow for quicker response times for issues relative to support provided by the Town of Lincoln.	The Town of Lincoln's I.T. team would have the capacity to reallocate their workload from the library to the other departments.	N/A



Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
	Pelham Public Library staff already undertakes I.T. activities so efficiencies may be gained through reorganization to allow for the in-house staff to focus on technology		



3.2.3 Recommended Approach

Through discussions with staff, it was noted that any I.T. related issues provided by the Town would be responded to based on a priority ranking (e.g. an issue with water, wastewater, or fire services would take precedence over the library). With contracted I.T. services, however, response times can be stipulated. Additionally, I.T. issues at the Pelham branches would be farther from Town of Lincoln I.T. staff and therefore potentially increase response times for in-person requirements.

As a result, consideration may be given to utilizing in-house I.T. services for the day-to-day requirements and contract serviced for more complex issues. As the Pelham Public Library staff have the in-house expertise, this would provide for efficiencies in both time and cost savings.

3.2.3.1 Short Term

In-house I.T. services combined with contracted services can be utilized immediately. Town of Lincoln I.T. support staff may provide assistance in the union library transition.

3.2.3.2 Medium Term

Based on efficiencies gained through staffing changes in joining the boards, in-house I.T. services may be provided by a new Part-time staff person. This person would undertake work typically contracted out.

3.3 Phone

3.3.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
The Lincoln Public Library currently uses Town phone services. There is a chargeback from the library to the Town based on proportionate share of staff at the library vs. the Town (based on full-time equivalent staff). The phone system is managed by the Town of Lincoln I.T. staff.	The Pelham Public Library currently receives phone service through their own provider. Pelham uses the Grandstream phone system, and it is managed by Library staff.



3.3.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Two options for consideration are summarized below. These options include:

1. Lincoln provides phone services; or
2. Union Board enters into own agreement.

As the Town of Pelham does not currently provide phone services and this does not appear to be a viable option, this option is not discussed below.

Option / Description	Potential Savings/Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
Lincoln to Support and Implement Phone Services for Both Libraries	Lincoln has an established integrated phone system which could allow for transfer between the library branches and the Town of Lincoln.	There may be a marginal increase of workload for the I.T. staff in Lincoln. Increased costs by number of phone lines added.	The Town of Pelham does not currently provide service to the library, therefore, no impact on the Town.
Enter into Own Agreement for Phone Services for the Libraries	The Union Library could use Pelham Library's current service provider; NRBN. This may provide for efficiencies in reducing the cost of the contract for Pelham. That is, a discount may be provided for adding new lines	I.T. staff would have additional time to allocate to other departments.	The Town of Pelham does not provide services, so no change in costs. The Pelham Public Library may pay a fee to cancel their current service contract, however, if the same provider



Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
	and the saving would be shared by the Union Library.		is used and the number of lines expanded, the provider may waive this fee.



3.3.3 Recommended Approach

Consideration may be given to utilizing the Pelham Public Library approach and expanding their current service to a Union Library. This would create efficiencies in sharing of the contract and reduce Town of Lincoln staff time in managing the phone system.

3.3.3.1 Short Term

It would be anticipated that Lincoln Public Library staff may need to confirm their phone systems are compatible with the new voice service. Until a review is undertaken, the Lincoln Public Library branches may continue to utilize the Town of Lincoln phone system.

3.3.3.2 Medium Term

Move to expanding the Pelham Public Library contract to include the Lincoln Public Library branches and enter into a new contract for phone services for the Union Library, separate from the Towns.

3.4 Emails

Both Public Libraries utilize their email systems to communicate internally with staff, as well as to communicate externally with the public.

3.4.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
Lincoln uses Outlook which is provided by the Town.	Pelham Public Library uses Google Workspace for email which is used in-house within the library (i.e. separate from Town services).



3.4.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Two options for consideration are summarized below. These options include:

1. Lincoln provides email services; or
2. Union Board enters into own agreement.

As the Town of Pelham does not currently provide email services and this does not appear to be a viable option, this option is not discussed below. Note: a monthly subscription to Google Workspace is approximately the same as a monthly subscription to Microsoft 365, however, Pelham utilizes the free email platform.

Option / Description	Potential Savings/Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
Lincoln to Provide Email Services	Lincoln has an established integrated email system that includes support from Town I.T. staff.	There would be an increase of workload for I.T. staff in Lincoln to manage and support the Pelham Public Library staff emails.	The Town does not currently provide this service to the library. The Pelham Public Library would need to change from their current service provider to the Town of Lincoln user licenses.



Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact of Town of Pelham
In-house Email Services	<p>As the Pelham Public Library currently utilizes their own email service (Google Workspace), the Lincoln Public Library can transition to this service and support would be provided by library staff.</p> <p>This would provide efficiencies by allowing the branches to utilize a service that is managed by in-house library staff.</p>	The Town of Lincoln's I.T. staff workload in relation to the library would decrease and their time could be reallocated to other departments within the Town.	No impact as the Town does not currently provide email services.



3.4.3 Recommended Approach

Consideration may be given to utilizing the Pelham Public Library approach and expanding the email services to include Lincoln Public Library staff. This would create efficiencies in remove the license costs and reduce Town of Lincoln staff time in managing the email system. In addition, efficiencies would be gained from having in-house library staff maintain the email network for the Union Library.

3.4.3.1 Short Term

The Lincoln Public Library could make the transition of email systems immediately.

3.4.3.2 Medium Term

Continue to use a combined in-house email system.

3.5 VPN / Server

A virtual private network (VPN) is a private network that extends across a public network which allows users to send and receive information across a shared network similar to a private network. The Public Libraries utilize a VPN to access the library drive on their respect servers. The servers house all of the libraries' computer files.

3.5.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
<p>The files for the Lincoln Library are included in the Town's server and network drives.</p> <p>Library staff have the ability to access the files remotely through a VPN.</p>	<p>Pelham Library staff have an in-house server that stores all of the library's files. This is separate from the Town's service and network drives.</p> <p>The library is currently using Google Drive for shared files, but day-to-day documents are stored on the server.</p> <p>Library staff have the ability to access the files remotely through a VPN.</p>



3.5.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Two options for consideration are summarized below. These options include:

1. Utilize Town of Lincoln services and VPN; or
2. Union Board utilizes own server and VPN.

As the Town of Pelham does not currently provide these services and this does not appear to be a viable option, this option is not discussed below.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact on Town of Pelham
Utilize Town of Lincoln Servers	As the Town of Lincoln currently has the infrastructure in-place, the Pelham Public Library staff could migrate all files to the Town of Lincoln's servers.	Town of Lincoln would add Pelham Library files to their drives and provide access to the library staff	As the Town does not currently provide services, there would be no anticipated impact on the Town.
Utilize an in-house Server for Both Libraries.	One server/network would be used, expanding off the Pelham Public Library's current service/network. This would provide for direct communication/file sharing between the libraries. The in-house server in Fonthill may need to be upgraded to accommodate the additional data for the Union Library.	There would be minimal impact to the Town. There is the potential to reduce I.T. staff time on network/server issues with library documents.	As the Town does not currently provide services, there would be no anticipated impact on the Town.



3.5.3 Recommended Approach

Consideration may be given to utilizing the Pelham Public Library approach and expanding the capacity of their current server to include the files and information for the Lincoln Public Library. This would create efficiencies in sharing of the data and information and allow the libraries to share in the cost of replacement and upgrade of the existing server. Additionally, any Town of Lincoln staff time required to maintain the service for the library would be reduced.

3.5.3.1 Short Term

Initially, the libraries would maintain their own data until a review of the potential storage needs are undertaken. Senior library staff would need to review the cost of upgrading/replacing the existing server.

3.5.3.2 Medium Term

Migrate all information to an in-house server.

3.6 Internet / Wifi

The libraries utilize the internet for a variety of means; communication with residents, the libraries' websites, notification of programming and events, access to information for the residents, and communication between library branches. WiFi services are provided at the library branches for residents to access the internet remotely.

3.6.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
The Town of Lincoln provides internet services to the library branches. The service provider to the Town is NRBN.	Pelham Public Library's internet service is provided by NRBN to the library branches, separate from the Town's internet service provider.



3.6.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Two options for consideration are summarized below. These options include:

1. Utilize Town of Lincoln services; or
2. Union Board utilizes own services.

As the Town of Pelham does not currently provide these services and this does not appear to be a viable option, this option is not discussed below.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact on Town of Pelham
Utilize the Town of Lincoln Service Provider	The Pelham facilities could be added the Town of Lincoln's contract for internet service	Town of Lincoln contract expires in 2023/2024. If the transition were to occur subsequently, the impacts would be anticipated to be minimal.	Minimal impact anticipated
Expand on Pelham Public Library's Current Contract to Provide Service to the Libraries	One internet service provider for the libraries may provide for efficiencies in potentially reducing the cost of the contract for Pelham Library facilities. The savings could be shared amongst both libraries.	Lower usage from users may reduce bandwidth on the Town's internet service.	The Pelham Public Library currently gets a grant through the Southern Ontario Library Service (SOLS) for Wi-Fi and may lose this funding.



3.6.3 Recommended Approach

It is recommended that the appropriate option be reviewed by senior library staff. Cost estimates should be obtained for both options to determine the more cost-effective approach.

3.6.3.1 Short Term

Initially, the libraries would maintain their current service providers until a review of the costs can be undertaken.

3.6.3.2 Medium Term

Subsequent to 2023/2024, the libraries may consider their options and select the most cost-effective approach.

3.7 Printers / Copiers

3.7.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
The Town of Lincoln owns the multifunctional printers/copiers at the library branches.	The Pelham Public Library owns/leases the multifunctional printers/copiers at the library branches.



3.7.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

The status quo discussed above provides that the respective Towns own the printers/copiers. In moving to a Union Board, consideration may be given to the status quo or for the Union Library to purchase/lease their own printers/copiers.

Option / Description	Potential Savings/ Enhanced Levels of Service	Impact on Town of Lincoln	Impact on Town of Pelham
Purchase/lease Own Printers/Copiers	The union board may consider purchasing/ leasing the printers/copiers at the Lincoln Branches.	Reduction on the charge for service to the Town for the service coordination. Potential for contract costs to be reallocated from the library back onto other Town departments.	No impact as Pelham Public Library already owns/leases printers/copiers.



3.7.3 Recommended Approach

As the Town of Lincoln owns/maintains the printers/copiers at their respective library branches and the Pelham Public Library owns/leases their printers/copies, moving to service provision by one Town does not appear to provide any efficiencies or cost savings. As a result, the libraries may wish to consider maintaining the status quo, or the union board may consider purchasing/leasing the printers/copiers at the Lincoln branches. It would be recommended that if a union board wished to provide this service separate from the Town of Lincoln, they wait until the printers/copiers need replacing to seek out their own contract. They may also expand upon the contract already undertaken by the Pelham Public Library.

3.7.3.1 Short Term

Initially, the libraries would maintain the status quo.

3.7.3.2 Medium Term

Senior library staff should review the potential costs in obtaining their own printers and contracts for the Lincoln branches. If the costs are less, the library may consider this option. If they are not, it may be better to continue with the Town of Lincoln providing the service to the Lincoln branches, with the charge for service allocated to the respective libraries.

3.8 Collections (ILS & LiNC)

An integrated library system (ILS) is a series of interconnect operations that streamline the retrieval of information for the users.

The Libraries of Niagara Cooperative (LiNC) is a system that allows users in the Region to share an open catalogue system between the branches. LiNC is comprised of the following users; Lincoln Public Library, Fort Erie Public Library, Niagara-on-the-Lake Public Library, Pelham Public Library, Thorold Public Library, Grimsby Public Library, Welland Public Library, Port Colborne Public Library, West Lincoln Public Library and Wainfleet Public Library.



3.8.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
<p>Integrated into ILS system. This is used for library materials to be checked in and out of the branch, as well as to see what materials are currently available.</p> <p>The LINC cooperative group started in 2010, in which Lincoln is one participant eleven that has access to view all the books at each branch</p>	<p>Integrated into ILS system. This is used for library materials to be checked in and out of the branch, as well as to see what materials are currently available.</p> <p>The LINC cooperative group started in 2010, in which Pelham is one participant eleven that has access to view all the books at each branch</p>

3.8.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

Both library systems already participate in the LiNC and utilize an ILS. The libraries already share collections through this program. This provides for an efficient and cost-effective method in sharing collections.

Fees for the ILS are imposed equally among the branches that participate. It is anticipated that there would be no savings in fees if the Lincoln and Pelham Libraries were to form a union library board.

Currently, each library is responsible for cataloguing and ILS work (Evergreen). Upon formation of a union library board, one staff member may be responsible for these roles. Through discussions with staff it is anticipated that the cataloguing and ILS work may be undertaken by the Pelham Library's current full-time staff member and the remaining part-time position at the Lincoln Library. This would create efficiencies and allow more staff time to allocate to programming.



4. Facility Space, Programming, and Capital

4.1 Facility Space

4.1.1 Current Service Provided (*Status Quo*)

Town of Lincoln	Town of Pelham
<p>The Town of Lincoln library has two branches, Fleming Branch and Moses F. Rittenhouse that both operate approximately 51 hours per week.</p> <p>Facility maintenance and snow clearing is undertaken by Town staff.</p> <p>Cleaning of facilities is also provided by Town staff.</p>	<p>The Town of Pelham library has two branches, Fonthill Branch and Maple Acre Branch, they both operate 48 hours and 31 hours per week respectively (note, hours are currently reduced as a result of COVID-19).</p> <p>Facility maintenance and snow clearing is undertaken by Town staff.</p> <p>Cleaning of facilities is contracted out to a private cleaning service.</p>

4.1.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

As the Towns have separate facilities for their respective libraries, the current approach appears to be the most efficient. It would be inefficient for Town of Lincoln staff to travel to Pelham for snow clearing, maintenance, etc. and vice versa.

It is recommended that the library branches continue the current approach. With respect to costs, it is recommended that the Town charge the libraries for the work undertaken to ensure transparency of expenditures for the facilities.

Should the libraries consider a union library board, the costs associated with the facilities in each respective Town can be charged to the union library then allocated to the Town in which the expenditure occurred. This is discussed further in Chapter 6.



4.2 Programming

In addition to providing circulation materials such as books, magazines, DVDs, etc., public libraries provide programs to children, teens, and even adults. These programs provide the community with activities for learning or to simply remain engaged with others in the community.

4.2.1 Current Service Provided (*Status Quo*)

Town of Lincoln	Town of Pelham
The Town of Lincoln library offers programs such as Reading (Book Clubs), Recreational (Interactive activities such as Frisbee), Cultural and various children's programs.	The Town of Pelham library offers programs such as Reading (Book Clubs), Recreational (3D printer workshops), Cultural and various youth and children's programs.

4.2.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

If the libraries were to form a union library board, programming can be undertaken holistically, and staff may consider using expertise from the Lincoln Library branches to provide programming in the Pelham Library branches (and vice versa). This could provide efficiencies by utilizing in-house expertise to expand the programs offered. Further, through other cost saving measures noted previously, the additional funds could be used to expand program offerings.



4.3 Capital

4.3.1 Observations

Capital needs may arise in the form of facility related expenditures (maintenance, asset management, expansion, etc.) or equipment such as shelving, computers, 3D printers, etc.

As noted above, the Town of Pelham and the Town of Lincoln own their respective library facilities. It would be anticipated that there would be minimal opportunities to provide shared services with respect to capital needs for facilities. It would be anticipated that if the libraries formed a Union Library Board, that capital costs related to facility maintenance, asset management, and/or expansion would be at the cost of each respective Town.

With respect to capital needs for equipment if a Union Library was formed, the union board may wish to share in the cost of capital needs. This would allow for larger capital resources to be purchased and shared between all four library branches (e.g. 3-D printers).

4.3.2 Development Charges

Development charges provide for the recovery of growth-related capital expenditures arising from new development. Both the Town of Lincoln and Town of Pelham impose development charges on new development via development charge by-laws. Each respective by-law includes a charge for library services to recover capital costs related to facility space and materials.

If the two library systems were to merge to create a Union library, there would be minimal impact to the Towns. The development charge calculations would be undertaken with treatment of libraries similar to a shared service. The calculations may keep the facility space information separate. With respect to materials, the development charges calculations may prorate the materials between the Towns based on the provisions outlined in the union library agreement. It would be anticipated that this would not impact collection of development charges.



5. Governance

5.1 Legislation

Libraries must conform to provisions of the Public Libraries Act, the Municipal Act, Accessibility for Ontarians with Disabilities Act, and other relevant legislation and are accountable to the communities they serve.

Public Libraries Act

The Public Libraries Act (R.S.O. 1990, CHAPTER P.44) is the legislative framework that guides library services in Ontario. The Act supports provision of equal and universal access to information and establishes free public library services in Ontario through governance and regulations.

Key components of the Ontario Public Libraries Act (P.L.A.) have been summarized below. Specific discussion of relevance in the Town of Lincoln and Town of Pelham is provided throughout the report where applicable.

- **Library Boards**: under the Act, Ontario Public Libraries are required to be operated under the management and control of a public library board. The Act dictates board powers and duties as well as member eligibility and C.E.O. appointments.
- **Public, Union and County Library Boards**: the P.L.A. describes situations where one of three different types of library boards may be appropriate, depending on the number of municipalities in agreement regarding creation of a board. In the case of the Towns of Pelham and Lincoln, each municipality has a separate Public Library Board.
- **Library Fees and Finances**: the requirements for appointment of a treasurer and financial responsibilities of the library board are outlined by the P.L.A. The Act also describes library materials and services which cannot be charged a borrowing fee or service fee.

Accessibility for Ontarians with Disabilities Act (2005)

Libraries are subject to additional requirements under A.O.D.A. Public libraries must provide accessible materials upon request, where they exist. Public libraries must also



make information available to the public about the availability of accessible materials, upon request. Public libraries are not required to provide accessible format for special collections, archival materials, rare books, or donated materials.

Making libraries barrier-free has an impact on space requirements as well. Some examples of accessibility accommodations include wider aisles, lower stacks, accessible washrooms, barrier-free entrances, and lower customer service or self-service counters.

Non-Legislative Guiding Documents:

Two resource documents; Guidelines for Rural / Urban Public Library Systems, 3rd edition (2017) and Ontario Public Library Guidelines, 7th edition (2017), are also commonly used to guide library services. The intent of the guidelines are to assure that regardless of geographic location or size, a public library is equipped to contribute to the Ontario-wide public library infrastructure, to the greater benefit of its users and community.

Ontario Public Library Guidelines

The Ontario Public Library Guidelines represent community-based, voluntary standards for public libraries and public library services and public library development opportunities in Ontario. The Ontario Public Library Guidelines Monitoring and Accreditation Council is responsible for the development, monitoring and revision of the guidelines and their scope covers the entire public library community.

The Lincoln Public Library is an accredited library through the Ontario Public Library Guidelines. The Pelham Public Library is not currently accredited. Accreditation is valid for five years and benefits the library system in many ways including: enhancing the library's profile, credibility, and reputation; demonstrating efficient and effective spending of public funds; demonstrating that the library is meeting province-wide norms and providing quality services; and providing and realistic and beneficial set of goals for staff and the public library board to work toward.

Guidelines for Rural / Urban Public Library Systems

The guidelines are a developmental tool for rural / urban libraries expressed as targets for a library to provide an appropriate level of service for its community. The guidelines



provide recommendations as to how library services should be provided based on best practices and quantifiable, benchmarked guides.

These guidelines build upon and are supplementary to the previously described Ontario Public Library Guidelines. They are to be used to evaluate and plan future library services and are most applicable to the multi-branch rural / urban nature of many library systems in Ontario.

5.2 By-laws Current

The Town of Lincoln and Town of Pelham have various by-laws that provide for the governance structure each respective library board. The following table provides a summary of the by-laws enacted in each Town:

Town of Lincoln	Town of Pelham
<ul style="list-style-type: none">• Bylaw – A1 Statement of Authority• Bylaw – A2 Composition of the Board• Bylaw – A3 Organization of the Board• Bylaw – A4 Chair• Bylaw – A5 Vice Chair• Bylaw – A6 Secretary Chair• Bylaw – A7 Committees• Bylaw – A8 Amending By-laws	<ul style="list-style-type: none">• Bylaw – 01 Statement of Authority• Bylaw – 02 Composition of the Board• Bylaw – 03 Terms of Reference• Bylaw – 04 Powers and Duties of the Board• Bylaw – 05 Meetings of the Board• Bylaw – 06 Amendments of Bylaws

5.3 Composition of the Public Board

The Library Boards serve their communities by providing efficient and cohesive services to educate, contribute to literacy, and provide social opportunities to residents of each Town.



5.3.1 Current Service Provided (Status Quo)

Town of Lincoln	Town of Pelham
The Lincoln Library Board has 9 persons appointed by Council. There are 2 members of council and 7 citizens from the community.	The Pelham Library Board has 9 persons appointed by Council. There is 1 member of council and 8 citizens from the community.

5.3.2 Potential Savings/Enhanced Levels of Service Provided by Union Board

The P.L.A. Section 9 states that a union board shall be composed of at least five members appointed by the councils of the affected municipalities in the proportions and in the manner specified in the agreement made under the P.L.A. The current organization of the Town's library boards meet the minimum requirements under the P.L.A.

Option / Description	Potential Savings/Enhanced Levels of Service	Impact on Town of Lincoln	Impact on Town of Pelham
Towns create a Union Library Board	One union library board would serve the integrated library Potential savings may be provided by having an overall smaller number of members on the Union Board than currently on both boards.	The existing library board would have to be disbanded.	The existing library board would have to be disbanded.



5.3.3 Recommended Approach

The Towns may consider establishing a union public library.

Section 5 of the P.L.A. states the following:

- The councils of two or more municipalities may make an agreement for the establishment of a union public library;
- The agreement shall specify what proportion of the cost of the establishment, operation, and maintenance of the union public library, including the cost of existing libraries, shall be paid by each municipality;
- When an agreement is made:
 - The current library boards are dissolved; and
 - the assets and liabilities of those public library boards are vested in and assumed by the union board unless the agreement provides otherwise; and
- When an agreement is made the clerk of the municipality that has the greatest population (Town of Lincoln) shall promptly mail or deliver a copy of the agreement to the Minister.

As noted previously, a union library board is required to have at least 5 members appointed by the Towns of Lincoln and Pelham as specified in the agreement. This would allow the Towns to jointly determine the size of the board, along with how many members would be appointed from each municipality. It would be recommended to include one (1) elected official from each Town and a total of 9 citizen appointees – 5 from Lincoln and 4 from Pelham.

5.3.3.1 Short Term Impacts

Disband the existing boards for both Lincoln and Pelham library and establish a union library board. The appointing councils cannot appoint more of their own members to the board than the number of which is the majority of the board. It has been proposed to have at two (2) council members from each Town. Additionally, the Towns may consider 4 citizens from Lincoln and 3 from Pelham based on the higher population in Lincoln.



In the interim, once the current boards are dissolved and the union board is formed, all current members of the boards may form the union board. This board would oversee the union library until the next municipal election.

5.3.3.2 *Medium Term Impacts*

Once the joint board is established, they would oversee library services in Pelham and Lincoln and report back to the Towns, similar to the approach currently undertaken with separate boards.

5.4 Meetings

The library board conducts formal regular scheduled meetings. The public meetings are advertised to promote transparency to the community. There are circumstances Board meetings may be closed in accordance with the Ontario Public Libraries Act.

5.4.1 *Current Service Provided (Status Quo)*

Town of Lincoln	Town of Pelham
The Town of Lincoln has a minimum of 1 meeting per month for at least 10 months.	The Town of Pelham has a minimum of 1 meeting per month for at least 10 months.

5.4.2 *Potential Savings/Enhanced Levels of Service Provided by Union Board*

The Public Libraries Act Section 16(1) states a board shall hold at least 7 meetings in each year. The current approach meets the minimum requirements under the act. The one Union Library Board would serve the integrated library and would determine the number of meetings required. There would be no perceived impacts to the Towns, enhanced levels of service, or potential cost savings.

5.4.3 *Recommended Approach*

No proposed changes at this time. Should a union library board be formed, the new board would determine the required number of meetings.



6. Summary of Recommendations

6.1 Overview of Recommendations

As noted earlier in the report, the purpose of this study was to review opportunities for shared services between the Lincoln Public Library and the Pelham Public Library. Where possible, the study was to identify potential areas of efficiencies, cost savings, and/or enhanced levels of service. This study and the analysis above were prepared based on a review of various Town and library documents, strategic plans, budgets, etc. as well as detailed interviews with various library and Town staff.

Based on the analysis and discussion provided in Chapters 2 through 5, the following table provides a summary of the recommendations on a service area basis. Note that the recommendations provided in this study are based on a third-party review of the available information. It is anticipated that senior library staff will ultimately provide their recommendations to the respective Councils for their consideration. Additionally, given the undertaking, consideration may be given to hiring a project manager to manage the transition.

As noted in Chapter 1, the Towns have not provided for a consistent approach to charging the libraries for services provided. It is recommended that all services provided by the Towns are charged to the library. If one Town would provide the service, the library should undertake a review of which Town could provide the service at a cheaper cost, while ensuring the goals/requirements of the library are met.

Category of Shared Service Area	Recommendation
Governance	Form a Union Library Board. A new board would be formed consisting of one (1) elected official from each Town and a total of 9 citizen appointees – 5 from Lincoln and 4 from Pelham
Staffing, Salaries, Wages, and Benefits	Consideration of a Union Library Board would provide the Towns with a potential cost savings and may gain efficiencies through reduced overhead and staffing at the senior level. This may allow for staff to focus more on their specialization, providing for a higher level of service to residents.



Category of Shared Service Area	Recommendation
	<p>Positions and roles would be combined into one new organizational structure.</p> <p>Union Library would move to one benefit plan (based upon further review of cost-effective options) and may need to review compensation for newly aligned positions in the organizational structure.</p>
H.R. Support	H.R. support for the Union Library could be provided by one of the Towns (to be determined by senior library staff).
Payroll	Payroll support could be provided by the in-house library staff through a reorganization and efficiencies gained in overall staffing changes.
Accounting/ Finance	Accounting/finance support could be provided by the in-house library staff through a reorganization and efficiencies gained in overall staffing changes.
I.T. Support	In-house I.T. support provided by Library Staff. Through efficiencies gained, may hire a part-time staff person to handle more complex issues.
Phone, Emails, Internet, and Server	The phone system, emails, and server could all be migrated to one in-house solution. The union library could expand on Pelham Library's current contracts as they contract their own service currently. Lincoln Library staff may move to the free version of Google Workspace, similar to the Pelham Library.
Printers/Copiers	Senior library staff to review cost of owning/leasing printers/ copiers for the Lincoln branches.
Collections	Continue with current approach to collections. Collections are currently shared through LiNC. Efficiencies may be gained by having one staff person undertake cataloguing and ILS work.
Facility Space	Continue with current approach to facility maintenance. Ensure charges for service provided are applied to track expenditures.
Programming	Senior library staff would determine how best to deploy staff to provide efficiencies under a Union Library Board.



Category of Shared Service Area	Recommendation
Capital Needs	Facility-related capital needs should be tracked and applied to the respective Town in which the facility is located. Other capital expenses may be shared jointly.

6.2 Review of Union Library Boards

Rather than providing some of the library activities as a shared service, the Towns may consider forming a Union Library Board. This would dissolve the current library boards and provide for one new public library board.

The Public Libraries Act (P.L.A.) sets out a number of legislative requirements for union library boards in Ontario. Section 5 of the P.L.A. states the following:

- The councils of two or more municipalities may make an agreement for the establishment of a union public library;
- The agreement shall specify what proportion of the cost of the establishment, operation, and maintenance of the union public library, including the cost of existing libraries, shall be paid by each municipality (note the approach to cost-sharing should consider the discussion provided in the previous section);
- When an agreement is made:
 - The current library boards are dissolved; and
 - the assets and liabilities of those public library boards are vested in and assumed by the union board unless the agreement provides otherwise; and
- When an agreement is made the clerk of the municipality that has the greatest population (Town of Lincoln) shall promptly mail or deliver a copy of the agreement to the Minister.

A union library board is required to have at least 5 members appointed by the Towns of Lincoln and Pelham as specified in the agreement. This would allow the Towns to jointly determine the size of the board, along with how many members would be appointed from each municipality.



Review of Other Union Library Agreements in Ontario

There are a number of jurisdictions in Ontario that utilize Union Library Boards to facilitate delivery of library services. As noted in the P.L.A., the cost sharing arrangement must be included in the Union Library agreement. A number of union libraries and their respective cost sharing arrangements are discussed below.

Powassan and District Union Public Library

There is one library facility located in Powassan that is utilized by the neighbouring communities. The union was formed in 1971. The costs allocated to each municipality are based on the usage by residents from each Township.

Owen Sound & North Grey Union Public Library

There is one library facility located in Owen Sound that is utilized by Owen Sound, Meaford, Georgian Bluffs, and Chatsworth. This union library was established in 1994. The costs are currently allocated based on the ratio of memberships for each Municipality to the total memberships in the Union Library.

Sundridge-Strong Union Public Library

In 1978 the Village of Sundridge entered into an agreement to share their library with the Township of Strong and to form a Union Public Library. The library became the Sundridge-Strong Union Public Library and was located in the Village of Sundridge Community Centre. The costs for the union library are shared equally amongst the municipalities.

Perth & District Union Public Library

The Perth & District Union Public Library Board was formed in 1983. The initial union was an agreement between the Town of Perth and the Township of Bathurst, Drummond, North Burgess, North Elmsley, and South Sherbrooke. Subsequently, the Township of Drummond and North Elmsley amalgamated as the Township of Drummond/North Elmsley, and the remaining three townships amalgamated as Tay Valley Township.

The funding formula is set out in a separate agreement and was not able to be obtained, however, in 2019 the funding allocations were Perth – 39%, Tay Valley - 31%,



and Drummond/North Elmsley – 30%. Previous agreements provide that 4% of the amounts paid by each respective municipality would go towards a capital expenditure reserve.

Bonnechere Union Public Library

The Bonnechere Union Public Library is comprised of the Township of Bonnechere Valley and North Algona Wilberforce Township. The operating budget costs for the library are shared 70% to Bonnechere Valley Township and 30% to North Algona Wilberforce Township. Cost sharing on the capital budget shall be determined on a budget-by-budget basis through negotiations between the member municipalities.

Burk's Falls, Armour & Ryerson Union Public Library

The union library is comprised of Burk's Falls, Armour, and Ryerson, with the first shared service agreement dating back to the late 1960's. Various funding formulas have been utilized over the years through various agreements. In 2016, the proposed formula at the time was to share the fixed costs equally (i.e. one-third each) and to split the variable costs based on the number of households in each municipality (based on household data from Statistics Canada). Further amendments were provided for the cost sharing arrangement; however, the most recent agreement was not able to be obtained.

Summary of Union Library Agreements

The following table provides for a summary of the Union Library agreements discussed above with respect to their approach to cost sharing:

Union Library	Cost Sharing Basis
Powassan and District Union Public Library	Actual usage of the library by residents
Owen Sound & North Grey Union Public Library	Number of memberships
Sundridge-Strong Union Public Library	Shared equally



Union Library	Cost Sharing Basis
Perth & District Union Public Library	Not Provided. However, 4% of the amounts provided by the municipalities go to a capital reserve
Bonnechere Union Public Library	Operating costs are based on a 70/30 allocation. Capital costs are negotiated
Burk's Falls, Armour & Ryerson Union Public Library	Fixed Costs - one-third each Variable Costs - number of households in each municipality

6.3 Consideration of Cost Sharing Approaches

In preparing the commentary on cost-sharing, a review of previous case law and arbitration results with respect to municipal amalgamations was undertaken. The full discussion is provided in Appendix B.

Historically, and most often directed by Provincial mandate, municipal service provision has either been shared by service agreements or by wholly/partially combining municipalities. As a result, there have been many Ontario Municipal Board cases or arbitrations which established the principles for cost sharing.

The cost sharing principles for municipal amalgamations were initially set out in 1953 by Dr. Lorne R. Cumming with respect to the creation of Metropolitan Toronto. Dr. Lorne R. Cumming, a former Ontario Municipal Board Chairman, developed a series of principles (subsequently referred to as the “Cumming Principle”) regarding the issue of financial adjustment following the transfer of assets between municipal bodies. The key operative sentence of the Cumming Principle was:

“As long as residents of an area are not deprived of the assets that were intended for their use, the transfer of the assets to a new local government does not require individual or collective compensation, as there has been no deprivation of rights” applied to both the lower tier amalgamations and the creation of Metropolitan Toronto because there was no loss of the beneficial use of the assets.

The above was further clarified by Arbitrator William A. Rice in the August 15, 2002, decision regarding the County of Haldimand and County of Norfolk who provided:



“It is my opinion that the operative sentence in the Cumming Principle suggests, by extension, that if there is a loss of beneficial use, a compensation adjustment should be considered. It is also my opinion, that for a compensation adjustment to be considered, the proposed allocation must have created an unfair distribution that would place a considerable burden on one party or the other. For the allocation of some assets and liabilities, the principle of “equal enough” should be considered before the award of a compensation adjustment. Consideration of a compensation adjustment should include a determination of fairness and equity using an appropriate valuation method.”

These principles of fairness and equity are recommended to underpin any potential cost sharing arrangement.

As the recommended approach is to establish a Union Library Board, the P.L.A. sets out a requirement to include the cost sharing approach in the Union Library Board Agreement. The following provides for a recommendation of how to allocate various costs. This is provided for the library boards’ and Councils’ consideration.

Note that currently not all services provided by the Towns are charged to the libraries. For tracking of expenditures, all work performed by the Town on behalf of the library should be charged to the union library.

Facility-related Costs

For asset management, replacement, and expansion of facilities, as well as direct facility-related costs such as snow clearing, maintenance, and cleaning, these costs may be allocated to the union library and applied to the funds to be recovered from the Town within which the facility is located.

Operating Costs

All other expenditures may be allocated on a basis deemed equitable by the library boards and Council. As provided in Chapter 1, other union library agreements provide for a variety of methods for cost apportionment. These include:

- Number of memberships in each respective municipality;
- Actual library visits by residents of each municipality;
- Shared equally;



- Number of households in each municipality;
- Population in each municipality; or
- An allocation based on an agreed upon metric.

Based on available information, the following table provides for a summary of the cost allocations under the methods for cost apportionment noted above:

Cost Apportionment Method	Town of Lincoln	Town of Pelham
Number of Memberships (active library cardholders)	6,775 45%	8,324 55%
Actual Library Visits	913 70%	389 30%
Equal Share	50%	50%
Number of Households	9,305 57%	7,104 43%
Population	23,787 58%	17,110 42%

Source: 2020 Ontario Public Library Statistics

In addition to the cost sharing approaches above, if costs were allocated based on the total operating expenditures from 2020, the share would be 53% Lincoln, and 47% Pelham.

Current Costs and Municipal Information

The existing municipal grants, populations, and grants per capita are summarized below. The municipal grant per capita is approximately 10% higher in the Town of Pelham (as presented in the following table).

Summary Information	Town of Lincoln	Town of Pelham
Population	23,787	17,110
Municipal Grant	\$1,100,000	\$877,164
Municipal Grant per Capita	\$46.24	\$51.26



Recommended Cost Sharing Approach

In consideration of the cost sharing principles, set out in Appendix B, the recommended cost sharing approach should relate the apportionment to the services each Town receives. There are two main cost apportionment methods above that could be used to follow this principle. The share of actual visits relates the services provided at the facilities to the residents of each Town. The number of memberships may relate more to the collections online as there are more in-person visits in Lincoln, but more memberships in Pelham.

As a result of the above, along with the cost apportionment methods described, the initial recommended cost sharing approach (for the net operating and minor capital costs), is as follows:

- 50% based on number of in-person visits; and
- 50% based on number of memberships.

The above apportionment results in a 58% share for the Town of Lincoln and a 42% share for the Town of Pelham. Note, this cost apportionment method aligns with the principals established, however, the statistical data required to support this calculation approach is not sufficient. If issues with data collection and tracking are resolved, the Towns may consider this approach in the future. Until then, the Towns may consider apportioning the cost based on the population in each Town. This generally represents the population served in each community. The resultant share of the operating costs would then be 58% Lincoln and 42% Pelham (as presented above).

As would be noted in the agreement, the cost apportionment method would be reviewed periodically and updated accordingly.

6.4 Establishment of Reserves/Reserve Funds

Within Ontario, municipalities have the ability to establish or maintain reserves and reserve funds. These powers are provided to municipalities via the Municipal Act, 2001.

A reserve represents monies which are set aside for future known expenditures or for contingent purposes. The establishment of a reserve is at the discretion of Council and represents a financial management tool for smoothing out fluctuations in taxes and rates over a period of time. To summarize, reserves and reserve funds:



- provide a mechanism for legally saving money to finance all or part of future infrastructure, equipment, and other requirements;
- provide a degree of financial stability by reducing reliance on indebtedness to finance capital projects and acquisitions; and
- In uncertain economic times, reserves and reserve funds can also provide officials with a budgetary option that can help mitigate the need to cut services or to raise taxes.

The Town of Lincoln will be establishing a facility reserve which provides a saving mechanism for all tax-supported facilities (including the library facilities). The Town of Pelham currently has a library reserve with funds set aside for capital projects. Additionally, the Pelham Library has a working capital/stabilization reserve policy for the library that states the library must always hold 1% of the operating budget in the reserves for "emergencies".

With respect to a Union Library Board, there are two reserves/reserve funds that should be considered; a reserve/reserve fund for minor capital needs (such as furniture, fixtures, equipment, etc.) and a working capital/stabilization reserve.

The following provides for a summary of the purpose, source of funding, and minimum/maximum balances for each reserve:

Minor Capital	Policy Considerations
Purpose:	This reserve is to provide for replacement of minor capital needs (such as furniture, fixtures, equipment, etc.)
Source of Funding:	Property taxes, fundraising, donations, and year-end surplus
Minimum Balance Target:	The minimum balance target is dependent on cashflow; however it would be suggested to consider 5% of the budget
Maximum Balance Target:	The maximum balance target is dependent on cashflow; however it would be suggested to consider 10-15% of the budget



Working Capital/ Stabilization	Policy Considerations
Purpose:	This reserve will provide a contingency for unforeseen events that might put pressure on the operating budget and to provide cash flow for operations to eliminate the requirement for short-term borrowing to meet immediate obligations.
Source of Funding:	Property taxes, fundraising, donations, and year-end surplus
Minimum Balance Target:	The minimum balance target is dependent on cashflow; however it would be suggested to consider 5% of the budget
Maximum Balance Target:	The maximum balance target is dependent on cashflow; however it would be suggested to consider 10-15% of the budget



7. Next Steps

The analysis and discussion presented in this report will be presented to the Lincoln Public Library Board, Pelham Public Library Board, Lincoln Council, and Pelham Council.

Subsequent to the presentation of the findings of the report, the boards and councils will consider the recommendations presented here along with the recommendations from senior library staff. Should the preferred approach be to establish a Union Library Board, senior library staff will provide an overview of potential next steps to complete the transition.

During the transition to a Union Library Board, a number of services may continue to be provided by the Towns. Through discussions with Town staff, there would be capacity in existing services to provide payroll, accounts payable, H.R. support, and I.T. support. The Town of Lincoln and Town of Pelham would work together to assist the libraries in the transition by dividing the workload equitably. It should be noted that a number of services are provided without charge to the libraries. Continuation of this practice will maintain current efficiencies throughout the transition to a Union Library. Subsequent to completion of the transition, it is recommended that both Towns account for the same services in the same manner. For example, if the Town of Lincoln provides printers/copiers without charging the Library, the Town of Pelham should do the same. This will provide for ease of apportioning the operating costs of the Union Library.

The following figures provide for a summary of the anticipated timeline of activities that must be completed throughout the transition. These figures include the recommendations throughout this report, as well as administrative tasks that will be required. Figure 7-1 provides for a high-level summary and Figure 7-2 provides a detailed Gantt chart of the project plan. Senior library staff will work with Town staff in revising and updating this plan as necessary.

Should the respective library boards and Town Councils not wish to establish a Union Library Board, they may consider establishing a shared services agreement whereby some of the services noted in this report may be undertaken together and cost-shared appropriately.



Figure 7-1
Overview of Project Plan

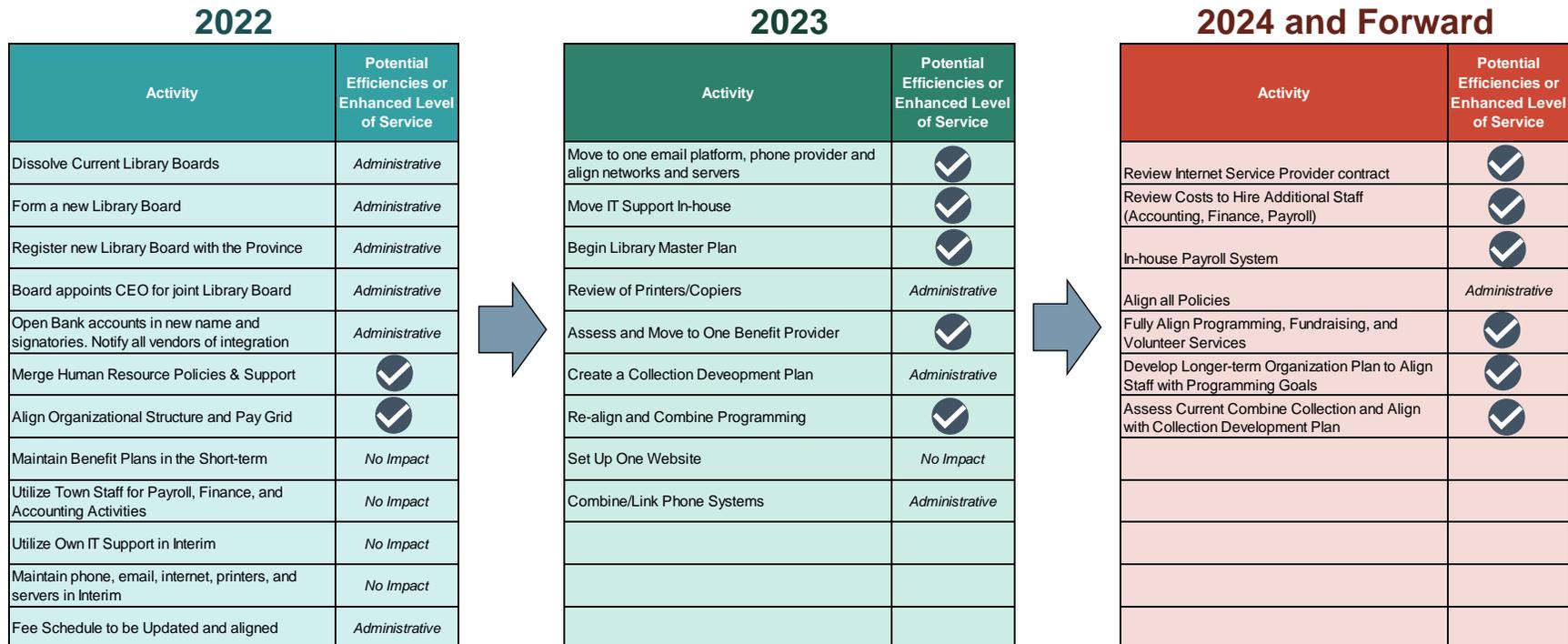
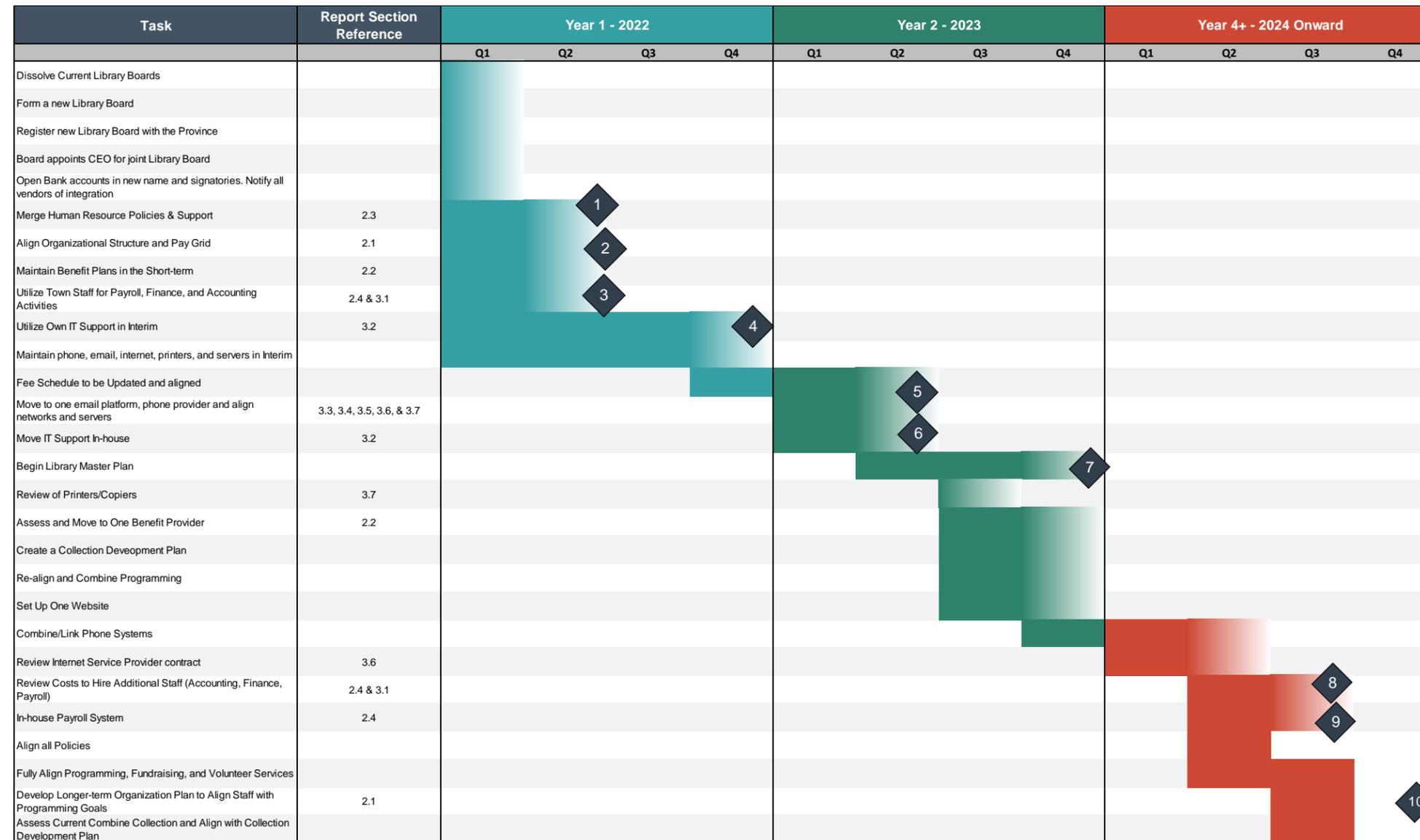




Figure 7-2
Detailed Gantt Chart of Project Plan



Milestones With Financial Considerations	Financial Considerations
1 Merge Human Resource Policies & Support	H.R. support could be provided immediately with no additional cost.
2 Align Organizational Structure and Pay Grid and Review Benefit Plans	Senior library staff will prepare an organizational chart for the combined library. Aligning staff positions may require adjustments to staff wages. This would be considered minor as both wage grids are similar. Savings from vacant CEO position in Pelham and Cataloguing Manager in Lincoln may be redirected to programming needs. Current benefit plans would be considered as part of aligning wage grids.
3 Utilize Town Staff for Payroll, Finance, and Accounting Activities	Based on discussions with staff, no financial impact would be anticipated for provision of services during transition
4 Utilize Own IT Support in Interim	Pelham Library continues in-house IT support and Lincoln Library uses Town IT services during transition. No additional cost for the library to utilize Lincoln IT services
5 Move to one email platform, phone provider and align networks and servers	Phones - expand the Pelham Public Library contract to include the Lincoln Library Branches Email - Move to free version of Google Workspaces
6 Move IT Support In-house	Based on efficiencies gained through staffing organization, one part-time staff may be hired to undertake IT work that would typically be contracted out (in Pelham) or provided by Town IT (in Lincoln).
7 Begin Library Master Plan	May be funded with Development Charges.
8 Review Internet Service Provider contract	Review contract for potential savings in combining services.
9 Review Costs to Hire Additional Staff (Accounting, Finance, Payroll)	Utilizing efficiencies gained through staffing organization, may hire a part-time staff person to undertake accounting, finance, and payroll functions.
10 In-house Payroll System	Review potential cost for in-house payroll software
11 Develop Longer-term Organization Plan to Align Staff with Programming Goals	Potential study costs to further align staff with programming activities

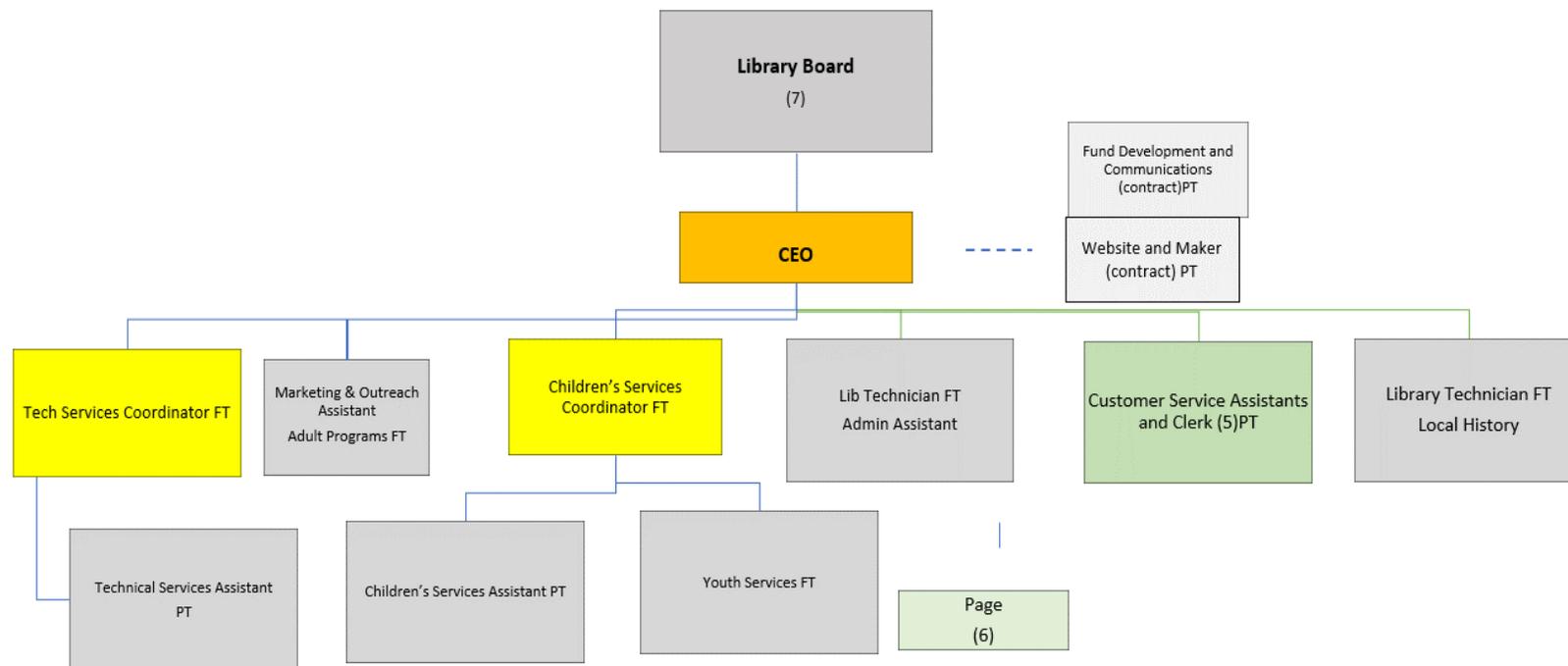


Appendix A

Organization Charts



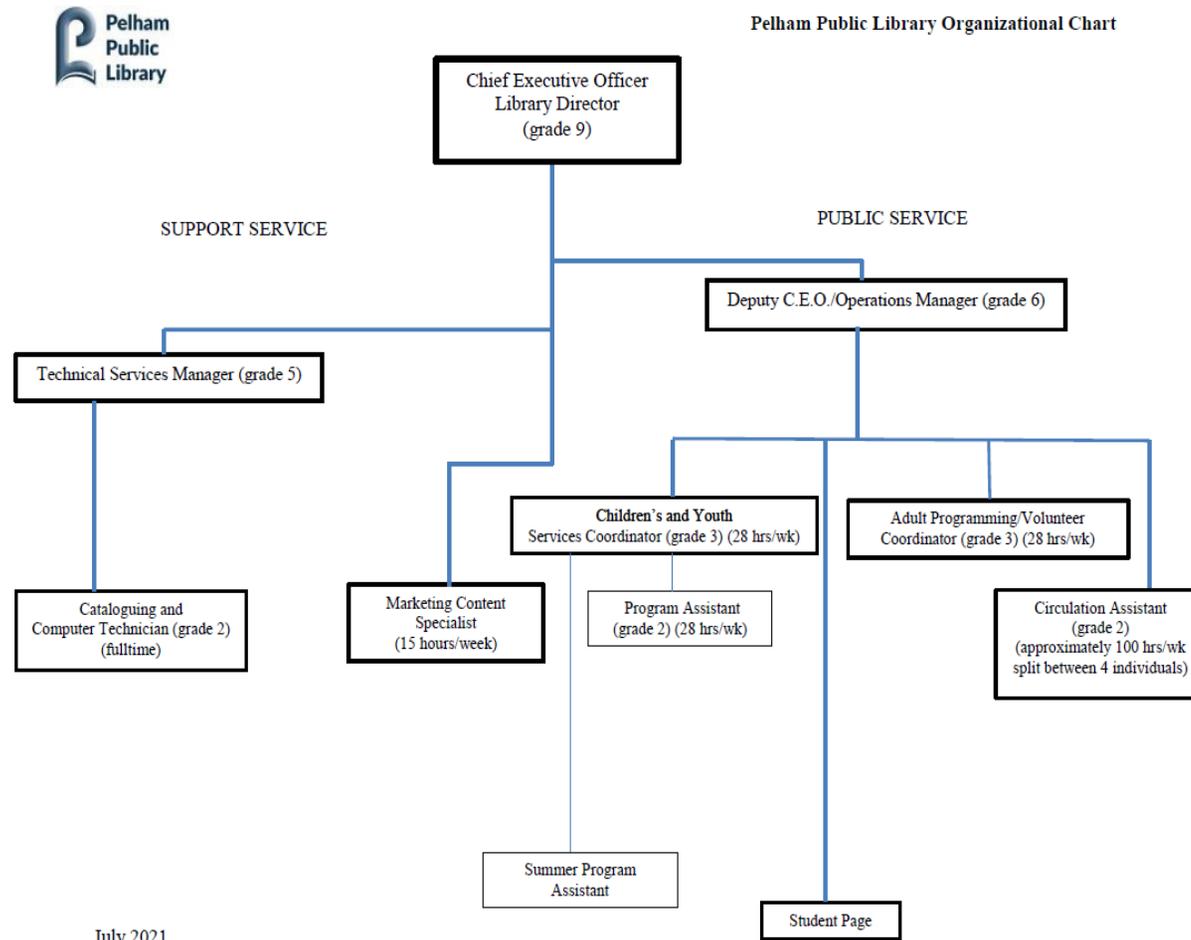
Figure A-1
Lincoln Public Library
Organizational Chart



**2021 Organizational Structure
Lincoln Public Library**



Figure A-2
Pelham Public Library
Organizational Chart





Appendix B

Review of Case Law and Arbitration Results



Appendix B: Review of Case Law and Arbitration Results

Background

Over the past 60 years there has been a number of major restructuring undertakings. These include the 1953 creation of Metropolitan Toronto and its six local municipalities, creation of Regional Municipalities during the 1970-1974 period, and the numerous municipal restructurings in the late 1990's under the Savings and Restructuring Act, 1996.

The 1953 creation of Metropolitan Toronto provided significant insight and established a precedent setting approach to municipal restructuring. Dr. Lorne R. Cumming, a former Ontario Municipal Board Chairman, developed a series of principles (subsequently referred to as the "Cumming Principle") regarding the issue of financial adjustment following the transfer of assets between municipal bodies. The key operative sentence of the Cumming Principle was:

"As long as residents of an area are not deprived of the assets that were intended for their use, the transfer of the assets to a new local government does not require individual or collective compensation, as there has been no deprivation of rights" applied to both the lower tier amalgamations and the creation of Metropolitan Toronto because there was no loss of the beneficial use of the assets.

The above was further clarified by Arbitrator William A. Rice in the August 15, 2002, decision regarding the County of Haldimand and County of Norfolk who provided:

"It is my opinion that the operative sentence in the Cumming Principle suggests, by extension, that if there is a loss of beneficial use, a compensation adjustment should be considered. It is also my opinion, that for a compensation adjustment to be considered, the proposed allocation must have created an unfair distribution that would place a considerable burden on one party or the other. For the allocation of some assets and liabilities, the principle of "equal enough" should be considered before the award of a compensation adjustment. Consideration of a compensation adjustment should include a determination of fairness and equity using an appropriate valuation method."



The following sections provide for a summary of the Arbitration decisions undertaken subsequent to the municipal restructurings in the late 1990's. **Part 1** of this section provides for the allocation of Physical Assets, Financial Assets and Liabilities arising from the above noted 2002 Haldimand/Norfolk Arbitration. **Part 2** provides for arbitrations decisions arising from the realignment of Ontario Works, Ontario Disability Support Program (ODSP), Child Care, Social Housing, Land Ambulance and Public Health Services where the province established managers/service providers and requirements for cost sharing and apportionment amongst municipalities.

Part 1: Haldimand/Norfolk Arbitration - Allocation of Assets and Liabilities

In late 1999, the province enacted legislation which dissolved the six lower tier municipalities of the Regional Municipality of Haldimand-Norfolk and the Regional Municipality of Haldimand-Norfolk into two Counties (Haldimand County and Norfolk County). Five of the former local municipalities were amalgamated with the two new Counties while one local municipality (Town of Norfolk) was divided between the new Counties.

As part of the restructuring process, an initial allocation of assets and liabilities was established by a restructuring committee however the New County of Haldimand appealed the decision. Arbitrator William A. Rice considered the appeal, and the following provides a summary of his August 15, 2002, decision.

Guiding Principles for Allocation

Throughout the decision, the arbitrator referenced Dr. Cummings 1953 decision regarding Metropolitan Toronto and the guiding principles for restructurings. The operative sentence of the Cumming Principle is “As long as residents of an area are not deprived of the assets that were intended for their use, the transfer of the asset to a new local government does not require individual or collective compensation, as there has been no deprivation of rights.”

Haldimand's principles were based on the general premise that the allocation of assets and reserves should “follow the money”. Physical assets should be vested in one county or the other based on the practical requirement of location. Appropriate financial adjustment should then be determined based primarily on the revenue source for the related asset or liability. For an asset, the question should be where the money came



from to acquire it. For debt, the question should be what revenue source the former Region or former Town of Nanticoke intended to tap into in order to pay for that debt.

In the Arbitrator's opinion, the operative sentence of the Cumming principle suggested by extension that if there is a loss of beneficial use, a compensation adjustment should be considered.

General Methodologies and Rules

Non-Water/Wastewater Assets and Reserves

The arbitrator agreed with Haldimand's submission that "households and population" did not generate any of the assets and this methodology should not be used to allocate assets. Weighted Assessment was the basis for distribution.

Water and Wastewater Rate Revenues

The following method was to be applied to assets generated from rate revenues, with related debt, reserves or reserve funds allocated on the same method.

"Assets generated from water and sewer rates including reserves and reserve funds and any liabilities other than long-term debt shall be allocated using water and sewer rate revenues (including bulk water rates) averaged for the five-year period 1996 to 2000 – the final year 2000 audited surplus water rates) for the year 2000."

Water and Sewer Assets

With respect to water and sewer distribution/collection systems, residents were served by one of the 13 subsystems used to deliver the services which were allocated by new municipality. It was observed that residents had not lost beneficial use of the systems and hence there shall be no consideration of compensation adjustment for these assets.

Solid Waste Properties

Decision of the allocation committee to jointly vest the landfill site and the materials recovery facility is upheld. It is obvious that the approval of landfill sites by the ministry is a lengthy and expensive process. It does not seem reasonable to require Norfolk County to replicate the process that took place within the region and that resulted in the



adoption and approval of the long-term system that will meet solid waste management demands of the entire Region for the next 50 years.

Administration Building

The Arbitrator directed that Town of Nanticoke Administration Building shall be vested with Haldimand. This allocation was consistent with all other municipal buildings, and we can see no value in a joint vesting.

In regard to the Regional building, it was leased from Ontario Realty Corporation (ORC) for 25 years after which it could be purchased for \$1. Norfolk was charged an annual rent of \$20,000 for the facility and the residual rental charge to ORC was to be paid proportionately by both municipalities (based upon weighted assessment). At the end of the lease, the building may be sold (with the profits shared).

Roads and Bridges

With respect to roads and bridges, residents will continue to have access to and the use of public roadways in both municipalities therefore there shall be no consideration of a compensation adjustment for these assets.

Compensation for all Properties

With respect to land and buildings, residents of both municipalities have lost the beneficial use of these assets. Analysis is complicated by the fact that some of these properties were transferred to the formation of the Region in 1974. Some of those transferred properties remain untouched while others have new buildings or additions constructed. Consistent with the Cummings principle, a compensation adjustment should be considered if the allocation that has been arrived at has created an unfair distribution.

Vehicles and Equipment

Public Works and Arena Equipment/Vehicles are to be valued and then distributed based on both municipalities identifying their equipment needs. For Waste Management, vehicles and equipment are to be vested jointly.



Fire Facilities, Vehicles and Equipment

- Facilities – will remain within the municipality in which they are located with no compensation
- Vehicles – valued at original purchase price with 20-year depreciation (vehicles older than 20 years valued at nil) – net compensation adjusted based upon weighted assessment
- All other Equipment – resides with Fire Hall where they are located.

Long Term Debt

Water and Sewer Debt

For outstanding liabilities directly related to specific assets, the Cummings Principle should not apply. It is clear that a capital financing system (i.e., the Capital Budget) was used by the Region that pooled the various revenues and assign debt to specific projects to simplify the debt issuing exercise (i.e., allocating debt to a few large projects vs evenly distributing the debt across all projects).

It is the arbitrator's award that it is not debt, but rather the annual payments of principal and interest that should be allocated to the parties. Any allocation of payment should include identification of DCs distributed to the parties. During the oral argument the parties were able to isolate three projects which the applicable portion of the data related to the DCs. The annual debt payments were then allocated between parties until the debt repayment had been fully paid.

Homes for the Aged Facility Debt

Similar to Water and Sewer debt, the capital financing system used by the Region pooled various revenues and assigned debt to specific projects to simplify the debt issuing exercise. It is the arbitrators award that the debt payments be allocated annually based on weighted assessment.

Reserves and Reserve Funds

- a. Self-Insurance – Funds placed into a Trust Fund to recognize joint responsibilities for processing existing claims – any residual balance will be allocated based on a three-year average or Weighted Assessment plus Water/Sewer Billings



- b. Regional Road Vehicle and Equipment Replacement Reserve – distributed based on weighted assessment
- c. Board of Health Reserve – to be held in a Trust Fund – if funds no longer required, to be distributed based on weighted assessment
- d. Homes for the Aged Facility Renovation Fund - distributed based on weighted assessment (note that there were facility re-design costs in progress which were funded first from this fund)
- e. Social Assistance Stabilization Reserve - distributed based on weighted assessment
- f. Waste Management Rate Stabilization Reserve - distributed based on weighted assessment
- g. Water and Sewer Rate Stabilization Reserves – based on past 5-year average contributions from budgets
- h. Employee Benefits Insurance Reserve Fund - distributed based on weighted assessment
- i. Post-Employment Benefits Reserve Fund – Held in a Trust Fund – it is the joint responsibility to fund future benefits for retired Regional employees
- j. Sick Leave Reserve Fund – value of amounts specific to individual employees as of date of de-amalgamation, shall be the liability of the employers – these costs transferred to the individual municipalities – residual distributed based on weighted assessment
- k. Workers Compensation Reserve – held in Trust Fund - value of liability as of date of de-amalgamation plus future liabilities for these staff, shall be paid from the Trust Fund – any residual future liability or surplus distributed based on weighted assessment
- l. Solid Waste Reserve Fund - distributed based on weighted assessment
- m. Sewer Capital Replacement Reserve Fund - based on past 5-year average revenues
- n. Water Development Charge Reserves Fund – Funds shall be allocated on the basis of the location for subdivisions and severances that contributed funds during the past 10 years, calculated as a percentage to one decimal point.
- o. Sewer Development Charge Reserves Fund – Funds shall be allocated on the basis of the location for subdivisions and severances that contributed funds during the past 10 years, calculated as a percentage to one decimal point
- p. Capital Fund Balances – Capital Projects that have been initiated by the awarding of a contract by the Region but have not been completed shall be funded from the



original sources of revenue. Capital projects which have not been started, shall be closed and any committed funds be returned to source and allocated on the basis of the appropriate funding, and

- q. Assets and Liabilities of Local Boards – these are allocated based on the municipality on which they are located.

Part 2: Summary of Arbitration Cases Regarding Service Agreements amongst Municipalities

In January 1998, the Province established a Provincial-Municipal service realignment for Social and Community Health Services. These services included Ontario Works, Ontario Disability Support Program (ODSP), Child Care, Social Housing, Land Ambulance and Public Health Services. The province established a regime of managers/service providers which would provide the service requirements for a broader jurisdiction. Within these jurisdictions they also established an initial cost sharing and apportionment regime amongst municipalities within these service areas. Subsequently, the municipalities within these jurisdictions could renegotiate the cost sharing approach.

The following provides for arbitration decisions arising from the service realignment:

Windsor, Essex County and Pelee Island, March 9, 1999

Arbitrator William Rice considered the division of Ontario Works, Child Care, and Social Housing costs. The issue in that case was actual cost vs. weighted assessment. The Arbitrator found that there was a spillover of services and clients between Windsor and three of the neighboring municipalities within the western part of the county and that Windsor and the three municipalities must be considered one social service catchment area. He further found that Windsor and the western portion of the county were “one economic unit”.

The Arbitrator also found that to use weighted assessment for the whole of Windsor, Essex County and Pelee Island would ignore the fact that a portion of the county and all of Pelee Island are beyond the demonstrated limits of the Windsor economic area. Arbitrator Rice went on to fashion and award based partly on weighted assessment and partly on costs.



Pembroke and Renfrew County, January 2, 2001

Arbitrator Howard Allan dealt with sharing of Ontario Works, Childcare, and Social Housing cost between the city of Pembroke and the County of Renfrew. Once again, the issue was weighted assessment vs actual costs. Similar to Windsor/Essex/Pelee the result was an award based partly on weighted assessment and partly on actual costs.

Kingston and Frontenac County, July 11, 2004

Arbitrator William Rice addressed the issue of dividing cost of Ontario Works, Childcare, and Social Housing between the City of Kingston and the County of Frontenac. He found the City and the southern part of the county were part of an economic unit. Similar to Windsor/Essex/Pelee, the award was based partly on actual cost and partly on weighted assessment.

Guelph and Wellington County, January 25, 2010

Arbitrator Douglas Colbourne confronted the issue of dividing cost for Ontario Works, Childcare, Ontario Disability Support Program (ODSP), Social Housing and Land Ambulance between the City of Guelph and the County of Wellington. He found that “these municipalities are as interconnected with surrounding municipalities as they are with each other economically, socially, culturally and for employment purposes. The connection and draw between them raised in the city’s evidence are not supported by the evidence. The benefits of apportionment based on weighted assessment are not apparent here”. Arbitrator Colbourne went on to divide cost based entirely on costs rather than weighted assessment or a mixture of the two.



Haldimand County and Norfolk County, July 8, 2010

Arbitrator T.G. Zuber oversaw the submissions by the County of Haldimand and the County of Norfolk with respect to Ontario Works, Childcare, Ontario Disability Support Program (ODSP) and Social Housing. The following allocations were made as a result of that arbitration case:

Service	Method of Net Cost Apportionment
Ontario Works	
Program Costs	Actual cost based on residence of the recipient
Administration	Prorate based on % share of the program costs above
ODSP (incl. ODB)	
Program Costs	Actual cost based on residence of the recipient
Administration	Prorate based on % share of the program costs above
Child Care	
Fee Subsidy	Actual cost based on residence of the recipient
Special Needs Resourcing	Actual cost based on residence of the recipient
Wage Subsidy	Actual cost based on the location of the facility
Administration	Prorate based on % share of the program costs above
Social Housing	
Program Costs	Actual cost based on residence of the unit/facility
Administration	Prorate based on % share of the program costs above