

MANAGEMENT REPORT

Date: November 16, 2023
To: Community Services Sub-committee
From: Joan Thomson, Chief Administrative Officer
Report Number: COM23-011
Attachments: None

Title: Draft Memorandum of Understanding with the Stratford Public Library Board

Objective: To consider entering into a Memorandum of Understanding [MOU] with the Stratford Public Library Board to provide clarity and continuity of the relationship between the Stratford Public Library Board and the City of Stratford.

Background: The MOU is constructed to respect the provisions of the *Municipal Act* and the *Public Libraries Act*.

The overall objective of the MOU is to provide the most efficient and effective administration of municipal and public library services and to eliminate duplication of resources where feasible. The City of Stratford provides significant support to the Library and it is important to ensure that these processes are documented and agreed-upon. Likewise, the Library Board is committed to supporting the City's operations and providing high-quality public service.

The draft MOU clarifies the roles of the City and Board and the continued partnership in serving residents.

Analysis: This document represents a combination of the current operating relationship, as well as some changes that aim to enhance the relationship through clarity around building and fleet maintenance, financial processes, including insurance, payroll administration, sharing of spaces, strategic alignment, reporting, MFIPPA, human resources, information technology, and administrative relationships.

It is noted that while Library employees are designated to be employees of the Board, and the City is providing payroll services, sometimes these areas can remain somewhat interconnected in terms of corporate, board, municipal responsibility relating to provincial and federal regulations.

For example, the City performs distributions of bi-weekly payroll, but does not validate the amounts being paid to Library employees. This remains the responsibility of the Library.

For the purposes of remitting statutory deductions including CPP, EI, EHT, WSIB and income taxes on behalf of the employees, the City and the Library share one account with Canada Revenue Agency.

For the purposes of insurance premiums, and liability coverage, the Library is included in the City's liability policy. But, they carry separate deductible limits for vehicle claims and are moving towards separate cyber policy coverage, but for liability purposes remain under the City's umbrella.

These aren't considered to be high-risk issues, nor unique issues, only that from CRA's and WSIB's perspectives, the City is deemed the employer.

This could be changed, should the City wish to pursue this change, by creating separate accounts, but would likely have very little impact other than to increase administrative burden to maintain the files separately.

These items are mentioned to highlight that while governed by a separate board, there are still some items that remain interconnected to the City, and that there are some risks not fully mitigated by a separate board or memorandum of understanding agreement.

As part of the 2024 City budgeting process, the Library budget is presented as a one-line requisition. Supporting documents and details are provided but are not embedded in the City's departmental details. For consistency, similar formatting is provided for qualitative details and capital forecasting, but it is noted that the Board ultimately determines the operational direction. Council's role, similar to that for other external agencies, is to understand the service being provided and determine the level of funding that is acceptable to the City to provide for the operation of the Library.

Financial Implications:

Financial impact to current year operating budget:

Currently, based on the City's Reserve and Reserve Fund Policy F.1.13, any annual operating surplus or deficit at the Library is rolled into the Library's reserve fund [R-R11-LIBR], and does not impact the City's annual cash surplus or deficit. The Library's reserve fund's primary purpose is for capital planning so any significant year-end adjustments could impact the capital plan. It is noted, that as a fully consolidated entity of the City for financial purposes, all library activities are included in the City's consolidated audited financial statements.

In the City's Reserve and Reserve Fund Policy F.1.13, there is also a separate reserve for the Perth County Information Network [PCIN]. This reserve is used as needed for special projects of PCIN.

Financial impact on future year operating budget:

As above.

Link to Asset Management Plan and Strategy:

As referenced above, the Library is wholly consolidated with the City, and for the purposes of tracking owned assets, purchases, disposals and financial planning, the Library forms part of the City's Asset Management Plan. The MOU does not separate asset planning activities per se, but City staff work with the Library staff to ensure that accurate data is captured. Funding the Library's asset repair and replacement is ultimately part of the budgeting and financial process. The Library typically would rely upon the City to lead this process and assist with presentation.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Alignment with One Planet Principles:

Not applicable: This MOU is administrative and does not represent any substantive changes to the current processes.

Staff Recommendation: THAT the entering into of a Memorandum of Understanding with the Stratford Public Library Board to outline the services and supports to be provided by both Parties, be authorized;

AND THAT the Mayor and Clerk, or their respective delegates, be authorized to sign the Memorandum of Understanding on behalf of the City.

Prepared by: Joan Thomson, Chief Administrative Officer

Recommended by: N/A

Joan Thomson, Chief Administrative Officer