

Mission Statement

Freedom to Discover.

Strategic Priorities

Strengthening Communities Strengthening Individuals Strengthening Our Organization

HAMILTON PUBLIC LIBRARY BOARD

**Regular Board Meeting
Wednesday, June 16, 2010
Central Library, Board Room**

5:00 p.m. Meeting
7:00 p.m. Annual Chairman's Dinner

AGENDA

1. Discussion Period
2. Acceptance of the Agenda
3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, May 19, 2010 **Attachment #3**
4. Presentations
5. Consent Items
 - 5.1 Workplace Violence Prevention Policy – LD **Attachment #5.1**
Suggested Action: Recommendation
 - 5.2 Collection HQ – BH **Attachment #5.2**
Suggested Action: Recommendation
 - 5.3 Shelving for Terryberry – BH **Attachment #5.3**
Suggested Action: Recommendation
 - 5.4 Draft Sustainability Statement – KR **Attachment #5.4**
Suggested Action: Recommendation
6. Business Arising
 - 6.1 Lynden – BH **Oral Report**
7. Correspondence

8. **Reports**

8.1 Chief Librarians Report – KR

Attachment #8.1

Suggested Action: Recommendation

8.2 Report from the Audit Committee – G. Nakamura

Attachment #8.2

Suggested Action: Recommendation

9. **New Business**

9.1 Central Library Renovation Update

Oral

9.2 Central Hours – KR

Attachment #9.2

Suggested Action: Recommendation

9.3 Branch Renovation Closures – BH

Attachment #9.3

Suggested Action: Recommendation

10. **Private and Confidential**

11. **Date of Next Meeting**

Wednesday, September 23, 2010

Central Library, Board Room, 5th Floor

5:30 p.m. Dinner

6:00 p.m. Meeting

12. **Adjournment**

HAMILTON PUBLIC LIBRARY
LIBRARY BOARD

UPCOMING/OUTSTANDING ISSUES

Issue	Date Action Initiated	Admin Member/Staff Who Initiated	Month item will appear on Agenda

**HAMILTON PUBLIC LIBRARY BOARD
Regular Meeting**

**Wednesday, May 19, 2010
Central Library, Board Room
5:30 p.m. Dinner
6:00 p.m. Meeting**

MINUTES

PRESENT: Santina Moccio, Councillor Pearson, Suzan Fawcett,
Krzysztof Gumieniak, Jennifer Gautrey, Mary Ann Leach,
George Nakamura, Doreen Horbach, Councillor Jackson

REGRETS: Maureen McKeating, George Geczy

STAFF: Beth Hovius, Lisa DuPelle, Paul Takala, Robin Hewitt, Maureen Sawa,
Karen Hartog, Robert Plant

GUESTS: Judi Partridge, Trevor Garwood-Jones

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

1. DISCUSSION PERIOD

2. ACCEPTANCE OF THE AGENDA

Move item 6.1 to follow the presentation (item 4.1).

MOVED by Councillor Pearson, seconded by Ms Gautrey,

THAT THE AGENDA BE APPROVED AS AMENDED.

MOTION CARRIED.

**3. MINUTES OF THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF
WEDNESDAY, APRIL 21, 2010**

MOVED by Ms Leach, seconded by Ms Fawcett,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD MINUTES OF
WEDNESDAY, APRIL 21, 2010 BE ADOPTED AS PRESENTED.**

MOTION CARRIED.

4. PRESENTATIONS

4.1 Presentation by Judi Partridge and Trevor Garwood-Jones re Waterdown

Ms Partridge and Mr. Garwood-Jones were welcomed to the Library Board meeting. Ms Partridge and Mr. Garwood-Jones provided their reasons for supporting a Library at the current Memorial Park.

4.2 Energy Lighting

MOVED by Ms Gautrey, seconded by Ms Leach,

THAT \$995,847 BE APPROVED AGAINST THE LIBRARY'S RESERVES TO FUND THE LIGHTING RETROFIT FOR MOST BRANCHES AND THE CENTRAL LIBRARY.

MOTION CARRIED.

5. **CONSENT ITEMS**

MOVED by Ms Horbach, seconded by Ms Gautrey,

THAT THE CONSENT ITEM 5.1 BE APPROVED AS PRESENTED.

MOTION CARRIED.

- 5.1 That up to \$70,000 be allocated from the Reserve for Summer Reading Program (#106009) to purchase and deploy 20 additional Early Literacy Stations..

6. **BUSINESS ARISING**

6.1 Waterdown Update

Mr. Roberts provided details on the costing for the various locations being discussed to build the new Waterdown Branch.

6.2 Lynden

MOVED by Ms Leach, seconded by Mr. Gumieniak,

THAT THE HAMILTON PUBLIC LIBRARY BOARD RECEIVE THE REPORT FOR INFORMATION.

MOTION CARRIED.

7. **CORRESPONDENCE**

Correspondence received from Waterdown residents regarding Library Board's request for an alternate location

MOVED by Mr. Nakamura, seconded by Ms Leach,

THAT THE HAMILTON PUBLIC LIBRARY BOARD RECEIVE THE CORRESPONDENCE FOR INFORMATION.

MOTION CARRIED.

8. REPORTS

8.1 Chief Librarian's Report

MOVED by Ms Fawcett, seconded by Ms Gautrey,

THAT THE HAMILTON PUBLIC LIBRARY RECEIVE THE REPORT FOR INFORMATION.

MOTION CARRIED.

9. NEW BUSINESS

No new business.

10. PRIVATE AND CONFIDENTIAL

MOVED by Mr. Gumieniak, seconded by Ms Fawcett,

THAT THE HAMILTON PUBLIC LIBRARY MOVE IN-CAMERA TO DISCUSS PERSONNEL ISSUES.

MOTION CARRIED.

MOVED by Ms Horbach, seconded by Mr. Gumieniak,

THAT THE IN-CAMERA SESSION BE ADJOURNED.

MOTION CARRIED.

MOVED by Ms Leach, seconded by Ms Fawcett,

THAT THE NON-UNION STAFF OF THE HAMILTON PUBLIC LIBRARY RECEIVE THE SAME SALARY ADJUSTMENT FOR THEIR RESPECTIVE PAY BANDS AS THOSE APPROVED BY CITY COUNCIL FOR CITY OF HAMILTON NON-UNION STAFF.

MOTION CARRIED.

11. DATE OF NEXT MEETING

Wednesday, June 16, 2010
Central Library, Board Room, 5th Floor
5:00 p.m. Meeting
7:00 p.m. Chairman's Dinner

12. ADJOURNMENT

MOVED by Ms Gautrey, seconded by Mr. Gumieniak,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF
WEDNESDAY, MAY 19, 2010 BE ADJOURNED.**

MOTION CARRIED.

The meeting was adjourned at 7:305 p.m.

Minutes recorded by Karen Hartog.



Hamilton Public Library

DATE: June 16, 2010

REPORT TO: Chair and Members of the Board

C.C.: Ken Roberts, Chief Librarian

FROM: Lisa DuPelle, Director of Human Resources

SUBJECT: Recommendation to change approval authority

RECOMMENDATION:

That the Library Board shifts the responsibilities associated with approval and program development for the following policies to the Administration Committee:

- **Workplace Violence Prevention Policy/Program**
- **Workplace Harassment Policy**
- **No Smoking Policy**

BACKGROUND:

A number of policies and procedures were approved after amalgamation. Some were established at the Board level and some were established at the Administration level. We are still adjusting which policies belong at which level, with pure policy being the responsibility of the board and with the more frequently changed programs and practices residing at the Administration level.

The responsibility for Health and Safety program development has been a Human Resources function, and a review and audit of the current programs and practices is ongoing to meet legislative requirements. The Administration level approves policies and programs that impact the day to day operation of the organization and these fit within that mandate.



Hamilton Public Library

Date: June 10, 2010

To: Chair and Members of the Board

c.c. Ken Roberts, Chief Librarian

From: Beth Hovius, Director of Public service

Subject: Collections HQ

RECOMMENDATION: That \$29,500 US plus applicable taxes and delivery from the Reserve for Library Collections (106006) be allocated to purchase Collections HQ.

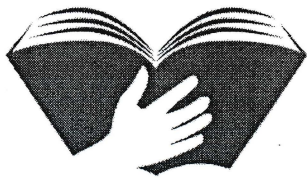
Background:

Collections HQ is a data gathering tool that sits atop our integrated library system and allows us to analyze the development, use and configuration of our collection in a way that has never been possible until now. The data available can be used for the following:

- Forecasting and analyzing previous orders to assist in a more succinct selection process.
- Identify holes in the collection and integrates with Global Books in Print to allow a seamless ordering solution.
- Allows the ability to examine classics and titles always in high demand and determine the need for replacement.
- Identify surpluses and shortages of categories of material so that items can be shifted from one branch where they're not being used very much to another branch where they will be.
- Analyze use and aggregates data to help create a coordinated centralized weeding process.
- Branches will be able to use this to market collections.

Overall, it's the perfect tool to help maintain a shared collection.

There are sufficient funds in the Reserve for Library Collections to cover the purchase. This tool will be used to inform purchasing decisions and will help ensure that we get good value from our Materials expenditures in a rapidly changing environment.



Hamilton Public Library

Date: June 10, 2010
To: Chair and Members of the Board
c.c. Ken Roberts, Chief Librarian
From: Beth Hovius, Director of Public service
Subject: 2010 Terryberry shelving

RECOMMENDATION: That up to \$125,000 from the Reserve for Library Major Capital Projects (106008) be allocated to replace the shelving at Terryberry Library.

Background:

Plans for the Terryberry renovation are nearing completion. It is expected that the renovation will go to tender early this summer with the actual renovations taking place this fall.

Initially we had planned to reuse the existing shelving. However, further investigation shows that the existing shelving at Terryberry is a compilation of shelving from three different manufacturers which are not interchangeable. Some of it dates back to 1970 and is showing its age. It will be very difficult to reassemble it because it is a mix of metric and imperial measurements, and the reassembly costs will increase the renovation costs. If there are problems, reopening could be delayed.

We are recommending that the shelving be replaced so that it matches the current shelving standards which are lower, and which facilitate the display of materials within the stacks. This will do a lot to improve the overall appearance of Terryberry.



Hamilton Public Library

Date: June 10, 2010
To: Chair and Members of the Board
From: Ken Roberts, Chief Librarian
Subject: Draft Statement on Sustainability

We have been closely following the ways in which budget pressures have affected many US library systems. We see a trend. Library Boards initially propose a balanced approach, closing under-performing library locations so that any cost reductions do not result in shortened hours at all locations and a high cost of maintaining buildings and computers and infrastructure that are unavailable. The end result is often single shifts at even the largest locations, with the entire budget reduction borne by staff reductions and materials budgets. The belief seems to be that a library is a building.

I thought it might be a good idea for this Library Board to develop and approve a Statement of Sustainability so that any future library board facing budget difficulties could have a set of principles upon which to turn. The concept is the same as that used for Reconsideration and Collection Development policies. The principles of Intellectual Freedom are generally approved by library boards when there is not a pressing and immediate issue regarding a specific item.

I am hoping to have a Statement for approval at the September Board meeting. It should be short and to the point. Here is my first draft for comment.

DRAFT **Hamilton Public Library Board** **Statement on Sustainability**

It is the responsibility of the Hamilton Public Library Board to ensure that the funding it receives provides the best possible library service to Hamilton residents. Libraries thrive when four core elements are present. These elements are:

1. Collections that are relevant and that are available when people need them;
2. Facilities that are busy, attractive, accessible and open sufficient hours to justify their costs;
3. Technological infrastructure that is robust and capable of adapting to changing customer demands and expectations;

4. Staff that are knowledgeable, trained and who perform work that provides relevant value to those they serve.

- When too much or too little of the available funding is disproportionately spent on any single element or elements, a library system cannot operate effectively or provide relevant on-going service to the residents of its community.

It is the responsibility of the Library Board to ensure that a proper balance is maintained.

Chief Librarian's Report June, 2010

OLITA Digital Odyssey

Fiacre O'Duinn, Cataloguing Librarian, was a featured speaker at the annual OLITA Digital Odyssey conference on June 11. Fiacre's session topic was 'Augmented Reality'

CLA Conference

A number of HPL staff spoke at the CLA conference in Edmonton this month. Rebecca Raven, Michael Ciccone, Aida Rudnick, Maureen Johnson presented a session entitled: "Who's Driving the Bus? Creating a Customer Service Focus at Hamilton Public Library". Darcy Glidden presented at 'By Spoon or By Shovel: The Inside Scoop on Mass and Boutique Digitization'. I was a speaker at the pre-conference on "What The Best Do Best."

ALA Conference

I will be a speaker at an ALA pre-conference on Positive Organizational Scholarship and will also be a speaker at the Urban Libraries Council, talking both about our school board written agreements and our work on the portal that supports ULC concepts of libraries as community builders.

Copyright Legislation

The federal government has tabled one copyright legislation, Bill-32, with the expectation that it will pass later this year. Those who have looked at the legislation from the viewpoint of libraries state that it is "more friendly" than the last two tabled copyright bills (both of which died when federal elections were called). There is caution about the broad scope given to copyright holders to implement digital locks at their discretion. The implication for libraries is uncertain. The concern is that copyright holders may be able to introduce new restrictions on the use of material to which they hold rights, at their discretion. This concept could circumvent fair use rights that are built both into former legislation and into common law.

Public Printing

In advance of the reopening of the Central Library, staff in Digital Technology are reviewing options around public printing and public computing. The current fleet of photo-copiers are due to be replaced and staff hope to save costs and reduce energy consumption by replacing both photo-copiers and printers with new multi-function devices. Staff are also investigating software that would support: printing over the wireless network, colour printing and online payments. Staff are awaiting the outcome of a City of Hamilton RFP for printing to determine if the hardware selected in the contract will meet our needs. Currently there is \$172,279 in a printing reserve account that is intended to be used to replace capital equipment for public printing. Between now and September staff intend to make a recommendation to the Board that would utilize some of those funds to replace printing equipment.

Staff Parks Committee and Memorial Park

I had asked the City's Parks Committee about their views on the possible use of Memorial Park as a site for a library. Here is their response.

Hello Ken:

Further to your inquiry on potentially moving the library to Memorial Park in Waterdown, I brought this concept to the members of the park staff committee meeting of May 19, 2010.

The committee noted that at a minimum the existing senior soccer field would be lost in Memorial Park and also potentially impact a baseball diamond within the park as well, depending on the layout of the library proposal.

Former Flamborough staff noted that a previous proposal for a YMCA facility in this park was denied by Council at the time, due to the potential impact on the baseball diamond(s) at that time.

The staff committee concluded that it was not in agreement in principle to move the Waterdown Library to Memorial Park in Waterdown, due to the potential loss of sports fields in the park.

Thank you.

Robert Norman
Manager, Landscape Architectural Services
Strategic Planning and Rapid Transit
Environment & Sustainable Infrastructure
Public Works
City of Hamilton

Hours at Central

We will be bringing suggestions for changed Central Library hours to the September Board meeting. The renovations to the Central Library create an exciting entrance to Jackson Square from York Blvd. Many people who work in Jackson Square or one of the office buildings park along York and could use the library as a shortcut to work. Now that the library itself is easily available to people who travel along the corridor, we will want to highlight our services and open the first floor before nine am. We may have other adjustments to propose as well.

Knowledge Ontario

Knowledge Ontario is the provincial non-profit organization that provides us with some of our electronic databases, the support for the AskOn chat-based reference service and the OurOntario digitization products. Knowledge Ontario also provided the seed funding for BiblioCommons. Knowledge Ontario learned, on Thursday, June 3rd that it will not receive additional funding from the Province. The database funding was given to the Southern Ontario Library Services and to Ontario Library Services – North. This is a huge disappointment. The original concept of Knowledge Ontario was to help create seamless library services across sectors, allowing all school students, for example, to learn how to access information resources that would then be available to them as adults in society. I am on the Board for Knowledge Ontario.

Meeting User Needs III

Every couple of years I write a report to staff that tries to paint a path, predicting the specific pressures on us and Board strategic priorities and our responses. I have attached the third of this series, which was released to staff on Friday, June 11th.

Meeting User Needs III Thoughts on our Next Decade

Ken Roberts,
Chief Librarian,
Hamilton Public library
June, 2010

I have written two other documents under the banner *Meeting User Needs*. Both documents were written to highlight changes in the world around us and to identify how we would react. Both proved accurate. This is the third document in that series.

We are monitoring dramatic decreases in library funding in some U.S. cities. Ironically, these decreases are coming in the midst of a huge boom in library popularity. Nevertheless, library systems in major cities are reeling from significant budget cuts or proposed cuts.

Canadian libraries are faring better, but our funding model tends to see libraries struggle when there are periods of high inflation combined with local concentrations of low income or fixed income residents. Analysts are predicting a period of higher inflation. We are monitoring how American libraries are dealing with this crisis to see what lessons we can learn.

You all know that one of my favourite comments is that our best budget protection is the provision of great service. We need, always, to remain vital to people's lives.

Many of you remember the budget cuts that this library system endured in the early nineties. It was not a pleasant experience. Our way out of that dilemma was to become more customer focused. We launched system-wide holds and customer-placed holds and introduced public computers; Council began to fund us again.

This document represents my best guesses about our future over the next few years. This document outlines some of the challenges and pressures I expect us to face and the responses we are planning to make. This document is intended to help us face real challenges by developing strategies that allow us to flourish.

Contents of this report

1. Assumptions about the next ten years

When planning for the future, we all carry assumptions in our heads. Writing down these assumptions allows for unspoken factors that influence decisions to be shared. Assumptions are supposed to be the views of experts about *external factors* likely to affect an organization's future.

2. Board Strategic Priorities 2007 - 2011

All of our plans for the future must incorporate the Hamilton Public Library Board's Strategic Priorities.

3. Facilities Master Plan

The Library Board approved a Facilities Master Plan in 2007. It establishes the mood we are trying to achieve in all branches and it is the primary reason we have been able to attract funding for our buildings. The City of Hamilton is planning to produce a ten-year facilities plan this coming fall and we will update our Facilities Master Plan to mesh with what they produce.

4. Strategic focus for the next few years

This part of the report includes major actions we intend to take over the next few years.

5. Concluding Comments

1. Assumptions about the next ten years

Assumption #1: Our very survival as an organization is dependent upon us remaining relevant and vital to the lives of people

Libraries were one of the first public services to face external competition. As electronic information has proliferated, libraries have shown a remarkable ability to re-focus their business and to define it less by format (books) and more by content.

The Hamilton Public Library Board's shift to a Mission Statement stating "Freedom to Discover" is more than the adoption of a new slogan. It represents a commitment to the reason libraries are a societal necessity and must remain strong. There is a danger that, without libraries, a technology-driven world could see people with money have access to incredible amounts of information while people without money have access to almost nothing.

We have to demonstrate, repeatedly, that our city is stronger and more vibrant when its library system is strong. We can only prove this point by continuing to provide value to customers each and every day.

Assumption#2: All of our funding is vulnerable

This is probably our safest assumption. It is being made by almost all analysts. The reasoning is simple. Baby boomers are getting older and health care costs will continue to increase well above inflation. In addition, governments will have to repay their debts, creating pressures on all public funded services. There are fears of increased inflation. Inflation is hard for property-tax driven municipalities to manage since it severely affects residents on fixed income.

Assumption #3: More library buildings require renovations than our funding will allow

Regulations for the *Ontarians with Disabilities Act* will make it hard for many small and older library buildings across the province to offer services. We will see more emphasis on the development of multi-use facilities so that the costs of accessible washrooms, etc, can be shared by partners. It is possible that library systems may have fewer buildings but larger ones. As we know, there is a growing tension between the desire of some customers for quiet spaces and the fact that many newer, computer-based services are noisy. This makes the construction of libraries, particularly smaller ones, challenging.

Older cities such as Hamilton will also have to invest more heavily in roads and sewage treatment, creating additional competition for limited Capital funds.

We are learning valuable lessons by watching how many American libraries are facing their current budget problems. Our Library Board is committed to the concept that library systems are healthy when there is a balance between our spending on staff, buildings, and collections.

Assumption #4: Electronic material will soon form a significant portion of our circulation.

The length of this explanation does not mean that this assumption is more important than others. It means that it has emerged so quickly that it requires more discussion.

Amazon sold an estimated 500,000 Kindles in 2008 and more than 1,500,000 in 2009. The launch of Apple's iPad and of the HP tablet later this summer is expected to speed the trend toward people reading books on electronic screens. Apple had been hoping to sell 3,000,000 iPads in 2010 but will exceed that figure in less than three months. We know that school systems and universities are turning to electronic textbooks as a means of reducing costs. My daughter's Grade 9 math book is on-line. Students are going to become even more comfortable with reading from screens instead of paper.

Early indications suggest that many dedicated print readers of fiction are likely to gravitate to electronic formats. It is easy to increase the size of print in electronic readers, making many

more books available to senior citizens and to those with vision problems. It is easy to carry more books when travelling or to download books from home when needed.

We assume that printed books will continue to be the prevalent format for fiction for some time but that electronic formats will gain a strong and dedicated following far more quickly than had been expected even a year ago. We also assume that e-book customers will demand that libraries provide free access to virtually anything ever published, creating both an opportunity and an expectation that will be hard to meet.

We will have to monitor this assumption closely since the trend is relatively new. There is concern that the use of e-readers may explode so quickly that it will be hard for libraries to react before dedicated readers gravitate to other ways to get material. There is also concern within the publishing and book distribution industry that, if e-books are quickly accepted by more than 10 – 20% of consumers, the price of printed books may rise dramatically and cause the shift to e-publishing to escalate.

There is also the possibility of a related trend. Some major publishers are beginning to consider publishing some titles (e.g. new authors) in electronic formats only – no print at all. If this occurs, the demand for electronic access may speed up even more.

Without doubt, libraries need to understand this trend and to be prepared to support electronic readers, just as we have supported people as they shifted to newer music and video formats. This trend has been more obvious in academic libraries over the past few years. It does not result in smaller libraries or fewer staff but it does mean a shift in expectations and services.

Assumption #5: Current services and processes will continue to change repeatedly.

This is a safe assumption. The services provided by libraries have changed enormously over the past ten years. There are fewer in-person reference questions and fewer telephone questions but these reductions are balanced by increases in electronic use. All analysts predict that the shift toward electronic services is accelerating, not slowing down.

It seems that there is no longer any opportunity to take a deep breath and re-group. The changes that we are likely to face will be driven by customer expectations and by economics. The management of constant change will become a priority for all library systems.

Assumption #6: Future jobs will be less repetitive and will focus more on public service.

This is also a safe assumption. It is one made by analysts in virtually all industries. Computers and even robotics will take on more and more repetitive tasks. We have seen this in the past (remember calling all customers about picking up their holds?) and we will see it escalate in the future. The impact is clear. Future jobs will be more focused on direct customer service and less focused on off-desk activities.

Assumption #7: Competition from the private sector for services we once considered our exclusive domain will continue to increase.

This seems a safe assumption. Google Book Settlement, the potential for database providers to sell through delivery agents other than libraries, and the emergence of inexpensive downloadable movies and books all point to a future where the traditional services of libraries will face even more “competition.” Those libraries that best survive such pressures will be those that remain relevant and that develop an organizational culture of adaptation.

Assumption #8: privacy/intellectual property issues will become more complex.

Libraries distribute copyright material. New media make it easier for copyright material to be shared, modified and edited. New media sites often reject responsibility for the ways customers modify copyright material but international law (WIPO) is attempting to provide limitations. There is enormous pressure from entertainment oriented corporations to add

restrictions to fair use components of copyright law. It is hard to anticipate the affect on public libraries but easy to assume there will be an impact. New Canadian copyright legislation was introduced just last week and if it passes, as written, will have an impact on libraries.

2. Board Strategic Priorities 2007 - 2011

The Hamilton Public Library Board has adopted the following strategic priorities.

Strengthening the Community

The Hamilton Public Library will be a source of civic pride. We will offer welcoming public spaces where ideas are freely explored, events take place and people of diverse backgrounds feel equally at home. The library will make a positive social and economic impact. The library will preserve Hamilton's historic past and help community members to shape our future.

Strengthening Individuals

The Hamilton Public Library will serve people in ways that are relevant to their unique circumstances. The library will make it easy for users to find what they are looking for and to delight in the discovery of things that are new. We will unite people, information and ideas using technology and personal service. The library will search for exciting ways for community members to become engaged in the development of library services.

Strengthening our Organization

The Hamilton Public Library will be a global leader, helping to ensure that public libraries remain relevant institutions. With a strong culture of leadership, the Hamilton Public Library will be both dynamic and resourceful. The library will embrace change to ensure that we are both relevant and effective. Staff will be encouraged to think, to contribute and to grow as knowledge workers.

3. Facilities Master Plan

The Library Board approved a Facilities Master Plan in 2007. It says a great deal about the mood that board members expect all physical and virtual libraries spaces to provide. Here is a key quote.

"Public libraries have learned that the public likes facilities that look attractive and that make them feel comfortable. While inside library branches, people want to use cell phones, eat, drink, and stay connected. At the same time, others demand space that allows them to escape. The nature and the quality of the space that is provided affects the way that people use that space, the frequency with which they will use that space, and their attitudes toward the library system. There is an expectation that facilities will be cleaned, maintained, and upgraded on a regular basis."

4. Strategic focus for the next few years

Here are a number of potential changes to our library system that recognize the assumptions we have made, the Library Board's strategic priorities, and the directive statements found in the Facilities Master Plan.

Public spaces

Recent construction and renovation projects all adhere to the Library Board's Facilities Master Plan. Ancaster and Turner Park create the mood that customers expect. Plans for Central and for the Lynden Branch contain these elements as will Waterdown. We have used as many of these elements as possible, given budgets, in the Westdale, Concession, Dundas and Sherwood renovations and will do the same at Terryberry, Red Hill, Barton and Kenilworth.

Virtual space such as the library's website and myhamilton.ca will adhere to the Board's desire for space that the public finds attractive and easy to use. Virtual and physical spaces will promote the library's collections, highlighting the work of our Collections Management staff. It is assumed that funding will be harder to find in the future and that it is important to upgrade our spaces whenever opportunities present themselves.

Almost all major studies on the future of libraries focus on the importance of quality library space and the concept of libraries as community hubs located in visible sites. Studies also focus on the changing nature of our clientele. For example, the generation of parents that willingly registered for storytimes is decreasing in numbers. The generation of parents that expect to drop-in and to attend storytimes is getting larger. We have to adjust, not try to force our clientele to adjust to us.

RFID

Radio Frequency Identification technology addresses issues that arise from a number of assumptions and Board directives. We know that business is increasing and that Holds have rapidly climbed from less than 5% of all circulations to more than 20%. We know that Holds require more staff handling than a simple check-out. RFID enables us to maintain services that people expect. The intent is to help existing staff to handle increased business.

Electronic Formats

We are an early adopter of new electronic formats such as downloadable audio and downloadable books. One of our Values is Innovation. We want to make sure that we are prepared to integrate new formats into our service model and are aware of their potential and their problems. We want to be prepared to handle electronic books as more and more customers purchase readers and demand services. We do not want to be surprised. We want to integrate new services that people will increasingly desire.

hpl.ca and myhamilton.ca

Re-casting the portal is a key element in helping us to meet strategic priorities. It helps us to build community partnerships and to build stronger technology skills for staff. It helps our City's economy and reputation to grow, making it easier for residents to find and understand services that are available to them. The new portal is our first use of open source software, making it extremely inexpensive. This, in itself, has been a good learning experience.

partnerships

Community partnerships have been a strength of the Hamilton Public Library for decades. We must continue to explore partnerships where they help us to advance our services and our aspirations. For example, partnering with other agencies to construct multi-use facilities allows us to share accessible washrooms and services. It also helps to create buildings that are more secure. We plan to strengthen our partnerships with key community agencies.

Central Library

The Central Library is in the midst of its renovations and will re-open in the Fall, 2010. The literature on Central Libraries indicates that large Central libraries are moving away from an emphasis on "research" towards an emphasis on "public." We fully expect the renovations to the first floor to meet the Library Board's directions in terms of inviting space and we fully expect it to become a magnet for increased use.

BiblioCommons

BiblioCommons will allow our customers to add reviews to the catalogue, to create reading lists in their own accounts, and to keep track of books they have read or want to read. We are now playing with a live site and we plan to implement the BiblioCommons product this summer. BiblioCommons addresses the concern that current library catalogues provide little

"value" to customers and do not respond in ways that people expect when they search and use commercial websites. BiblioCommons is an important tool to help us stay relevant to customers.

Change and Job security

Services, jobs and responsibilities will change repeatedly over the next decade. We have increased our training budgets and supported all aspects of re-training. We plan to use every retirement or departure as a way to review staffing models. The roles of staff will certainly change and we will hire staff that we feel can adapt to new situations. Librarians, for example, will be hired as much for their future management potential as for their initial responsibilities.

The Library Board has committed to ensure that RFID does not eliminate jobs. This is not a promise that all jobs will remain the same or that other factors (such as municipal economics or the changing ways that customers use libraries) might cause job loss. We will continue to work hard to minimize any and all impacts that change might bring.

As stated in the Assumptions, it is clear that the amount of time that staff spend on repetitive activities will decrease. For example, as downloads become more and more popular (and they will) there may be less staff time required to check out, check in or to re-shelf material.

At the same time, there is huge potential for staff to help customers more formally with questions they are already asking – how to upload and download pictures and send them to relatives and friends or how to download material found on our own website.

Urban and Rural Service Delivery Plans

The Library Board has now passed an Urban Service Delivery Plan and accepted the directions for our emerging Rural Service Delivery Plan. Each plan attempts to expand library services to designated areas of the city. The Board recognizes that it is not possible to maintain or replace all of our library buildings but also recognizes that service can be provided in other ways.

5. Concluding comments

We are in good shape. So far, we have done a good job of anticipating trends and we have adapted to customer needs. Whenever I talk to customers, they continually tell me of their delight in our Holds system and in our ability to deliver good, new material quickly and efficiently. They repeatedly compliment staff and the service you provide.

People genuinely recognize the value we bring to our city. We should be proud. Our services are strong. Our community support is high. We have been able to retain most of our staffing levels and this, in itself, is an accomplishment. We are widely viewed as a responsive organization that continues to focus on customer needs.

You are welcome to ask questions and I will certainly answer whatever I can. We commit to treat staff with respect and to try to protect jobs by ensuring that the Hamilton Public Library continues to provide relevant services that are of high value to our city and its residents.

Report to the Audit Committee - Communication of audit results

Hamilton Public Library Board
For the year ended **December 31, 2009**

DRAFT

June 4, 2010

Grant Thornton LLP
Standard Life Centre
120 King St. W.
Suite 1040
Hamilton, ON
L8P 4V2
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To the members of the audit committee of the Hamilton Public Library Board

We are pleased to report that we have now substantially completed our audit of the financial statements of Hamilton Public Library Board for the year ended December 31, 2009. We have attached our draft auditors' report. We will finalize this auditors' report once we have the opportunity to discuss the results of our audit with you.

The report to the audit committee has been prepared in accordance with the assurance recommendations issued by the Canadian Institute of Chartered Accountants (CICA) entitled "Communications with Those Having Oversight Responsibility for the Financial Reporting Process". That standard recommends we communicate with the audit committee various matters including: the overall audit strategy, our responsibility as auditors, any matters arising from the audit, misstatements, significant accounting policies, and any other matters that may be of interest to the audit committee.

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

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

Yours sincerely
Grant Thornton LLP

Allister Byrne, FCA
Partner

cc: Robin Hewitt

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Status of the audit

We have substantially completed our audit of the financial statements of Hamilton Public Library Board for the year ended December 31, 2009 and the results of that audit are included in this report.

As noted in the covering letter, we have attached our draft auditors' report as Appendix A. The following items need to be addressed/completed before that report is signed:

- Receipt of legal confirmation;
- Finalization of actuarial valuations for post-employment benefit liabilities;
- Receipt of signed management representation letter (draft has been attached as Appendix B); and
- Approval of the financial statements by the Audit Committee.

Audit results

Summary of misstatements

Our audit did not identify any misstatements.

Summary of disclosure matters

Our audit did not identify any misstatements.

Reportable matters

Internal control

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

Through our role as auditors of your financial statements we possess an understanding of the entity and its environment, including internal control. However, a financial statement audit is not designed to provide assurance on internal control. Professional standards do require us to communicate to the audit committee significant deficiencies and material weaknesses in internal control that have come to our attention in the course of performing the audit.

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

Significant new accounting policies

The following significant new accounting policies were implemented by Hamilton Public Library Board in the year:

- Effective January 1, 2009, the Library adopted the Public Sector Accounting Handbook (PSAB) Section 1200 - Financial Statement Presentation, which became applicable to local governments as of that date. This section requires the adoption of full accrual basis of accounting and the reporting of the change in net financial assets and accumulated surplus. The Library's financial statements are now presented on this new basis and the comparative figures have been restated to conform with the new basis of presentation.
- Effective January 1, 2009, the Library adopted the PSAB Section 3150 - Tangible Capital Assets. The Library has recorded its tangible capital assets for 2009, as well as 2008 for comparative purposes.

Cooperation during the audit

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

Consultations with other accountants

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

Fraud and illegal acts

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

Independence

As external auditors of Hamilton Public Library Board, we are required to be independent in accordance with Canadian professional standards. These standards require that we disclose to the audit committee all relationships that, in our professional judgement, may reasonably be thought to bear on our independence. We have provided a letter to the audit committee dated November 30, 2009, as part of our audit planning memo, which confirms our independence with respect to Hamilton Public Library Board.

Technical updates

Canadian standards in transition

Auditing standards

The Auditing and Assurance Standard Board (AASB) is adopting the International Standards on Auditing (ISAs) as Canadian Auditing Standards (CASs). The CAS's are in effect for year ends ending on or after December 14th, 2010 and will constitute Canadian Generally Accepted Auditing Standards (GAAS). The financial statement auditing standards in the current CICA Handbook – Assurance remain in effect until the effective date of the CASs.

Appendix C summarizes the CASs that may change the nature, timing and extent of our audit procedures on Hamilton Public Library Board and our communication with those charged with governance.

These auditing changes have had no effect on Hamilton Public Library Board for this year.

Appendix A – Draft auditors' report

To the Board Members, Members of Council, Inhabitants and
Ratepayers of the Corporation of the City of Hamilton

We have audited the consolidated statement of financial position of the Hamilton Public Library Board as at December 31, 2009 and the consolidated statement of operations, changes in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Hamilton Public Library Board derives revenue from donations and cash sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Hamilton Public Library Board and we were not able to determine whether any adjustments might be necessary to donations and other revenue, net expenditures, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Hamilton Public Library Board as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

Appendix B – Draft Management representation letter

June 4, 2010

Grant Thornton LLP
Standard Life Centre
120 King Street West
Suite 1040
Hamilton, Ontario
L8P 4V2

Dear Mr. Byrne:

We are providing this letter in connection with your audit of the financial statements of the Hamilton Public Library Board as of December 31, 2009, and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, changes in net financial assets and cash flows of the Hamilton Public Library Board in accordance with Canadian generally accepted accounting principles.

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

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

We confirm, to the best of our knowledge and belief, as of June 4, 2010, the following representations made to you during your audit.

Financial statements

1. The financial statements referred to above present fairly, in all material respects, the financial position of the entity as at December 31, 2009 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Completeness of information

2. We have made available to you all financial records and related data and all minutes of the meetings of directors, and committees of directors.
3. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
4. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
5. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
6. We have identified to you all known related parties and related party transactions, including grants, contributions, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration.

Fraud and error

7. We have no knowledge of fraud or suspected fraud affecting the entity involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, analysts, or others.

Recognition, measurement and disclosure

9. We believe that the significant assumptions used in arriving at the fair values of financial instruments as measured and disclosed in the financial statements are reasonable and appropriate in the circumstances.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.
11. All related party transactions have been appropriately measured and disclosed in the financial statements.
12. The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.

13. All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
14. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
15. With respect to environmental matters:
 - (a) at year end, there were no liabilities or contingencies that have not already been disclosed to you;
 - (b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the financial statements; and
 - (c) commitments have been measured and disclosed, as appropriate, in the financial statements.
16. The entity has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the entity's assets nor has any been pledged as collateral.
17. We have disclosed to you, and the entity has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
18. The Goods and Services Tax (GST) transactions recorded by the entity are in accordance with the federal and provincial regulations. The GST receivable amounts recorded by the entity are considered complete.
19. Employee future benefit costs, assets, and obligations have been determined, accounted for and disclosed in accordance with the requirements of PS 3255 *Post-employment Benefits, Compensated Absences and Termination Benefits* of the Canadian Institute of Chartered Accountants Public Sector Accounting Handbook.
20. There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

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

Yours very truly,

.....
[Chief Librarian]

.....
[Director, Finance and Facilities]

Canadian Auditing Standards (CASs) issued by the CICA	Effective date
<p>CAS 260 – Communication with Those Charged with Governance</p> <p>This CAS will replace Section 5751, Communications with Those Having Oversight Responsibility for the Financial Reporting Process. The significant changes from the existing standard are as follows:</p> <ul style="list-style-type: none"> • only auditors of listed entities have to confirm their independence and disclose relationships that bear on their independence • communications regarding fees for audit and non-audit services would be required only of auditors of listed entities • identify the appropriate persons with whom to communicate • establish a communication process (form, timing, and expected general communication) • communicate on a timely basis 	<p>Applies to audit of financial statements for periods commencing on or after December 15, 2009.</p>
<p>CAS 501 – Audit Evidence Regarding Specific Financial Statement Account Balances and Disclosures</p> <p>This CAS will replace Sections 6030, Inventories, and 6560, Communications with Law Firms. Under the new requirements, there are litigation related differences as follows:</p> <ul style="list-style-type: none"> • Expands the auditor's requirement to send legal letters to where the auditor "believes a claim may exist" • Decreased guidance in respect to dispute resolution between an entity's legal counsel and the entity. • Explicit requirements when management refuses to give <p>Reduced requirements relating to segment information include the need to obtain management representations on segments has been removed.</p>	<p>Applies to audits of financial statements for periods commencing on or after December 15, 2009.</p>
<p>CAS 560 – Subsequent Events</p> <p>This Canadian Auditing Standard (CAS) deals with the auditor's responsibilities relating to subsequent events in an audit of financial statements.</p> <p>This CAS will replace Section 6550, Subsequent Events. The significant change from the existing standard is as follows:</p> <ul style="list-style-type: none"> • Canadian standards previously described the audit report date as <i>the date the auditor identified and sought all audit evidence</i>. CAS 560 specifies that the date of the auditor's report is to be no earlier than <i>the date on which the auditor has obtained sufficient appropriate audit evidence on which to base the opinion on the financial statements</i>. Sufficient appropriate audit evidence is defined differently by CAS 560. It includes evidence that the entity's complete set of financial statements has been prepared and that the directors or management have asserted that they have taken responsibility for them. <ul style="list-style-type: none"> o The date of approval of the financial statements is defined as the date on which the directors or management state that they have prepared the entity's complete set of financial statements, including the related notes, and that they have taken responsibility for them. Therefore the date of the auditor's report will be no earlier than the date of approval of the financial statements in final form by the directors or management. • When a matter is noted after the audit report that may change the content of the disclosures, CAS 560 now requires an inquiry with management on how they intend to address the matter in the FS • If the FS are amended after release, the auditor is required to review the steps taken by management to inform anyone who received the previous statements. • Additional options for dual dating reports that are not available in the current standards. 	<p>Applies to audits of financial statements for periods commencing on or after December 15, 2009.</p>

Canadian Auditing Standards (CASs) Issued by the CICA			Effective date
CAS 570 – Going Concern No current exact standard has been replaced, but components of Section 5510, Reservation in the Auditor's Report have been replaced. New requirements include: <ul style="list-style-type: none">Detailed analysis of management's assessment of the entity's ability to continue as a going concern.Performance of procedures to determine whether a material uncertainty exists regarding the going concernAppropriately disclosures of uncertainties/events/ or conditions that place uncertainty to the ability to continue as a going concern			Applies to audits of financial statements for periods commencing on or after December 15, 2009.
CAS 580 – Written Representations This Canadian Auditing Standard (CAS) deals with the auditor's responsibility to obtain written representations from management and, where appropriate, those charged with governance. This CAS will replace Section 5370, Management Representations. The significant changes from the existing standard are as follows:			Applies to audits of financial statements for periods commencing on or after December 15, 2009.
Subject	Requirements of CICA 5370	Revised requirements of CAS 580	
Application	All representations provided by management (written or oral, explicit or implicit, solicited or unsolicited)	Only written representations that have been provided in response to the auditor's request	
Distinction	N/A	Written representations can be either "general" or "specific" based on their subject matter.	
If a general written representation is not obtained	Either: <ul style="list-style-type: none">issue a qualified opiniondisclaim an opinion	Disclaim an opinion	
Who provides the written representations?	Management	Determine who the relevant party is, i.e., chief executive officer, chief financial officer, other equivalent person	
Matters to obtain representations about	<ul style="list-style-type: none">items material to the financial statementsitems that are significant to the engagementitems relevant to management's judgments and estimates that are material to the financial statements	Obtaining specific written representations is a matter of professional judgment*. <u>*Exception:</u> CAS 540 requires written representation from management regarding the reasonableness of significant assumptions used in making estimates.	
CAS 710 - Comparative information – Corresponding Figures and Comparative Financial Statements This CAS will replace Section 5701, Other Reporting Matters and Auditing Guideline 8, Auditor's Report on Comparative Financial Statements. The auditor must determine whether the financial statements include comparative information required by the applicable reporting framework and whether the information has been classified appropriately.			Applies to audits of financial statements for periods commencing on or after December 15, 2009.

Financial Statements

Hamilton Public Library Board

December 31, 2009

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Hamilton Public Library Board

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Auditors' report

Hamilton Public Library Board

Consolidated Statement of Financial Position

as at December 31

2009

2008

(Restated –
Note 1)

Financial assets

Cash	\$ 38,637	\$ 56,170
Accounts receivable	138,574	199,124
Due from City of Hamilton (Note 2)	<u>9,584,744</u>	<u>8,796,248</u>
	<u>9,761,955</u>	<u>9,051,542</u>

Liabilities

Accounts payable and accrued liabilities	1,492,258	850,498
Due to trust funds	363,591	419,395
Liability for future benefits (Note 3)	<u>2,085,818</u>	<u>2,090,199</u>
	<u>3,941,667</u>	<u>3,360,092</u>

Net financial assets

	<u>5,820,288</u>	<u>5,691,450</u>
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Non-financial assets

Prepaid expenses	26,828	31,133
Tangible capital assets (net) (Page 12)	<u>11,817,286</u>	<u>11,384,638</u>
	<u>11,844,114</u>	<u>11,415,771</u>

Accumulated surplus

	<u>\$17,664,402</u>	<u>\$17,107,221</u>
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Commitments (Note 6)

On behalf of the Board

Director

Director

See accompanying notes and schedule to the financial statements.

Hamilton Public Library Board

Consolidated Statement of Operations

For The Year Ended December 31

	Budget 2009 (unaudited)	Actual 2009	Actual 2008 (Re-stated – Note 1)
Revenue			
Municipal contribution	\$26,606,375	\$ 26,606,375	\$25,248,372
Province of Ontario grants	949,450	949,451	949,451
Other grant revenue	581,280	678,189	856,841
Fines	426,370	460,614	443,241
Photocopier revenue	28,370	32,732	30,999
Other – rentals, sales and recoveries	79,910	116,208	324,891
Interest	-	295,302	286,391
Contribution from Municipal reserves	281,490	366,443	164,853
Contributions from trust funds	-	68,844	15,000
Donations	-	23,682	62,443
	<u>28,953,245</u>	<u>29,597,840</u>	<u>28,382,482</u>
Expenditures			
Employee costs	19,997,917	19,058,155	19,376,031
Amortization	-	3,154,035	2,837,777
Facility costs	2,306,120	2,474,953	3,134,901
Long term debt charges (Note 4)	351,310	350,294	220,643
Supplies and services	<u>2,761,318</u>	<u>2,851,684</u>	<u>2,057,350</u>
	<u>25,416,665</u>	<u>27,889,121</u>	<u>27,626,702</u>
Net revenue	<u>3,536,580</u>	<u>1,708,719</u>	<u>755,780</u>
Contributions from reserves to Municipality	-	<u>1,151,538</u>	<u>233,883</u>
Annual surplus	3,536,580	557,181	521,897
Accumulated surplus, beginning of year	<u>17,107,221</u>	<u>17,107,221</u>	<u>16,585,324</u>
Accumulated surplus, end of year	<u>\$20,643,801</u>	<u>\$ 17,664,402</u>	<u>\$17,107,221</u>

See accompanying notes and schedule to the financial statements.

Hamilton Public Library Board
Consolidated Statement of Changes in Net Financial Assets
For The Year Ended December 31

	<u>2009</u>	<u>2008</u>
Annual surplus	\$ 557,181	\$ 521,897
Acquisition of tangible capital assets	(3,586,683)	(3,559,332)
Amortization of tangible capital assets	<u>3,154,035</u>	<u>2,837,778</u>
	<u>(432,648)</u>	<u>(721,554)</u>
Acquisition of prepaid expenses	(26,828)	(31,133)
Use of prepaid expenses	<u>31,133</u>	<u>6,411</u>
	<u>4,305</u>	<u>(24,722)</u>
Change in net financial assets	128,838	(224,379)
Net financial assets, beginning of the year	<u>5,691,450</u>	<u>5,915,829</u>
Net financial assets, end of the year	\$ <u>5,820,288</u>	\$ <u>5,691,450</u>

See accompanying notes and schedules to the financial statements.

Hamilton Public Library Board

Consolidated Statement of Cash Flows

For The Year Ended December 31

Increase (decrease) in cash and cash equivalents	<u>2009</u>	<u>2008</u>
Cash flows from operating transactions		
Annual surplus	\$ 557,181	\$ 521,897
Non-cash charges to operations		
Amortization	3,154,035	2,837,778
Decrease (increase) in accounts receivable	60,550	(74,128)
Increase in due from City of Hamilton	(788,496)	(30,120)
Decrease (increase) in prepaid expenses	4,305	(24,722)
Increase in accounts payable and accrued liabilities	641,760	368,901
Decrease in deferred revenue	-	(5,577)
(Decrease) increase in due to trust funds	(55,804)	2,231
Cash provided by operating transactions	<u>3,573,531</u>	<u>3,596,260</u>
Capital transactions		
Purchase of tangible capital assets	<u>(3,586,683)</u>	<u>(3,559,332)</u>
Financing activities		
Decrease in future benefits	<u>(4,381)</u>	<u>(35,105)</u>
Net change in cash	<u>(17,533)</u>	<u>1,823</u>
Cash and cash equivalents, beginning of year	<u>56,170</u>	<u>54,347</u>
Cash and cash equivalents, end of year	<u>\$ 38,637</u>	<u>\$ 56,170</u>

See accompanying notes and schedule to the financial statements.

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2009

1. Summary of significant accounting policies

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

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

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

Basis of accounting

Revenues are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable, with the exception of fines and other desk receipts which are reported on the cash basis of accounting. Expenditures are reported on the accrual basis of accounting which recognizes expenditures as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

Effective January 1, 2009, the Board adopted Public Sector Accounting Handbook (PSAB) Section 1200 – Financial Statement Presentation, which became applicable to local governments as of that date. This section requires the adoption of full accrual basis of accounting and the reporting of the change in net financial assets and accumulated surplus. The Board's financial statements are now presented on this new basis and the comparative figures have been restated to conform with the new basis of presentation.

Effective January 1, 2009, the Board adopted the PSAB Section 3150 – Tangible Capital Assets. The Library has recorded its tangible capital assets for 2009, as well as for 2008 for comparative purposes. As a result, the 2008 statements have been restated to reflect the 2008 balances.

The effect of the adoption of Sections 1200 and 3150 to the previously reported financial statements is as follows:

Accumulated surplus

	<u>2009</u>	<u>2008</u>
Beginning of year, as previously reported as Library Position	\$ 5,722,583	\$ 5,922,240
Add: Recording of tangible capital assets	<u>11,384,638</u>	<u>10,663,084</u>
Beginning of year, as restated	<u>\$17,107,221</u>	<u>\$16,585,324</u>

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2009

1. Summary of significant accounting policies (continued)

Tangible capital assets

(a) Determination of costs

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed or donated tangible capital assets are recorded at their fair value at the date of receipt.

(a) Amortization

Amortization is recorded to reflect the cost, net of anticipated salvage value, associated with the use of the asset in providing Library services over the estimated useful life of the asset. Amortization expense is calculated on a straight-line basis over the assets' estimated useful lives as follows:

Books (asset pool)	7 years
Furniture, equipment and shelving	10 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Library land and buildings are owned and controlled by the City of Hamilton and are therefore not reflected in these financial statements.

Reserves for future expenditures

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital expenditures.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Due from City of Hamilton

The balance due from the City of Hamilton is non-interest bearing and has no set terms of repayment.

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2009

3. Liability for future benefits

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

Employees who have retired either under the OMERS early retirement provisions or otherwise are eligible to receive drug, extended health services and dental benefits for the lifetime of the retiree. Effective January 1, 2002 new retirees only receive benefits until age sixty-five.

The Board recognizes the post employment benefit costs as they are earned during the year. The Board's obligation under the post employment provisions of employment agreements will be funded out of current revenue.

	<u>2009</u>	<u>2008</u>
Accrued Benefit Obligation		
Vested sick leave liability	\$ 166,755	\$ 207,301
Retirement Benefits	<u>2,277,724</u>	<u>2,284,408</u>
	2,444,479	2,491,709
Net unamortized actuarial loss	<u>(358,661)</u>	<u>(401,510)</u>
Accrued Liability	<u>\$ 2,085,818</u>	<u>\$ 2,090,199</u>

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

	<u>2009</u>	<u>2008</u>
Liability for Employee Benefits and Other Obligations balance at beginning of the year	\$2,090,199	\$ 2,125,304
Benefit expenditure	62,148	58,004
Interest expenditure	120,395	122,947
Amortization of actuarial loss	42,848	42,848
Benefit payments	<u>(229,772)</u>	<u>(258,904)</u>
Liability for Employee Benefits and Other Obligations balance at end of the year	<u>\$2,085,818</u>	<u>\$ 2,090,199</u>

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2009

3. Liability for Future Benefits (continued)

Actuarial valuations are performed on post employment and retirement benefits to provide estimates of the accrued benefit obligations. These estimates are based on a number of assumptions about future events including interest rates, inflation rates, salary and wage increases, medical and dental cost increases and mortality. The assumptions are determined at the time of the actuarial valuations and are reviewed annually. Consequently, different assumptions may be used as follows:

	Discount Rate	Return on Assets	Inflation Rate	Salary Increases	Dental Increases	Life Expectancy (Years)
Vested sick leave	5%	NA	2%	3%	NA	12
Retirement Benefits – Health and Dental	5%	NA	2%	3%	3.5% (1)	12
Note (1): Medical costs are assumed to increase at a rate of 5% in 2009, 4.5% in 2010, 4% in 2011 and 3.5% in 2012 and thereafter.						

(a) Liability for vested sick leave

Effective May 1, 1982 the Income Protection Plan was adopted and sick leave credits earned under the Sick Leave Benefit Plan were frozen. Under the Sick Leave Benefit Plan unused sick leave would accumulate and employees were entitled to cash payment upon termination of services after ten continuous years. Entitlement to cash payment continues to apply to those employees who accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination. The estimated accrued benefit obligation at December 31, 2009 is \$166,755 (2008 - \$207,301).

(b) Liability for retirement benefits

The Board provides certain health, dental and life insurance benefits between the time an employee retires under the Ontario Municipal Employees Retirement System (OMERS) or the normal retirement age and up to the age of 65 years. The estimated accrued benefit obligation at December 31, 2009 is \$2,277,724 (2008 - \$2,284,408).

4. Long term debt

The City charges the Library principal and interest for long term debt, as well as sinking fund charges, related to Library facilities and other capital. These charges are funded by the City through its annual contributions. The debt is not disclosed on the statement of financial position as the City of Hamilton is legally responsible for repayment of the debt.

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2009

4. Long term debt

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

<u>Debenture Number</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>2009</u>	<u>2008</u>
01-244	Westdale Branch	3.125% to 6%	2011	113,195	125,966
01-244	Barton Branch	3.125% to 6%	2011	258,652	287,832
01-162	Central Library	4.65% to 6.75%	2016	17,426	19,346
08-120	South Mtn Complex	4.728%	2023	<u>2,785,530</u>	<u>2,930,174</u>
				<u>\$ 3,174,803</u>	<u>\$ 3,363,318</u>

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

2010	\$ 197,974
2011	488,473
2012	168,731
2013	176,842
2014	185,345

(c) The Board was charged \$350,295 (2008 \$220,643) for long term debt charges during the year as follows:

	<u>2009</u>	<u>2008</u>
Principal	\$ 188,516	\$ 111,387
Interest	<u>161,779</u>	<u>109,256</u>
	<u>\$ 350,295</u>	<u>\$ 220,643</u>

5. Pension agreements

The Hamilton Public Library makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 280 members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The latest actuarial valuation as at December 31, 2009 indicated that current member and employer contributions were sufficient to fund future benefits. Contributions were made in the 2009 calendar year at rates ranging from 6.3% to 9.5% depending on the level of earnings. As a result, \$854,767 was contributed to OMERS (2008 - \$915,104) for current service.

The Hamilton Public Library Board

Notes to the Consolidated Financial Statements

December 31, 2009

6. Commitments

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

2010	952,736
2011	738,275
2012	526,820
2013	484,400
2014	<u>484,400</u>
	<u>\$ 3,186,631</u>

7. Trust funds

Trust funds administered by the Board amounting to \$2,615,327 (2008 - \$2,489,293) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Financial Activities.

8. Accumulated surplus

	2009	2008
Consists of:		
Reserves and reserve funds	\$ 7,932,934	\$ 7,812,782
Amounts to be recovered in the future	(2,085,818)	(2,090,199)
Tangible capital assets	11,817,286	11,384,638
	<u>\$ 17,664,402</u>	<u>\$ 17,107,221</u>

Reserves and reserve funds	<u>2009</u>	<u>2008</u>
Mobile equipment	\$ 160,607	\$ 280,882
Library collections	1,128,932	1,048,554
Library general development	1,356,601	941,787
Library major capital projects	4,085,889	4,655,531
Summer reading	519,271	327,115
Redevelopment, training & restructuring	354,883	342,284
Youth Programming	12,665	12,215
Accessibility, Health & Safety	<u>314,086</u>	<u>204,414</u>
	<u>\$ 7,932,934</u>	<u>\$ 7,812,782</u>

The Hamilton Public Library Board

Schedule of Tangible Capital Assets

December 31, 2009

	Collections		Furn & Equip		Total	Total
Cost	2009		2009		2009	2008
Balance, Jan 1	\$	20,226,036	\$	1,976,287	\$ 22,202,322	\$ 18,642,990
Add:						
Additions & Betterments	\$	3,447,484	\$	139,199	\$ 3,586,683	\$ 3,559,332
Less:						
Disposals & Writedowns	\$	(2,491,909)	\$	(164,846)	\$ (2,656,754)	\$ -
Add:						
Balance, Dec 31	\$	21,181,611	\$	1,950,640	\$ 23,132,251	\$ 22,202,322
Accumulated Amortization						
Balance, Jan 1	\$	9,786,970	\$	1,030,714	\$ 10,817,684	\$ 7,979,906
Add:						
Amortization	\$	2,957,689	\$	196,346	\$ 3,154,035	\$ 2,837,778
Less:						
Accumulated Amortization on Disposals	\$	(2,491,909)	\$	(164,846)	\$ (2,656,754)	\$ -
Balance, Dec 31	\$	10,252,751	\$	1,062,214	\$ 11,314,965	\$ 10,817,684
Net Book Value						
Balance, Dec 31, 2009	\$	10,928,861	\$	888,426	\$ 11,817,287	\$ 11,384,638

Auditor's Report

The Hamilton Public Library Board
Trust Funds
Statement of Financial Position

December 31

2009

2008

Assets

Cash	\$ 295,137	\$ 292,767
Accrued interest receivable	702,968	523,499
Deposits Hamilton Community Foundation	1,253,959	1,253,959
Due from City of Hamilton	<u>363,263</u>	<u>419,068</u>
Total assets	<u>\$ 2,615,327</u>	<u>\$ 2,489,293</u>

Accumulated surplus

\$ 2,615,327 **\$ 2,489,293**

On behalf of the Board

_____ Director

_____ Director

See accompanying notes to the financial statements.

The Hamilton Public Library Board

Trust Funds

Statement of Operations

December 31	2009	2008
Revenue		
Transfer from other trust funds	\$ -	\$ 87,577
Investment income	212,589	-
Other revenue	<u>9,831</u>	<u>2,500</u>
Total revenue	<u>\$ 222,420</u>	<u>\$ 90,077</u>
Expenses		
Investment loss	\$ 226	\$ 281,852
Other	27,316	29,523
Transfer to other trust funds	<u>68,844</u>	<u>15,000</u>
Total expenses	<u>\$ 96,386</u>	<u>\$ 326,375</u>
Annual surplus	\$ 126,034	\$ (236,298)
Accumulated surplus, beginning of year	<u>2,489,293</u>	<u>2,725,591</u>
Accumulated surplus, end of year	<u>\$ 2,615,327</u>	<u>\$ 2,489,293</u>

See accompanying notes to the financial statements.

The Hamilton Public Library Board

Trust Funds

Notes to the Financial Statements

December 31, 2009

1. Accounting policies

Basis of accounting

Income and capital receipts are reported on the cash basis.

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

2. Accumulated surplus

	<u>2009</u>	<u>2008</u>
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The accumulated surplus consists of:

Library

M. Walden Thompson Estate	\$ 19,003	\$ 19,229
Special Gift Fund Central	1,897,725	1,748,944
Permanent Endowment Fund	571,485	529,819
Keetha McLaren Memorial Fund	26,972	24,232
F. Walden Library Bequest	60,763	60,244
Dundas Library Fundraising	-	68,844
Waterdown Library Fundraising	39,379	37,981
	<u>\$ 2,615,327</u>	<u>\$ 2,489,293</u>



Hamilton Public Library

Date: June 16, 2010

To: Chair and Members of the Board

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

c.c. Ken Roberts, Chief Librarian

Subject: 2009 Financial Report

RECOMMENDATION:

That the 2009 Financial Statements for the Hamilton Public Library Board and Statements for the Hamilton Public Library Board – Trust Funds attached to this report be approved.

BACKGROUND:

Every year, the Library must prepare and present the audited financial statements to the Council of the City of Hamilton as required by the Public Libraries Act. The financial statements present the 2009 financial position of the Library as at December 31, 2009 and the financial activities for the year ended December 31, 2009.

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

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

Subject to any required adjustments, if any, which they may have determined to be necessary had they been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, Grant Thornton, LLP, Chartered Accountants have expressed an opinion on the financial statements that they present fairly, in all material respects, the financial position of the Hamilton Public Library Board as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles free of any qualifications.

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

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

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

Also attached to this report is the 2009 Financial Report for Hamilton Public Library Board Trust Funds.

Grant Thornton, LLP, Chartered Accountants, performed the statutory audit function and expressed an opinion, subject the limitation concerning the completeness of the donation revenue referred to previously these financial statements present fairly, in all material respects, the financial position of the trust funds of the Hamilton Public Library Board as at December 31, 2009 and the continuity of trust funds for the year then ended in accordance with Canadian generally accepted accounting principles.

Some highlights from financial results for 2009.

Operations

The Library had an operational surplus of \$626,533 as compared to an operational deficit of \$111,630 in 2008. The operational surplus was transferred to Library reserves.

Reserve Funds

The Reserve Fund balances have increased \$120,151.84 from the December 31st 2008 balance of \$7,812,781.77 to \$7,932,933.61

Interest Received on Reserve Funds		\$ 295,302.32
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Contributions from Operating Fund

Funding for Mobile Equipment	\$ 30,000.00	
Funding for Repairs to Grounds	9,000.00	
Funding for Accessibility & Renewal Reserve	100,000.00	
Donations	6,066.02	
Lost Book Charges	35,714.65	
Printer Revenue	18,721.22	
Dundas Library Trust	68,843.78	
Operational Surplus	626,533.36	
Sale of vehicle	2,340.00	
Teen writing grant	1,750.00	
Funding for Summer Reading	<u>77,418.74</u>	976,387.77

Expenditures

Lynden Branch	(130,000.00)	
RFID	(857,889.09)	
Library Renovations	<u>(163,649.16)</u>	(1,151,538.25)

Increase in Reserve Funds for 2009		<u>\$ 120,151.84</u>
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Trust Funds

The Trust Account balances have increased by \$126,034.30 from the December 31st 2008 balance of \$2,489,618.84 to \$2,615,653.14.

Interest on funds held by City		\$ 15,408.08
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Hamilton Community Foundation

Realized investment income	\$ 9,831.00	
Unrealized investment gains	196,955.00	
Management Fees	<u>(27,316.00)</u>	179,470.00

Funding of Programs approved by Board		<u>(68,843.78)</u>
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Increase in Trust Accounts Balances		<u>\$ 126,034.30</u>
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Hamilton Public Library

Date: June 10, 2010
To: Chair and Members of the Board
From: Ken Roberts, Chief Librarian
Subject: Central Hours during York Blvd Streetscape Construction

Recommendation:

That the electronic vote on the following motion be confirmed: That, due to construction along York Blvd and the limitation this places on the ability of customers to enter and exit the library, the hours of the Central Library be temporarily changed to 9 am – 6 pm Monday to Friday and 9 am – 5 pm Saturdays for a period of up to eight weeks, starting Monday, June 14, 2010.

Background:

We learned, on Monday, June 7, 2010 that work on the streetscape along York Blvd was going to close the York Blvd entrance to Jackson Square and to the library. It was to be closed that very day.

Paul Takala, as Acting Chief Librarian, worked to have the closure delayed for one week. The closure of this mall entrance was completely unexpected. We had been told, at a stakeholders meeting just two weeks before, that work on the streetscape would not affect the York Blvd entrance.

Closure of this entrance creates enormous problems for our customers, particularly after the mall itself closed in the evening. Paul Takala and I, along with Robin Hewitt, met with all stakeholders on Tuesday morning, June 8th. The decision to close the entrance effective June 14th stood.

We heard and understood concerns that were raised by staff and asked the Board to approve the recommendation. Nine Board members voted in favour of the motion and one member was opposed. Working with CUPE 932, we have now shifted hours, creating some savings. Three staff members will be assigned to other locations during the construction.



Hamilton Public Library

Date: June 10, 2010
To: Chair and Members of the Board
c.c. Ken Roberts, Chief Librarian
From: Beth Hovius, Director of Public service
Subject: 2010 Branch Renovations and Required Closures

RECOMMENDATION: That Barton, Kenilworth, Red Hill, and Saltfleet close as required for the renovations.

Background:

Barton, Kenilworth, and Red Hill are each undergoing small renovations to facilitate the installation of RFID and improve accessibility. The circulation desks are being moved, floors replaced and security gates installed. As each of these renovations affects the entrance area, each branch will need to be closed. Red Hill's renovation is the most complicated as the entrance does not meet AODA standards and its estimated closure will be the longest at one week. The other branches will likely close only for a couple of days.

Saltfleet is also making some changes to the entrance to install the security gates and change the disabled access button layout. It is expected that it can be done on a closed day, but in the event that it is determined that this must take longer, it is included in this recommendation.

Every effort will be made to minimize the closure. The renovations will take place between now and year-end, beginning with Barton.