

Mission Statement

The Hamilton Public Library unites people and ideas in a welcoming environment. The library's staff, collections, and access to global electronic resources help to enrich the lives of individuals. The library actively champions literacy, access to information, and the joy of reading.

Strategic Commitments

Unified Library System Sustainable Library System Accessible Library System

HAMILTON PUBLIC LIBRARY BOARD

Regular Board Meeting
Wednesday, September 17, 2003
Central, Wentworth Room

5:30 p.m. Dinner
6:00 p.m. Meeting

AGENDA

1. Discussion Period

- 1.1 CLA/ALA Conference Impressions
- 1.2 Central Library Administration Renovations

2. Acceptance of the Agenda

**3. Minutes of the Hamilton Public Library Board Meeting
of Wednesday, June 11, 2003**

Attachment #3

4. Business Arising

5. Correspondence

Attachment #5

- Letter to The Right Honourable Jean Chretien from Ken Roberts dated July 17, 2003
- E-mail response from Pat Millar re Spectator Forum Letter
- E-mail response from John Allchin re Spectator Forum Letter

6. Reports

- 6.1 Chief Librarian's Report – KR

Attachment #6.1

Suggested Action: Receive

6.2 Statistical Report – MS

Attachment #6.2

Suggested Action: Recommendation

7. New Business

7.1 Media Coverage June – August 2003 – DW

Attachment #7.1

Suggested Action: Receive

7.2 2002 Financial Statements – WG

Attachment #7.2

Suggested Action: Recommendation

7.3 2003 Budget Status – WG

Attachment #7.3

Suggested Action: Receive

7.4 2004 Operating Budget – WG

Attachment #7.4

Suggested Action: Receive

7.5 Library Board Membership – KR

Attachment #7.5

Suggested Action: Receive

7.6 HR Retention Policy – LF

Attachment #7.6

Suggested Action: Recommendation

8. Board Development

8.1 Governance Committee – PR (deferred to October meeting)

9. Private and Confidential

9.1 Labour Issues

10. Date of Next Meeting

Wednesday, October 15, 2003

Central, Wentworth Room

5:30 p.m. Dinner

6:00 p.m. Meeting

11. Adjournment

UPCOMING/OUTSTANDING ISSUES

Proposed Revisions

Issue	Date Action Initiated	Board Member/Staff Who Initiated	Month item will appear on Agenda
Budget Definitions	From Jan. 16/02 agenda		New term
Friends of the Library Policy	March 2003	Board	Once response received from Friends Group
Governance Committee	May 2003	Peter Rogers	September 2003 (deferred to October 2003)
2004 Strategic Plan			October 2003
Youth Services		Helen Benoit	November 2003
2003 Strategic Plan Final Report			December 2003
Adult Services		Maureen Sawa	January 2004
Human Resources; Training		Linda Foley	February 2004
Collections		Beth Hovius	March 2004
Electronic Services		Kit Darling	April 2004
Facilities		Bill Guise	May 2004
Capital Assets/Capital Plan			June 2004
Communications/2004 Strategic Plan Update		Maureen Sawa	September 2004
2005 Strategic Plan			October 2004

**HAMILTON PUBLIC LIBRARY BOARD
Regular Meeting**

**Wednesday, June 11, 2003
Regular Board Meeting
Wentworth Room
5:30 p.m. Dinner
6:00 p.m. Meeting**

MINUTES

PRESENT: Doreen Horbach, Peter Rogers, Glen Whitwell, George Geczy, Anne Gravereaux, Mavis Adams, Joyce Brown, Dawna Petsche-Wark, Maureen McKeating, Chris McLaughlin, Councilor Jackson

REGRETS: Anita Culley, Mac Carson, Councilor Caplan,

STAFF: Ken Roberts, William Guise, Helen Benoit, Kit Darling, Linda Foley, Maureen Sawa, Beth Hovius, Karen Hartog

1. DISCUSSION PERIOD

1.1 2003 Corporate/Agency Literacy Award

The Hamilton Public Library is the recipient of the Adult Basic Education's 2003 Corporate/Agency Literacy Award. The Library will be presented the award at the Literacy Breakfast being held on June 19th. Ms Horbach, Mr. Whitwell and Ms Adams will represent the Library Board at the breakfast.

2. ACCEPTANCE OF THE AGENDA

MOVED by Mr. Whitwell, seconded by Ms Petsche-Wark,

THAT THE AGENDA BE APPROVED AS PRESENTED.

MOTION CARRIED.

3. MINUTES OF THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF WEDNESDAY, MAY 21, 2003

MOVED by Ms Brown, seconded by Mr. Rogers,

THAT THE HAMILTON PUBLIC LIBRARY BOARD MINUTES OF WEDNESDAY, MAY 21, 2003 BE ADOPTED AS PRESENTED.

MOTION CARRIED.

4. BUSINESS ARISING

4.1 World Trade Organization (GATS)

MOVED by Mr. Rogers, seconded by Mr. Whitwell,

THAT WHEREAS THE FEDERAL GOVERNMENT IS IN THE PROCESS OF NEGOTIATING, WITH MANY OTHER COUNTRIES, AN EXTENSION OF THE CURRENT WORLD TRADE ORGANIZATION GENERAL AGREEMENT ON TRADES IN SERVICES (GATS), THE TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS), AND AN AGREEMENT ON GOVERNMENT PROCUREMENT (AGP), THEN THE HAMILTON PUBLIC LIBRARY BOARD WISHES TO EXPRESS, MOST STRONGLY, ITS CONCERN THAT CANADA ENTER SUCH NEGOTIATIONS CAREFULLY AND WITH FULL UNDERSTANDING THAT CANADIAN LIBRARIES HAVE BEEN ADVISED OF SEVERAL AREAS OF POTENTIAL CONCERN THAT AFFECT LIBRARIES AND, POTENTIALLY, OTHER VITAL CANADIAN CULTURAL INSTITUTIONS.

MOTION CARRIED.

4.2 Central Review Focus Groups

Ms Sawa provided an overview of the focus group sessions recently held. Copies of the raw data provided by the facilitator were made available to the Board Members.

Received for information.

4.3 Sheffield Branch

Mr. Roberts provided the background information leading up to the closure of the Sheffield Branch. Board Members directed the Chief Librarian to send a letter to the Hamilton-Wentworth District School Board expressing their concern regarding the lack of notice/consultation regarding the Sheffield Branch

MOVED by Mr. Whitwell, seconded by Ms Adams,

THAT IN RESPONSE TO NOTIFICATION BY THE HAMILTON-WENTWORTH DISTRICT SCHOOL BOARD THAT THE HAMILTON PUBLIC LIBRARY BOARD IS REQUIRED TO REMOVE ITS PORTABLE LIBRARY BUILDING FROM SCHOOL BOARD PROPERTY BY JUNE 30, 2003, THE SHEFFIELD BRANCH BE CLOSED, EFFECTIVE, THURSDAY, JUNE 26TH, 2003, AND

THAT THE HOURS OF OPERATION OF THE ROCKTON BRANCH BE INCREASED EFFECTIVE JULY 2, 2003.

THAT THE ADMINISTRATION OF THE HAMILTON PUBLIC LIBRARY BE AUTHORIZED TO REVIEW OPTIONS RELATED TO THE DISPOSAL OR MOVE OF THE EXISTING BUILDING.

MOTION CARRIED.

5. **CORRESPONDENCE**

No correspondence.

6. **REPORTS**

6.1 Report on Technology Implementation

Ms Darling was commended on the report.

Received for information.

7. NEW BUSINESS

7.1 SDC Report

Mr. Roberts provided the background information regarding the report.

MOVED by Mr. McLaughlin, seconded by Mr. Whitwell,

THAT THE HAMILTON PUBLIC LIBRARY BOARD AUTHORIZE AN AMOUNT NOT TO EXCEED \$500.00 FOR THE STRATEGIC DIRECTIONS COUNCIL'S "BEYOND BUILDING VALUE TOGETHER – CREATING THE FEDERATION OF ONTARIO PUBLIC LIBRARIES".

MOTION CARRIED.

7.2 Disposal of Board Equipment and Furniture Policy

MOVED by Ms Brown, seconded by Ms Adams,

THAT THE HAMILTON PUBLIC LIBRARY BOARD ADOPTS THE FOLLOWING POLICY FOR THE DISPOSAL OF BOARD EQUIPMENT AND FURNITURE.

THAT THE CHIEF LIBRARIAN BE AUTHORIZED TO DISPOSE OF SURPLUS EQUIPMENT AND FURNITURE WITHIN THE FOLLOWING GUIDELINES AND IN THE FOLLOWING ORDER:

- 1) EQUIPMENT AND FURNITURE THAT IS NO LONGER NEEDED IN ONE HAMILTON PUBLIC LIBRARY LOCATION MAY BE DISTRIBUTED TO OTHER LIBRARY LOCATIONS, AS DEEMED APPROPRIATE;**
- 2) EQUIPMENT AND FURNITURE THAT IS NO LONGER NEEDED MAY BE OFFERED TO THE CITY FOR USE, EXCEPT FOR ITEMS THAT ARE LIBRARY SPECIFIC (E.G. LIBRARY SHELVING AND MICROFILM READERS).**
- 3) LIBRARY SPECIFIC EQUIPMENT AND FURNITURE MAY BE OFFERED TO NEIGHBOURHING LIBRARY SYSTEMS AND, IF THESE LIBRARY SYSTEMS DO NOT WISH SUCH ITEMS, MAY THEN BE OFFERED TO THE CITY FOR USE;**
- 4) WHERE IT IS APPARENT THAT AN IMMEDIATE HOME CAN BE FOUND, EQUIPMENT AND FURNITURE MAY BE OFFERED TO NON-PROFIT COMMUNITY AGENCIES;**

- 5) **EQUIPMENT AND FURNITURE MAY BE SOLD THROUGH THE USE OF AN APPROPRIATE BROKER/DEALER OR THROUGH THE CITY OF HAMILTON;**
- 6) **EQUIPMENT AND FURNITURE MAY BE DISCARDED.**

MOTION CARRIED.

7.3 Summer Partnerships

Received for information.

7.4 External Signage

Ms Sawa provided an update regarding the external signage for the libraries.

7.5 Horizon Migration

MOVED by Mr. Rogers, seconded by Ms Brown,

- 1. **THAT THREE (3) MOBILE BARCODE DUPLICATORS AND ASSOCIATED SUPPLIES BE PURCHASED IN ORDER TO REPLACE THE NON-STANDARD 8 DIGIT BARCODES IN THE FORMER HAMILTON PUBLIC LIBRARY COLLECTIONS AT A COST OF \$18,000 INCLUDING TAXES;**
- 2. **THAT SIX (6) TEMPORARY CASUAL STAFF POSITIONS BE CREATED FOR A PERIOD OF 27 WEEKS IN ORDER TO RE-BARCODE THE 8 DIGIT BARCODE ITEMS, AT A COST OF \$55,000 INCLUDING BENEFITS;**
- 3. **THAT ADDITIONAL SUPPLIES TO SUPPORT THE PROJECT BE PURCHASED FROM CURRENT LIBRARY VENDORS, AT A COST NOT TO EXCEED \$7,000 INCLUDING TAXES;**
- 4. **THAT SIX (6) DELL SERVERS BE PURCHASED TO HOST THE HORIZON INFORMATION PORTAL AT A QUOTED COST OF \$14,000 INCLUDING TAXES;**
- 5. **THAT THE NETWORK OPERATING SOFTWARE LICENSES BE PURCHASED FROM MICROSOFT AT A COST OF \$12,230 INCLUDING TAXES.**

7.6 Executive Committee

Received for information.

8. BOARD DEVELOPMENT

No report.

9. PRIVATE AND CONFIDENTIAL

MOVED by Mr. Whitwell, seconded by Mr. McLaughlin,

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

MOTION CARRIED.

MOVED by Ms Gravereaux seconded by Ms Brown,

THAT THE IN-CAMERA SESSION BE ADJOURNED.

MOTION CARRIED.

10. DATE OF NEXT MEETING

Wednesday, September 17, 2003

Central Library, Board Room

5:30 p.m. Dinner

6:00 p.m. Meeting

11. ADJOURNMENT

MOVED by Mr. McLaughlin, seconded by Ms Petsche-Wark,

THAT THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF WEDNESDAY, JUNE 11, 2003 BE ADJOURNED.

MOTION CARRIED.

The meeting was adjourned at 8:30 p.m.

Minutes recorded by Karen Hartog.

Copy of letter sent to PM and MPs

July 17, 2003

The Right Honourable Jean Chretien
Prime Minister of Canada
Office of the Prime Minister
Ottawa, ON K1A 0A2

Dear Mr. Prime Minister:

I am writing as Secretary of the Hamilton Public Library Board to let you know that the board passed the following motion at it June 11, 2003 meeting.

That whereas the Federal Government is in the process of negotiating, with many other countries, an extension of the current World Trade Organization General Agreement on Trades in Services (GATS), the trade-related aspects of intellectual property rights (TRIPS), and an Agreement on Government Procurement (AGP), then the Hamilton Public Library Board wishes to express, most strongly, its concern that Canada enter such negotiations carefully and with full understanding that Canadian libraries have been advised of several areas of potential concern that affect libraries and, potentially, other, other vital Canadian cultural institutions.

These concerns include:

- a) The potential right of private companies to take responsibility for emerging areas of library services, such as remote access to electronic services, in a fashion that restricts the ability of Canadians to enjoy universal access to the information they increasingly need to thrive in our modern world;*
- b) The concern that significant privatization of existing library services, without local input, could be an unintentional result of current GATS proposals;*
- c) The concern that the proposed negotiation of "sub-government" obligations under GATS may limit the ability of municipalities to determine appropriate services and delivery mechanisms for their communities;*

- d) *The concern that proposed definitions related to market access seem so broad as to create an endless series of expensive disputes that sub-government agencies, such as library boards and municipalities, will not be able to afford – even when they are right;*
- e) *The uncertainty of TRIPS agreements that may affect copyright issues and the public right to information.*

The Hamilton Public Library Board directed me to convey its concerns to the Prime Minister of Canada, to all area Members of Parliament and to the Canadian Library Association.

The Hamilton Public Library Board is aware of the fact that the current GATS negotiations are causing concern amongst library boards across the country and hopes that the Canadian government will commit itself to work with the library community, through the Canadian Library Association, and an attempt to ensure that Canadians continue to receive access to the information they require to lead their lives.

Yours,

Ken Roberts,
Secretary to the Board.
The Hamilton Public Library

Roberts, Ken

From: Pat Millar [pat.millar@cogeco.ca]
Sent: Thursday, August 21, 2003 4:17 PM
To: kroberts@hpl.ca
Subject: spec "forum"

After reading Doreen Horbach's article on the HPL, (Thursday, August 21, 2003) I was compelled to respond as a regular patron of the Waterdown branch. The service at this branch is phenomenal!! The staff are extremely efficient and ALWAYS pleasant and accommodating. There is ONE checkin desk in our quaint, historic, but undersized building and even when line-ups occur, the staff remain calm and treat each patron with efficiency and respect.

I am very impressed with the computer aspect of the library system and regularly take advantage of the inter-library exchange that allows me access to a much wider range of material. The HPL is an example of tax dollars well spent!!! Keep up the good work.

Gratefully yours,
Patricia Millar
patron # 22022008769976

9/2/2003

Roberts, Ken

From: John Allchin [jl.allchin@sympatico.ca]
Sent: Thursday, August 21, 2003 12:30 PM
To: kroberts@hpl.ca
Subject: Spectator Forum Library Article

I just wanted to send a brief "thank you" for the superb service that our library provides. My wife and I are both regular users of the library, mainly at the Saltfleet Branch. I especially appreciate the library's website. I love to be able to search for titles/authors from the comfort of my home and place holds on items, which are always delivered to my Saltfleet branch in a very efficient manner.

Two suggestions for consideration:

- When using the website, it would be nice to be able to enter my library code and password just once—rather than for each transaction, whether it be for a number of holds or check due dates on my library account. Some visits to the site require an entry of the number 5 or 6 times.
- The idea of sharing the cost of construction of Saltfleet branch with the building of a new secondary school was a great idea that should be considered for the planned construction of the new secondary schools planned by the Hamilton Wentworth Board in a few years.

Thanks again for the outstanding service that you provide.

Sincerely,
John Allchin

Chief Librarian's Report September, 2003

It was a difficult summer. One manager commented that the series of setbacks and problems far exceeded any worst case scenario that he might have imagined.

Primary Summer Difficulties

Power Failure

The most significant event was, of course, the power difficulties of early August and the subsequent demand from the province that municipalities reduce their power consumption. The City of Hamilton's senior staff held daily meetings during the week after the power failure. The purpose of the meetings was to review the power situation and to allocate limited power resources to key services. The same exercise took place in other municipalities. Toronto closed all libraries. Ottawa closed all libraries. Hamilton left libraries open for a portion of each day.

While it was helpful to have the libraries open, we inconvenienced a number of patrons. We extended loan periods and forgave fines. Far too many patrons left material outside of drop-boxes because library branches were not open.

Worm Virus/IP Telephony

The City of Hamilton's telecom network and computer system was hit by the worm virus that affected so many organizations. We were affected as well. The first day after the power difficulties that we tried to re-open with normal hours of operation, the entire Dynix system was essentially brought down by the virus. Staff have been struggling with the virus for a number of weeks and the battle is still being fought.

It would be hard to underestimate the amount of difficulties that our IT and the city's IT staff faced during the summer months. They performed admirably and are exhausted. They have shown enormous dedication and support, recognizing the importance of our computer systems to every aspect of our operation.

The City of Hamilton and the Hamilton Public Library have been migrating to a new phone system that makes use of fibre links and Internet protocols. The new phone system is, on paper, much more robust and considerably cheaper than the former Centrex system. Unfortunately, the phone system is Internet-based and shares the same network as the computer system (this is the source of most of the financial savings). The same virus that affected our computers also hit the phone system. I am writing this report on September 9th and the phone system is still affected. The system is still somewhat erratic, with Terryberry experiencing the worst of the problems.

Central Library "Renovation" Issues

The power was severed to the 4th, 5th, and 6th floors of the library (including all computer servers) in early September, as a direct result of the renovations. The power was also severed on another occasion. The loss of power created network and computer issues.

Electronic Services, CCD, and Children's staff also worked close to construction work for much of the summer.

Because of so many problems, many of which arose within Central, it was a bad summer for much of the Admin Team to have been located in Ancaster. We also lost the use of meeting spaces during the renovations but had expected there to be less demand for such space during the summer. As it turned out, we did not have enough meeting spaces. The Service Coordinators who were on site at Central (Kit Darling, Helen Benoit and Maureen Sawa) as well as the duty librarians did a great job of plugging holes in the dike.

Labour Issues

Negotiations continued in July but stopped in late July so that we can move to a conciliation process. The first meeting with the conciliator will be Friday, September 19th. It has proven to be quite difficult to merge so many expectations into a common agreement.

We also had a couple of time-consuming labour issues that did affect the workplace and required significant amounts of time as well as loss of work.

City of Hamilton "Connection"

The library has been a part of the city's Community Services Department, with Community Services acting as our means of keeping up to date on issues that might affect the library. The Community Services Department was dismantled in January, 2003. Since that time the library has been treated as an outside board, with few city connections. The city is actually responsible for a significant number of our support functions (facilities, payroll, some HR, etc.) and we need better connections with city decision-making processes. After a fair amount of lobbying, I have been placed on the Public Health Community Service Departmental Management Team and have a new dotted-line connection to Joanne Priel, General Manager. I am also starting to attend a few "Extended" Corporate Management Team meetings.

Workplans

The 2003 workplans for all senior management staff members were completed in June. The events of the summer will cause us to re-visit all of these workplans and to adjust the expectations. We cannot accomplish all that we had hoped.

Locke Street Branch

As Board members know from the summer notification, the bids for the construction of the Locke Branch, based on the architect's drawings, were considerably higher than had been estimated. After consultation with the board members during the summer, we are recommending that the project be delayed so that it can be either re-bid at a time that might attract more response or so that it can be packaged with the Ancaster renovation in order to create a larger and more attractive project.

Colours for External Signs

In order to start the process of ordering external signs, colours had to be selected. Board members were consulted and a colour was selected. A sample sign will be brought to the board meeting.

Management "Re-structuring"

We are starting to restructure the roles and responsibilities for our managers, eliminating our regular "information-sharing" bi-weekly meetings that included all managers and replacing these meetings with an all-managers group that will have more operational decision-making responsibilities and will also have an ability to send some recommendations to the Library Board. This is the early stage of changes and clarifications in management decision-making roles and responsibilities in the new library system.

Bookmobiles

We made an administrative decision to cancel bookmobile service during the week of the world Cycling Championships. The bookmobiles must constantly come downtown to be re-loaded for visits to the various locations and must also pass through difficult traffic situations. We decided that the schedule could not be sustained.

Central Library Review

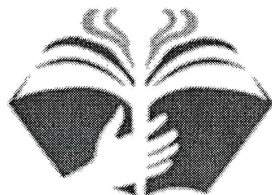
Work on the Central Library Review proceeded during the summer months and there will be a report at the October Board meeting.

Electronic Locks at Central

We consulted with the Executive Committee and are installing electronic locks on many of the doors in the Central Library, as a security issue. Staff and visitors will be required to wear a card pass in order to access workrooms and other staff areas.

Northern Exposure to Leadership

Northern Exposure to Leadership is a mentoring program for fairly recent library school graduates (within seven years). It is held in January of each year. Maureen Sawa is a "graduate" of the program. I have been asked to be a mentor at next January's Northern Exposure to Leadership institute. In such instances, I am supposed to check with the Board Chair for permission, if participation is expected to be on library time. There is no compensation for acting as a mentor. I did check with the Board Chair and did accept the opportunity to act as a mentor.



Hamilton Public Library

*Growing minds.
Growing community.*

DATE: September 12, 2003

REPORT TO: Chair and Members of the Board

C.C.: Ken Roberts, Chief Librarian
Administration Team

FROM: Beth Hovius, Adult Services and Collections
Maureen Sawa, Adult Services and Information

SUBJECT: **Circulation Statistics January to June 2003**

RECOMMENDATION: That the *Circulation Statistics (January to June 2003)* be received for information.

HAMILTON PUBLIC LIBRARY
Circulation Statistics

January-June

SYSTEM TOTALS	2003	2002
CIRCULATION	2,215,969	2,236,015
TOTAL HOLDS PLACED	364,577	323,967
Subtotal: Holds placed via WEBPAC	141,086	107,272
% Holds placed via WEBPAC	39%	33%
TOTAL HOLDS FILLED	299,486	259,863
% Holds Filled	82%	80%
TOTAL PATRONS REGISTERED	14,009	14,726
CIRCULATION BY LOCATION	2003	2002
CENTRAL	437,075	482,791
ANCASTER	123,766	122,960
BARTON	35,618	38,129
BINBROOK	23,351	23,778
BOOKMOBILES	88,351	93,689
COLLECTION ACCESS MANAGEMENT	1,325	1,793
CARLISLE	22,486	23,139
CONCESSION	87,193	91,482
DIAL PAC	7,586	7,142
DUNDAS	139,480	134,109
FREELTON	10,706	10,753
GREENSVILLE	13,426	13,852
KENILWORTH	74,038	77,296
LOCKE	46,065	49,142
LYNDEN	15,711	17,348
MILLGROVE	9,740	10,001
MOUNT HOPE	14,815	12,991
PICTON	18,886	20,294
RED HILL	120,676	114,258
ROCKTON	7,880	7,574
SALTFLEET	129,551	118,239
SHEFFIELD	6,211	5,279
SHERWOOD	169,711	178,168
STONEY CREEK	42,629	21,160
TERRYBERRY	296,072	300,310
VALLEY PARK	50,052	41,992
VLS & TALKING BOOK ROOM	15,220	15,222
WATERDOWN	72,770	63,689
WESTDALE	135,306	131,576
WINONA	0	7,859

Memo

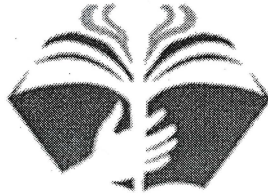
To: Hamilton Public Library Board
From: Daphne Wood, Manager, Communications and Community Development
Date: September 12, 2003
Re: Print editorial and advertising copy (June – August 2003)

Attached please find a compilation of print editorial and advertising copy regarding the Hamilton Public Library for the months of June, July and August 2003.

Media coverage of library system activities, programs and services are a result of:

- **paid advertising** (e.g. June 20 full-page feature “What’s Happening @ Your Library” in the *Spectator*)
- **media partnerships** (e.g. Power of the Pen promotion with the *Spectator*)
- **public service announcements** (e.g. Gallery on 5 exhibit listings in *The View*)
- **editorial copy** (e.g. Op-ed article by the Board Chair published in the *Spectator* in late August)
- **subject expertise** (e.g. “Bylaws reflect tone of era” *Spectator* article with numerous references to Margaret Houghton, HPL archivist)
- **and local news coverage** (e.g. Sheffield library closure).

The mix of promotional vehicles, described above, is a balance of proactive and reactive public relations. While the library ‘controls the message’ with paid advertising, long-term success lies in developing strong editorial inroads with local media. I welcome your comments and suggestions as we continue to promote the many strengths of our public library system to the community.



Hamilton Public Library

*Growing minds.
Growing community.*

DATE: September 12, 2003

REPORT TO: Chair and Members of the Board

C.C.: Ken Roberts, Chief Librarian

FROM: William Guise, Business Administrator

SUBJECT: Audited Financial Statements – December 31, 2002

RECOMMENDATION:

That the 2002 Audited Financial Statements (attached) for the Hamilton Public Library Board be approved.

BACKGROUND:

The audited financial statements attached to this report encompass the operation of the Hamilton Public Library for the year ended December 31st, 2002. The audit opinion on the financial statements was given by the firm of Grant Thornton who has also provided an Audit Concluding Memorandum and their independence letter. The Audit Concluding Memorandum summarizes significant matters that the auditors believe should be brought to the attention of the Board.

The financial statements were prepared in accordance with the accounting recommendations and disclosure requirements of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

Hamilton Public Library Board
Financial Statements
December 31, 2002

Grant Thornton 

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Grant Thornton LLP
Chartered Accountants
Management Consultants

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 Hamilton Public Library Board as at December 31, 2002 and the consolidated statement of financial activities and changes in financial position 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, 2002 and the results of its operations for the year then ended in accordance with the accounting principles described in Note 1.

Hamilton, Ontario
March 26, 2003

Standard Life Centre
120 King Street West
Suite 1040
Hamilton, Ontario L8P 4V2
T (905)-525-1930
F (905)-527-4413
E Hamilton@GrantThornton.ca
W www.GrantThornton.ca

Grant Thornton LLP

Grant Thornton LLP
Chartered Accountants

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The Hamilton Public Library Board**Consolidated Statement of Financial Position**

December 31

	<u>2002</u>	<u>2001</u>
Assets		
Financial assets		
Cash	\$ 28,819	\$ 17,555
Accounts receivable	61,759	100,089
Due from City of Hamilton (Note 2)	<u>5,601,438</u>	<u>4,349,343</u>
	5,692,016	4,466,987
Non financial assets		
Prepaid expenses	<u>6,166</u>	<u>10,343</u>
	<u>\$ 5,698,182</u>	<u>\$ 4,477,330</u>
Liabilities		
Accounts payable and accrued liabilities	\$ 501,873	\$ 639,138
Accrued sick and vacation liability (Note 3)	331,641	321,579
Deferred revenue	70,808	37,099
Due to trust funds	<u>96,077</u>	<u>107,572</u>
	1,000,399	1,105,388
Liability for future benefits (Note 4)	<u>1,581,000</u>	<u>1,547,000</u>
	<u>2,581,399</u>	<u>2,652,388</u>
Library position		
Reserves and reserve funds (Note 6)	5,029,424	3,693,521
Amounts to be recovered in future (Note 7)	<u>(1,912,641)</u>	<u>(1,868,579)</u>
	<u>3,116,783</u>	<u>1,824,942</u>
	<u>\$ 5,698,182</u>	<u>\$ 4,477,330</u>

Commitments (Note 9)

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

The Hamilton Public Library Board

Consolidated Statement of Financial Activities

Year Ended December 31

	Budgeted	Current Fund	Reserve Fund	2002 Total	2001 Total
Revenue					
Municipal contribution	\$ 20,448,590	\$ 20,448,590	\$ -	\$ 20,448,590	\$ 19,302,960
Province of Ontario grants	949,450	949,451	-	949,451	949,451
Other grant revenue	-	457,073	-	457,073	731,515
Fines	473,380	455,686	-	455,686	492,146
Photocopier revenue	51,960	49,532	-	49,532	58,755
Other – rentals, sales and Recoveries	74,030	110,718	-	110,718	133,318
Interest	-	-	139,010	139,010	76,808
Donations and other	-	27,574	-	27,574	29,598
Total revenue	<u>21,997,410</u>	<u>21,697,743</u>	<u>139,010</u>	<u>22,637,634</u>	<u>21,774,551</u>
Expenditures					
Employee costs	14,353,710	13,939,449	-	13,939,449	13,788,295
Library materials	2,659,570	2,512,284	-	2,512,284	2,232,704
Facility costs	2,717,810	2,748,092	-	2,748,092	2,634,222
Supplies and services	1,491,810	1,552,867	-	1,552,867	1,478,115
Total expenditures	<u>21,222,900</u>	<u>20,752,692</u>	<u>-</u>	<u>20,752,692</u>	<u>20,133,336</u>
Net revenues	<u>774,510</u>	<u>1,745,932</u>	<u>139,010</u>	<u>1,884,942</u>	<u>1,641,215</u>
Financing transfers					
Long term debt charges (Note 5)	(584,880)	(577,005)	-	(537,016)	(537,016)
Transfer from Reserves - City of Hamilton	-	40,145	-	203,764	203,764
Transfer from Capital - City of Hamilton	-	-	(75,000)	(75,000)	-
Transfers to Reserves - City of Hamilton	-	-	(5,992)	(5,992)	(5,992)
Net contributions from reserve fund	320,000	284,745	-	284,745	11,133
Net contributions to reserve fund	(509,630)	(1,556,638)	-	(1,556,638)	(1,272,853)
Net contributions to current fund	-	-	(284,745)	(284,745)	(11,133)
Net contributions from current fund	-	-	1,556,638	1,556,638	1,272,853
Net contributions to trust funds	-	-	-	-	(63,313)
Net contributions from trust funds	-	18,759	-	18,759	50,312
Increase (decrease) in amounts to be recovered in future	-	44,062	-	44,062	(19,747)
Net financing and transfers	<u>(774,510)</u>	<u>(1,745,932)</u>	<u>1,196,893</u>	<u>(549,039)</u>	<u>(371,992)</u>
Change in funds	-	-	1,335,903	1,335,903	1,269,223
Fund balances, beginning of year	-	-	3,693,521	3,693,521	2,424,298
Fund balances, end of year	\$ -	\$ -	\$ 5,029,424	\$ 5,029,424	\$ 3,693,521

See accompanying notes to the financial statements.

The Hamilton Public Library Board
Consolidated Statement of Changes in Financial Position

Year Ended December 31

	<u>2002</u>	<u>2001</u>
Increase (decrease) in cash		
Operation activities		
Change in funds	\$ 1,335,903	\$1,269,223
Decrease (increase) in accounts receivable	38,330	(1,174)
Increase in due from City of Hamilton	(1,252,095)	(1,011,550)
Decrease in prepaid expenses	4,177	134,424
Decrease in accounts payable and accrued liabilities	(137,265)	(168,554)
Increase (decrease) in accrued sick and vacation liability	10,062	(58,747)
Increase (decrease) in deferred revenue	33,708	(264,862)
(Decrease) increase in due to trust funds	<u>(11,495)</u>	<u>30,400</u>
	<u>21,326</u>	<u>(70,840)</u>
Financing activities		
Increase in liability for future benefits	34,000	39,000
(Increase) decrease in amounts to be recovered in future	<u>(44,062)</u>	<u>19,747</u>
	<u>(10,062)</u>	<u>58,747</u>
Net increase (decrease) in cash	11,264	(12,093)
Cash and cash equivalents		
Cash, beginning of year	<u>17,555</u>	<u>29,648</u>
Cash, end of year	\$ <u>28,819</u>	\$ <u>17,555</u>

See accompanying notes to the financial statements.

The Hamilton Public Library Board

Notes to the Financial Statements

December 31, 2002

1. Summary of significant accounting policies

The consolidated financial statements of the 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 of Canadian Institute of Chartered Accountants. 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.

Capital Assets

The historical cost and accumulated amortization for capital assets are not recorded. Purchases of capital assets are charged either directly to operations in the year in which the expenditures occur, or to a reserve established for the purchase of capital assets.

Fund Accounting

Funds with the consolidated financial statements consist of the operating and reserve funds. Transfers between the funds are recorded as adjustments to the appropriate fund balance.

Reserves for Future Expenditures

Certain amounts, as approved by the Board, are set aside in reserves for future operating and capital expenditures. Transfers to and from reserves are reflected as an adjustment to the respective fund.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that effect 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.

Budget figures

Budgets are only established for the Current Fund.

The Hamilton Public Library Board
Notes to the Financial Statements

December 31, 2002

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.

3. Liability for vested sick leave benefits

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, amounted to \$283,941 (2000 - \$307,313) at the end of the year. Cash payments made in lieu of sick leave are included in the expenditures of the year in which services are terminated. The current year's expenditure of \$40,145 (2000 - \$52,796) for sick leave liability is reflected in the Consolidated Statement of Financial Activities.

The accrual for vacation pay will be taken by employees in the form of vacation days in 2003.

4. Liability for future benefits

	<u>2001</u>	<u>2000</u>
Post employment benefits	\$ <u>1,581,000</u>	\$ <u>1,547,000</u>

In accordance with PSAAB 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 will 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.

The Hamilton Public Library Board Notes to the Financial Statements

December 31, 2002

5. 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.

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

Debenture Number	Purpose	Interest Rates	Maturity Date	2002	2001
91-050	Redhill Library	9.75% to 10%	2006	\$ 70,629	\$ 94,523
91-050	Terryberry Public Library	9.75% to 10%	2006	103,461	138,495
91-050	Sherwood Public Library	9.75% to 10%	2006	92,080	123,261
94-006	Library	6.195%	2004	382,712	606,853
94-006	Library	6.195%	2004	91,482	145,060
01-244	Westdale Branch	3.125% to 6%	2011	190,650	200,000
01-244	Barton Branch	3.125% to 6%	2011	435,636	457,000
01-162	Central Library	4.65% to 6.75%	2016	28,638	29,875
				<u>\$ 1,395,288</u>	<u>\$ 1,795,067</u>

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

2003	\$ 234,540
2004	235,804
2005	69,636
2006	71,378
2007	39,475

(c) The Board was charged \$577,005 (2001 \$537,016) for long term debt charges during the year as follows:

Principal	\$ 234,155	\$ 213,009
Interest	296,090	277,249
Sinking funds	46,760	46,758
	<u>\$ 577,005</u>	<u>\$ 537,016</u>

The Hamilton Public Library Board Notes to the Financial Statements

December 31, 2002

6. Reserves and reserve funds	<u>2001</u>	<u>2000</u>
Mobile equipment	\$ 428,071	\$ 383,009
Library collections	1,753,241	1,491,312
Library general development	712,821	638,131
Library major capital projects	1,191,737	707,092
Summer reading	102,888	61,242
Redevelopment, training & restructuring	<u>840,666</u>	<u>412,735</u>
	<u>\$ 5,029,424</u>	<u>\$ 3,693,521</u>

7. Amounts to be recovered in future

Accrued sick and vacation liability	\$ 331,641	\$ 321,579
Employee benefit obligations	<u>1,581,000</u>	<u>1,547,000</u>
	<u>\$ 1,912,641</u>	<u>\$ 1,868,579</u>

8. 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 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.

Effective August 1, 1998, OMERS provided a temporary contribution holiday, with no employer or employee pension contributions required until January 1, 2003. Contributions will then resume with the return to the full rate of 6.3% being phased in equally over a three-year period. As a result, no amount was contributed to OMERS for 2002 (2001 - \$Nil) for current service.

The Hamilton Public Library Board

Notes to the Financial Statements

December 31, 2002

9. Commitments

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

2003	\$ 699,467
2004	611,891
2005	374,513
2006	375,458
2007	365,399
Thereafter	<u>1,140,531</u>
	<u>\$ 3,567,259</u>

10. Municipal restructuring

The Ontario Government enacted the City of Hamilton Act, 1999 which dissolved the Hamilton Public Library Board, the Wentworth Libraries Board and the Dundas Public Library Board and created the new Hamilton Public Library Board effective January 1, 2001. Under the terms of this legislation all assets and liabilities of the old library boards on December 31, 2000 including rights, interests, approvals, status, registrations entitlements and contractual benefits and obligations became the assets and liabilities of the new library board on the effective date without compensation.

11. Related party transactions

During the year the City paid the following amounts on behalf of the Library:

Utilities	\$ 508,114
Debt charges	
Principal	234,155
Interest	296,090
Sinking fund payments	46,760

The utilities paid on behalf of the Library by the City comprised of the supply of utilities by the City's Central Utilities Plant amounting to \$112,038 (2001 - \$177,813) and the supply of utilities by third parties amounting to \$396,076 (2001 - \$310,707). The Central Utilities Plant costs are not reflected in the Library's Consolidated Statement of Financial Activities, but are included in the City's Consolidated Statement of Financial Activities. The third party costs for 2001 were recognized as expenditures, but the 2000 costs were not reflected in the Library's Consolidated Statement of Financial Activities, but were included in the City's Consolidated Statement of Financial Activities.

The Hamilton Public Library Board
Notes to the Financial Statements

December 31, 2002

12. Trust funds

Trust funds administered by the Board amounting to \$2,023,183 (2001 - \$2,088,788) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Financial Activities.

Grant Thornton LLP
Chartered Accountants
Management Consultants

Grant Thornton 

Auditors' Report

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

We have audited the balance sheet of the trust funds of the Hamilton Public Library Board as at December 31, 2002 and the statement of continuity of trust funds 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 trust funds of the Hamilton Public Library Board derive revenue from donations, 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 trust funds of the Hamilton Public Library Board and we were not able to determine whether any adjustments might be necessary to donation revenue, change in fund balances, 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 trust funds of the Hamilton Public Library Board as at December 31, 2002 and the continuity of trust funds for the year then ended in accordance with the accounting principles described in Note 1.

Hamilton, Ontario
March 26, 2003

Grant Thornton LLP
Chartered Accountants

Standard Life Centre
120 King Street West
Suite 1040
Hamilton, Ontario L8P 4V2
T (905)-525-1930
F (905)-527-4413
E Hamilton@GrantThornton.ca
W www.GrantThornton.ca

Canadian Member of Grant Thornton International

The Hamilton Public Library Board
Trust Funds
Balance Sheet

December 31, 2002

	<u>2002</u>	<u>2001</u>
Assets		
Cash	\$ 269,307	\$ 263,937
Deposits with the Hamilton Community Foundation	1,142,651	1,135,931
Due from current fund	96,077	107,572
Accrued interest receivable	<u>515,148</u>	<u>581,348</u>
	<u>\$ 2,023,183</u>	<u>\$ 2,088,788</u>
Fund Balances		
Trust Funds – fund balances	<u>\$ 2,023,183</u>	<u>\$ 2,088,788</u>

On behalf of the Board

_____ Director _____ Director

See accompanying notes to the financial statements.

The Hamilton Public Library Board
Trust Funds
Statement of Continuity

December 31, 2002

	<u>2002</u>	<u>2001</u>
Revenue		
Grants	\$ -	\$ 2,200
Interest	11,196	18,467
Gain on investments	-	46,616
Donations and other	<u>3,000</u>	<u>11,100</u>
	<u>14,196</u>	<u>78,383</u>
Expenditures		
Interest	1,330	4,740
Investment administration fees	44,183	24,341
Loss on investments	15,529	-
Other	<u>-</u>	<u>500</u>
	<u>61,042</u>	<u>29,581</u>
Financing and transfers		
Net transfers to Library current fund	(18,759)	(50,312)
Net transfers from Library reserve funds	<u>-</u>	<u>63,313</u>
	<u>(18,759)</u>	<u>13,001</u>
Change in fund balances	(65,605)	61,803
Fund balances, beginning of year	<u>2,088,788</u>	<u>2,026,985</u>
Fund balances, end of year	<u>\$ 2,023,183</u>	<u>\$ 2,088,788</u>

See accompanying notes to the financial statements.

The Hamilton Public Library Board
Trust Funds
Notes to the Financial Statements
December 31, 2002

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. Fund balances 2002 2001

Trust funds consist of:

M. Walden Thompson	\$ 28,362	\$ 27,712
Special Gifts Fund	1,355,333	1,392,358
Permanent Endowment	490,381	522,359
K. McCaren Memorial	24,044	24,832
F. Walden	51,916	54,048
Dundas Library Fundraising	43,494	41,908
Waterdown Library	<u>29,653</u>	<u>28,571</u>
	<u>\$ 2,023,184</u>	<u>\$ 2,088,788</u>

The above funds can be used at the discretion of the Board with the exception of the Permanent Endowment fund from which only the interest earned can be used.

3. Comparative figures

Certain of the comparative figures have been reclassified to conform to the current year presentation.

**Hamilton Public Library Board
Audit Concluding Memorandum
For Fiscal 2002
June 2003**



*Growing minds.
Growing community*

Grant Thornton 

Grant Thornton LLP
Chartered Accountants
Management Consultants

June 13, 2003

To the Members of the Board of Directors of the
Hamilton Public Library Board

Our audit of the financial statements of the Hamilton Public Library Board for the year ended December 31, 2002 is now substantially complete. Our auditor's report has been issued with the standard qualification for completeness of revenues from donations or cash sales. A draft copy of our audit report has been provided separately.

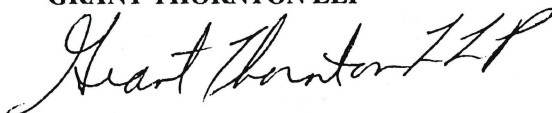
The Audit Concluding Memorandum has been prepared in accordance with the assurance recommendations issued by the Canadian Institute of Chartered Accountants (CICA) entitled "Communications with Those Having Oversight Responsibility". That standard recommends we communicate with the Board of Directors certain matters regarding our responsibility as auditors, significant accounting policies and other matters, which may be of interest to the Board.

We would like to express our appreciation for the cooperation and assistance received from the management of the Library during the course of our audit.

We will respond to any questions relating to this memorandum or on any other matters of interest to the Board of Directors during our meeting.

Yours very truly,

GRANT THORNTON LLP



Fay Booker, CA,
Encls.

Suite 1040
Standard Life Centre
120 King Street West
Hamilton, Ontario
L8P 4V2
T (905) 525-1930
1 800 858-3092 (Ontario)
F (905) 527-4413
E Hamilton@GrantThornton.ca
W www.GrantThornton.ca

Hamilton Public Library Board
Audit Concluding Memorandum

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Introduction

We are pleased to provide our Audit Concluding Memorandum for the December 31, 2002 audit of the financial statements of the Hamilton Public Library Board ("Library"), together with our independence letter.

The Audit Concluding Memorandum summarizes significant matters that we believe should be brought to the attention of the Board. We emphasize that the audit and this document would not necessarily identify all matters that may be of interest to the Board of Directors.

This memorandum has been prepared solely for the purpose of assisting the Board of Directors in the discharge of its responsibility and should not be used for any other purpose. We disclaim any obligation to any other party that may rely upon this report.

Responsibility of Management

Preparation of financial statements

The preparation of the financial statements, including the accompanying notes, is the responsibility of management. This includes the preparation of the financial statements in accordance with Canadian generally accepted accounting principles.

Management is responsible for selecting the significant accounting policies used in the preparation of the financial statements, and for applying judgement in preparing accounting estimates contained in the financial statements, as well as for preparing or obtaining documentation supporting amounts and disclosures in the financial statements. In addition, management is responsible for assessing the impact of any misstatements detected during the preparation and audit of the financial statements, individually and in aggregate, on the fair presentation of amounts and disclosures contained in the financial statements and determining if such adjustments should be recorded.

Management's representations

The transactions and estimates reflected in the accounts and in the financial statements are within the direct control of management. Accordingly, the fairness of the representations made through the financial statements is an implicit and integral part of management's responsibility.

Throughout the course of our audit, we obtain representations from management in the form of answers to our audit enquiries. We also obtained a formal representation letter from management at the conclusion of the audit.

Audit Scope and Responsibility

Auditor's report

We have completed our audit of the financial statements for the year ended December 31, 2002. Subject to completion of discussions and approval of the financial statements by the Board of Directors, we anticipate being in a position to sign the Auditor's Report appended to the draft financial statements. The audit of the financial statements was substantially complete as of March 26, 2003 therefore our Auditor's report will be dated as of that date. A significant time lag occurred between this time and the issuance of the audited financial statements as we were waiting for the City of Hamilton to finalize the posting of expenditures in PeopleSoft, and we were waiting for receipt of various schedules to support the notes to the financial statements. E.g. long term debt schedules and post employment benefits liability amount.

Our audit report will be issued with a qualification for the completeness of revenues, as revenues from donations and cash are not susceptible to satisfactory audit verification. The report will indicate that the financial statements present fairly in all material respects, except for the effects of adjustments, if any, which might have been necessary had we been able to satisfy ourselves as to the completeness of the revenue referred to above, the statements of financial position, results of operations and cash flows of the Library in accordance with Canadian generally accepted accounting principles.

Our audit of the financial statements was performed in accordance with Canadian generally accepted accounting standards, and was performed to obtain reasonable, rather than absolute, assurance whether the financial statements are free of material misstatement. Our audit included assessing the risk that the financial statements may contain material misstatements, examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and their application, and assessing the significant estimates made by management.

Independence

As external auditors of the Library, we are required to be independent in accordance with the Canadian professional requirements. These standards require that we disclose to the Board of Directors all relationships that, in our professional judgement, may reasonably be thought to bear on independence. We have addressed a letter to the Board, presented in Appendix A to this report, which confirms that we are objective with respect to the Library within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of June 13, 2003.

We confirm that we are not presently aware of any relationship or non-audit services that would impair our independence for purposes of expressing an opinion on the financial statements.

Significant Matters to be Reported

The Canadian Institute of Chartered Accountants has specified matters that should be brought to the attention of the Board. The following summarizes the matters to be communicated.

Significant accounting principles and policies

Significant accounting principles and policies are disclosed in the notes to the financial statements. Within the context of the audit, management has represented to us that there have not been any material changes in the accounting principles and policies during the year. We have not noted any changes and we have not noted any significant unusual transactions.

Management's judgements and accounting estimates

Management has the responsibility for applying judgement in preparing the accounting estimates and disclosures contained within the financial statements. We have not noted any particularly sensitive accounting estimates, which we believe should be brought to the attention of the Board.

Materiality

Grant Thornton planned the audit with the objective of having reasonable assurance of detecting misstatements that would be material to the financial statements taken as a whole. As required by audit standards, materiality was utilized during the conduct of the audit and the evaluation of any misstatements identified.

Misstatements and significant audit adjustments

Misstatements represent audit findings for which we do not agree with the amount, classification, presentation or disclosure of items in the financial statements. A misstatement may arise from an error or from fraud and other irregularities. An error refers to an unintentional misstatement in financial statements, including an omission of amount or disclosure. Fraud and other irregularities refer to an intentional misstatement in financial statements, including an omission of amount or disclosure, or to a misstatement arising from theft of the entity's assets.

In conducting our procedures, we may identify misstatements that require adjustments to the recorded amounts. These audit adjustments are discussed with management, who in consultation with us, determine if an adjustment should be recorded.

We have not noted any material misstatements in the financial statements. There are items which were identified through the conduct of our audit work that represent differences between management's calculations and those identified by the auditors and are listed in Appendix B. Management has decided not to adjust the records for these items.

Internal controls

The responsibility for the design and operation of an effective system of internal controls which provides reasonable assurance that the accounting systems provide timely, accurate and reliable financial information, as well as safeguard the assets of the corporation, is the day to day responsibility of management.

For purposes of the audit, Grant Thornton obtains a sufficient understanding of the accounting systems and the system of internal control. Those controls identified as key are tested as part of our audit work; however, the audit is not designed to allow an opinion on the system of internal control.

As a result of the audit testing, we did not detect significant weaknesses in internal controls.

Illegal acts

Our inquiries of management and our testing of financial records did not reveal any illegal or possible illegal acts. However, please be aware that improper conduct is usually carefully and often elaborately concealed and therefore, the probability of detecting such is not high. Management is also asked in the formal letter of representations to disclose if they are aware of any illegal or possible illegal acts.

Related party transactions

Testing of financial records and discussions with management did not reveal any significant related party transactions not in the normal course of operations involving significant judgements by management concerning their measurement or disclosure in the financial statements.

Consultation with other accountants

To our knowledge, management discussed no accounting or auditing matters with other accountants.

Cooperation during the Audit

We report that we have received cooperation from management and employees of the Library. To our knowledge, we were provided access to all necessary accounting records and other documentation. There were no limitations placed on the scope of the auditors. We have had no disagreements with management.

As noted previously, a significant time lag occurred between the auditor's report date and the issuance date of the audited financial statements. The time lag was a result of the software upgrade done on the PeopleSoft system late in 2002, which negatively affected the accounts payable system. We waited for the City of Hamilton to finalize the posting of expenditures in PeopleSoft, and we were also waiting for receipt of various schedules from the City to support the notes to the financial statements (e.g. Long term debt schedules and post employment benefits liability amount).

Other matters

We are not aware of any other matters that require the attention of the Board of Directors before approving the financial statements.

Current Accounting and Reporting Developments

We continually monitor the potential impact of new accounting pronouncements on the accounting practices of the Library.

At the present time, there are no significant accounting or reporting developments from regulating bodies that would impact Hamilton Public Library Board that should be brought to the attention of the Members of the Board of Directors.

Grant Thornton LLP
Chartered Accountants
Management Consultants

Appendix A – Independence Letter

June 13, 2003

The Board of Directors
Hamilton Public Library Board
55 York Blvd, PO Box 2700
Hamilton, Ontario, L8N 4E4

Dear Board members:

We have been engaged to audit the financial statements of the Hamilton Public Library Board ("Library") for the year ended December 31, 2002.

Canadian generally accepted auditing standards (CICA Handbook section 5751) require that Grant Thornton LLP communicate at least annually with the Board regarding all relationships between the Library and Grant Thornton that, in our professional judgement, may reasonably be thought to bear on our independence.

In determining which relationships to report, the Guideline requires us to consider relevant rules and related interpretations prescribed by the appropriate provincial institute and applicable legislations, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We are not aware of any relationships between the Library and Grant Thornton that, in our professional judgement, may reasonably be thought to bear on our independence, which have occurred from January 1, 2002 to June 13, 2003.

Suite 1040
Standard Life Centre
120 King Street West
Hamilton, Ontario
L8P 4V2
T (905) 525-1930
1800 858-3092 (Ontario)
F (905) 527-4413
E Hamilton@GrantThornton.ca
W www.GrantThornton.ca

With respect to item (e) we can report that there were no services provided to the Library in addition to the audit engagement.

The auditing standards require that we confirm our independence to the Board of Directors. However, since the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario deal with the concept of independence in terms of objectivity, our confirmation is to be made in that context. Accordingly, we hereby confirm that we are objective with respect to the Library within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario as of June 13, 2003

We look forward to discussing with you the matters addressed in this letter, as well as other matters that may be of interest to you. We are prepared to answer any questions the Board members may have regarding our independence, as well as other matters.

This report is intended solely for use of the Board of Directors and others within Hamilton Public Library Board and should not be used for any other purposes.

Yours truly,

GRANT THORNTON LLP



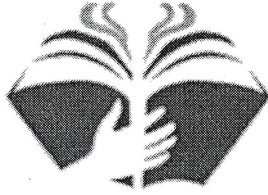
Fay Booker, CA
Partner

Appendix B

Unadjusted Differences

Description	Balance Sheet Impact	Income Statement impact
Trust fund assets understated	\$5000	\$5000

Impact describes the impact to assets or liabilities and revenue or expenses.



Hamilton Public Library

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DATE: September 12, 2003

REPORT TO: Chair and Members of the Board

C.C.: Ken Roberts, Chief Librarian

FROM: William Guise, Business Administrator

SUBJECT: Operating Budget Variance Report as of June 30, 2003
And Projection to December 31, 2003

RECOMMENDATION:

That the Operating Budget Variance Report as of June 30, 2003 and Projection to December 31, 2003 for the Hamilton Public Library Board be received for information.

BACKGROUND:

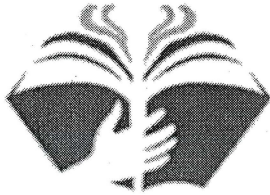
If the entire operating budget was spent or received evenly over the entire year, the amount of the budget expended at June 30 should be 50% of the approved budget. The Variance Report shows that although the various categories are either over or under this percentage, the overall spending as of June 30, 2003 is 50.7% of the approved budget for 2003.

The projections to December 31, 2003 anticipate that the annual expenditures will equal the annual sources of revenue. Employee related costs are anticipated to be lower than budget as a result of several vacancies during the year. As a result, it is anticipated that the amount that would be required to be drawn down to mitigate budget costs for 2003 would be limited to approximately \$97,000 instead of \$280,000.

**HAMILTON PUBLIC LIBRARY
 OPEARING BUDGET VARIANCE REPORT AS OF JUNE 30, 2003
 AND
 PROJECTION TO DECEMBER 31, 2003
 BY COST CATEGORY**

2003 Projected/
 2003 Approved

	<u>2003 Approved Budget</u>	<u>Actuals June 30/03</u>	<u>Balance at June 30/03</u>	<u>% Spent at June 30/03</u>			<u>2003 Projected Actual</u>	<u>\$</u>	<u>%</u>
Employee Related Expenses	15,681,480	6,294,175	8,757,305	55.8%		-	15,504,014	(177,466)	(1.1%)
Materials and Supplies	3,195,660	1,638,140	1,557,520	48.7%		-	3,219,357	23,697	0.7%
Vehicle Expenses	1,200	577	623	51.9%		-	1,177	(23)	(1.9%)
Building and Grounds	481,760	341,110	140,650	29.2%		-	524,168	42,408	8.8%
Consulting/Contractual	791,240	426,975	364,265	46.0%		-	762,442	(28,798)	(3.6%)
Reserves/Recoveries/C.A.	2,417,892	1,298,503	1,119,389	46.3%		-	2,506,774	88,882	3.7%
Financial	12,110	3,869	8,241	68.1%		-	10,639	(1,471)	(12.1%)
Capital Financing	-	-	-	-		-	-	-	-
TOTAL EXPENDITURES	<u>22,581,342</u>	<u>10,633,349</u>	<u>11,947,993</u>	<u>52.9%</u>		-	<u>22,528,571</u>	<u>(52,771)</u>	<u>(0.2%)</u>
Fees and General	622,750	388,464	234,286	37.6%		-	660,657	37,907	6.1%
Tax and Rates	-	-	-	-		-	-	-	-
Grants and Subsidies	1,100,330	103,816	996,514	90.6%		-	1,177,707	77,377	7.0%
Capital Financing	-	-	-	-		-	-	-	-
Reserves	280,280	1,155	279,125	99.6%		-	112,225	(168,055)	(60.0%)
TOTAL REVENUES	<u>2,003,360</u>	<u>493,435</u>	<u>1,509,925</u>	<u>75.4%</u>		-	<u>1,190,589</u>	<u>(52,771)</u>	<u>(2.6%)</u>
MUNICIPAL CONTRIBUTION	<u>20,577,982</u>	<u>10,139,914</u>	<u>10,438,068</u>	<u>50.7%</u>		-	<u>20,577,982</u>	<u>:</u>	<u>0.0%</u>



Hamilton Public Library

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DATE: September 12, 2003

REPORT TO: Chair and Members of the Board

C.C.: Ken Roberts, Chief Librarian

FROM: William Guise, Business Administrator

SUBJECT: Preliminary Draft 2004 Operating Budget

RECOMMENDATION:

That the Preliminary 2004 Draft Operating Budget for the Hamilton Public Library Board be received for information.

BACKGROUND:

The Preliminary Draft 2004 Operating Budget for the Hamilton Public Library Board is attached. The Draft Operating Budget, which is based on a "maintenance budget", shows an increase in the Municipal Contribution of \$1,412,240 or 6.9% increase over the approved 2003 Operating Budget.

The only changes reflected in the Preliminary Draft 2004 Operation Budget are related to compensation costs, which includes the reinstatement of the full premium costs for OMERS and other benefits.

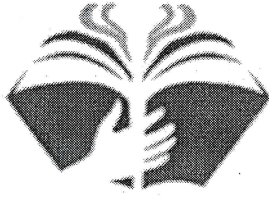
The Preliminary Draft does not include any increases related to inflation on other categories, including Library Materials.

The drawdown on reserves to mitigate increase in budget costs has been continued for 2004 at the same level as the 2003 approved budget.

**HAMILTON PUBLIC LIBRARY
DRAFT 2004 OPERATING BUDGET
BY COST CATEGORY**

2004 Request/
2003 Approved

	<u>2003 Approved Budget</u>		<u>2003 Projected Actual</u>	<u>2004 Mtce Budget Budget</u>	<u>2004 Program Enhancement</u>	<u>2004 Program Reduction</u>	<u>2004 Requested Budget</u>	<u>\$</u>	<u>%</u>
Employee Related Expenses	15,681,480		15,504,014	17,091,880	-	-	17,091,880	1,410,400	9.0%
Materials and Supplies	3,195,660		3,219,357	3,195,660	-	-	3,195,660	-	0.0%
Vehicle Expenses	1,200		1,177	1,200	-	-	1,200	-	0.0%
Building and Grounds	481,760		524,168	481,760	-	-	481,760	-	0.0%
Consulting/Contractual	791,240		762,442	791,240	-	-	791,240	-	0.0%
Reserves/Recoveries/C.A.	2,417,892		2,506,774	2,419,732	-	-	2,419,732	1,840	0.1%
Financial	12,110		10,639	12,110	-	-	12,110	-	0.0%
Capital Financing	-		-	-	-	-	-	-	N/A
TOTAL EXPENDITURES	<u>22,581,342</u>		<u>22,528,571</u>	<u>23,993,582</u>	<u>-</u>	<u>-</u>	<u>23,993,582</u>	<u>1,412,240</u>	<u>6.3%</u>
Fees and General	622,750		660,657	622,750	-	-	662,750	-	0.0%
Tax and Rates	-		-	-	-	-	-	-	N/A
Grants and Subsidies	1,100,330		1,177,707	1,100,330	-	-	1,100,330	-	0.0%
Capital Financing	-		-	-	-	-	-	-	N/A
Reserves	280,280		112,225	280,280	-	-	280,280	-	0.0%
TOTAL REVENUES	<u>2,003,360</u>		<u>1,950,589</u>	<u>2,003,360</u>	<u>-</u>	<u>-</u>	<u>2,003,360</u>	<u>-</u>	<u>0.0%</u>
MUNICIPAL CONTRIBUTION	<u>20,577,982</u>		<u>20,577,982</u>	<u>21,990,222</u>	<u>-</u>	<u>-</u>	<u>21,990,222</u>	<u>1,412,240</u>	<u>6.9%</u>



Hamilton Public Library

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DATE: September 5, 2003

REPORT TO: Doreen Horbach, Chair

C.C. Library Board Members

FROM: Ken Roberts, Chief Librarian

SUBJECT: **Library Board Membership/Term**

Recommendation:

That the Hamilton Public Library Board direct the Secretary to the Board to inform the City of Hamilton, as requested, that the current Council representation on the Board (two council members) is appropriate:

That the Hamilton Public Library Board direct the Secretary to the Board to inform the City of Hamilton that the Library Board would like to see the municipal by-law that sets the size of the Library Board amended to establish a Board of eleven members, with two councillors and 9 citizen appointees (no school board nominated members).

That the Hamilton Public Library Board direct the Secretary to the Board to request that the new City Council not appoint a new library board (except and unless there is a change in the council representatives) until all current contract negotiations with CUPE 932 are complete.

Background:

As you can see from the enclosed letter, the City of Hamilton is asking all Boards and agencies for advice concerning the number of council members that should be represented on each agency or Board. I am not aware of any issues or difficulties with the current Hamilton practice of naming two council representatives. Elected Council representatives cannot form a majority of the Board (Ontario Public Libraries Act). Some library boards are recommending a reduction in the number of Council members on the local library board (e.g. Ottawa and Toronto) but these tend to be boards that currently have a much higher number of council members.

As you are aware, the Ontario Public Libraries Act has been amended and no longer requires that the school boards nominate members to each library board. The legislation is permissive and allows for the school boards to nominate members for this requirement

to be eliminated from the local by-laws that create the parameters for each library board. I have made a recommendation for the purposes of putting the question before the Hamilton Public Library Board.

It is my personal opinion that there should not be school board nominees. I have several reasons for holding this opinion. Firstly, while the City of Hamilton receives multiple applications from citizens wanting to be on the Library Board, there is little public awareness that people can be nominated by the school boards and the boards rarely have multiple applicants. Secondly, there is often confusion about the role of such "nominees." They are not representatives of the school boards. Thirdly, they are often not confirmed as board members within the same timeframe and it has made it difficult for the new board to become established. Fourthly, it can make it more difficult for Council to find a balanced representation (age, ethnic diversity, geographic representation).

Some library boards (e.g. Windsor, Toronto, Burlington and Ottawa) are recommending to their municipal councils that they eliminate the board representatives. Other Boards (such as Barrie, Brockville, and Mississauga) are recommending that the school board nominees be retained.

There is a tendency for library boards to recommend slightly smaller boards. The smallest is Windsor. The recommendation is that Windsor move from 10 Board members to 5 Board members. The current Hamilton Board has an even number of Board members (14) and this can create more difficulties when trying to meet quorum requirements (a majority of members).

Under the Public Libraries Act, the current Board stays in place until the new Council appoints a new library board. It appears that we will be reaching an end of the negotiation process late this year or early in 2004. I would like to see the same board in place during the negotiations.

City Clerk's Office, Finance and Corporate Services
Physical Address: 71 Main Street West
Phone: 905.546-2424, ext. 4408 Fax: 905.546-2095
Email: clerk@hamilton.ca

September 12, 2003

Chairman and Members of the Hamilton Library Board
55 York Boulevard
Hamilton ON L8R 3K1

Re: Council Representation on Boards and Commissions

Dear Chairman and Members:

With the approach of the November 2003 Municipal Election, we are reviewing various processes and procedures for the new Council. One of these is the level of representation by members of Council on all the Boards, Commissions and agencies with which the City is involved.

We are therefore writing to all groups to ask whether the current Council representation is still appropriate, or whether you have any suggested changes.

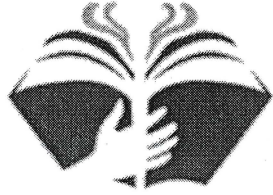
Currently, your membership includes two Council representative(s). Would you please review this information with your group and advise us whether this number is still appropriate or whether it should be increased or decreased. We would appreciate your response by September 26, 2003.

Once we have heard from the various groups, a report will be prepared for review by the sub-committee and a final decision will be made by Council. We will keep you advised as the process continues.

Yours truly,

Kevin Christenson
City Clerk

RC:sr



Hamilton Public Library

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DATE: September 12, 2003
REPORT TO: Chair and Members of the Board
C.C.: Ken Roberts, Chief Librarian
FROM: Linda Foley, Manager Human Resources
SUBJECT: Human Resources Retention Schedule

RECOMMENDATION:

That the amended Retention Schedule for the Human Resources files be adopted.

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

There are no financial, staffing, or legal implications.

BACKGROUND:

The Human Resources department retains a significant volume of files relating to employment and labour relations. The retention guidelines have not been reviewed for a number of years, and the recommendations reflect practices common in the retention of personnel and payroll related documents. Additionally, the City of Hamilton maintains the payroll documents, as well as original change notifications to employee records, and therefore reduces the Library's obligations for retention. Finally, the ability to store documents electronically reduces the physical space requirements, as well as allow for more expedient searching of records.

LOCATION	TITLE OF RECORD/FILE	RETENTION IN YEARS	DISPOSITION
Human Resources	Application for Employment (Not Hired)	6 months	S
Human Resources	Interview Notes, (Not Hired)	1 yr SR	S
Human Resources	Attendance Records - Computer	7+C	S
Human Resources	Attendance Records - Paper	AT 7+C	S
Human Resources	Bi-weekly Payroll Registers	7+C	S
Human Resources	Collective Agreements (Master Copies)	P	N
Human Resources	Collective Agreements – Electronic	P	AH - Electronic
Human Resources	Collective Bargaining Records	P	N
Human Resources	Employee Files	AT 7+C	S
Human Resources	Employee Record	P	AH - Electronic
Human Resources	Employee Statistics	AT 7+C	S
Human Resources	Employee Time Records	7+C	S
Human Resources	Employee Training & Development Records	AT 7+C	S
Human Resources	General Correspondence	7 SR	S

LOCATION	TITLE OF RECORD/FILE	RETENTION IN YEARS	DISPOSITION
Human Resources	General Salary Information	P	AH - Electronic
Human Resources	Grievance Files	P	AH - Electronic
Human Resources	Health & Safety Records	P	AH - Electronic
Human Resources	Job Competition Files	2 SR	S
Human Resources	Job Descriptions	P	N
Human Resources	Job Evaluation Records	P	N
Human Resources	Labour Management Minutes & Agendas	7 +C	AH – Electronic
Human Resources	Long Term Disability Records	P	N
Human Resources	Operating Budget Records (Working	2 SR	S

FREEDOM OF INFORMATION/PRIVACY ACT RELATED RETENTION POLICY -- PART III: SCHEDULE A

RETENTION CODES

AT = AFTER TERMINATION

+C = PLUS CURRENT YEAR

LL = LIFE OF LEASE

SR = SELECTED RETENTION

UE = UNTIL EXPIRED

US = UNTIL SUPERSEDED

DISPOSITION CODES

LC = LIFE OF CONTRACT

UC = UNTIL COMPLETE

A = ARCHIVES

AH = Archive Human Resources

G = GARBAGE

N = NO DISPOSITION

R = RECYCLE

S = SHRED

* PERSONAL INFORMATION BANK

	copies)		
Human Resources	Organization Charts	P	AH - Electronic

LOCATION	TITLE OF RECORD/FILE	RETENTION IN YEARS	DISPOSITION
Human Resources	Pay Equity Information	P	N
Human Resources	Personnel, Payroll & Benefit Records	P	N
Human Resources	Personnel Policies & Procedures	US	A
Human Resources	Union Correspondence	P	AH - Electronic
Human Resources	WCB Claim Files	P	N
Human Resources	Work In Progress	UC SR	S

DEFINITIONS

DISPOSITION

Archives (A) = After the completion of the retention period, the file is transferred either totally or only those sections deemed archival by the creator and/or archivist, with proper file identification and transfer form, to the Hamilton Public Library Archives, housed in the Special Collections Department.

Archives Human Resources = **Human Resources records are retained within the department or at designated retention areas. An inventory of items is maintained with proper file identification, location. Records may be archived electronically (scanning of hard copy and/or retention of electronic files)**

FREEDOM OF INFORMATION/PRIVACY ACT RELATED RETENTION POLICY -- PART III: SCHEDULE A

RETENTION CODES

AT = AFTER TERMINATION +C = PLUS CURRENT YEAR
 LL = LIFE OF LEASE SR = SELECTED RETENTION
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* PERSONAL INFORMATION BANK