

## Mission Statement

*Freedom to Discover.*

## Strategic Priorities

*Strengthening Communities*

*Strengthening Individuals*

*Strengthening Our Organization*

## HAMILTON PUBLIC LIBRARY BOARD

Regular Board Meeting  
Wednesday, March 18, 2009  
Central Library, Board Room

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

### AGENDA

1. Discussion Period
2. Acceptance of the Agenda
3. Minutes of the Hamilton Public Library Board Meeting of Wednesday, February 18, 2009 Attachment #3
4. Presentations
5. Consent Items
6. Business Arising
  - 6.1 Inner City Services Report – BH Attachment #6.1
  - 6.2 Picton Library – BH Attachment #6.2

**Suggested Action: Receive**  
**Suggested Action: Recommendation**
7. Correspondence
8. Reports
  - 8.1 Chief Librarian's Report Attachment #8.1

**Suggested Action: Receive**

9. **New Business**

- 9.1 Automated Materials Handling Implementation – KD Attachment #9.1  
**Suggested Action: Recommendation**
- 9.2 2008 External Audit Plan and Draft Financial Statements – BG Attachment #9.2  
**Suggested Action: Recommendation**
- 9.3 Microsoft Software Licensing Agreement – PT Attachment #9.3  
**Suggested Action: Recommendation**

10. **Private and Confidential**

- 10.1 Labour Issues – LD

11. **Date of Next Meeting**

Wednesday, April 22, 2009  
**Central Library, Board Room, 5<sup>th</sup> Floor**  
5:30 p.m. Dinner  
6:00 p.m. Meeting

12. **Adjournment**

**HAMILTON PUBLIC LIBRARY**  
**LIBRARY BOARD**

**UPCOMING/OUTSTANDING ISSUES**

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



**HAMILTON PUBLIC LIBRARY BOARD  
Regular Meeting**

**Wednesday, February 18, 2009  
Central Library, Board Room  
5:30 p.m. Dinner  
6:00 p.m. Meeting**

**MINUTES**

**PRESENT:** George Geczy, Suzan Fawcett, George Nakamura,  
Krzysztof Gumieniak, Mary Ann Leach, Councillor Pearson,  
Doreen Horbach, Maureen McKeating, Santina Moccio

**REGRETS:** Jennifer Gautrey, Councillor Jackson

**STAFF:** Ken Roberts, Maureen Sawa, Beth Hovius, Lisa DuPelle, Kit Darling,  
Bill Guise, Karen Hartog

**GUESTS:** Daphne Wood, Manager of CCD  
Robert Plant, Interim Manager of CCD

Ms Moccio called the meeting to order at 6:00 p.m.

**1. DISCUSSION PERIOD**

1.1 Recent Incident at Central

Mr. Roberts provided the details of the arrest at the Central Library of the alleged murderer.

1.2 Introduction of Interim Manager of Communications and Community Development

Robert Plant was introduced to the Library Board and welcomed to the Hamilton Public Library.

1.3 Budget Presentation to Council

Mr. Roberts briefed board members on the recent budget presentation to Council. Mr. Roberts reported that the Library has spoken to City representatives regarding pay equity and a report is being presented to Council on February 24<sup>th</sup>.

1.4 Minister's Award for Innovation

Ms Darling reported that the Hamilton Public Library along with the Toronto Public Library and the Kingston-Frontenac Public Library were awarded the Minister's Award for Innovation at the Ontario Library Service conference for the Ontario Time Machine project.

**2. ACCEPTANCE OF THE AGENDA**

**MOVED** by Ms McKeating, seconded by Ms Leach,

**THAT THE AGENDA BE APPROVED AS PRESENTED.**

**MOTION CARRIED.**

**3. MINUTES OF THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF WEDNESDAY, JANUARY 21, 2009**

**MOVED** by Ms Leach, seconded by Councillor Pearson,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD MINUTES OF WEDNESDAY, JANUARY 21, 2009 BE ADOPTED AS PRESENTED.**

**MOTION CARRIED.**

**4. PRESENTATIONS**

No presentations.

**5. CONSENT ITEMS**

**MOVED** by Ms Horbach, seconded by Ms McKeating,

**THAT CONSENT ITEM 5.1 and 5.2 BE APPROVED AS PRESENTED.**

**MOTION CARRIED.**

5.1 Received for information.

5.2 That the Concession Library be closed, as necessary to renovate the circulation desk.

**6. BUSINESS ARISING**

6.1 Picton Library Consultation

The report was received for information.

**MOVED** by Mr. Geczy, seconded by Ms Leach,

**GIVEN THE FACT THAT THE PICTON BRANCH IS NOT SUSTAINABLE, THAT THE BRANCH BE CLOSED ON OR BEFORE OCTOBER 31, 2009 SO LONG AS AN ACCEPTABLE PLAN FOR APPROPRIATE ALTERNATIVE SERVICE WITHIN THE AREA BE SUBMITTED TO THE BOARD AND APPROVED BY THE BOARD IN MARCH 2009**

**MOTION CARRIED.**

6.2 Draft Inner City Services Plan

Received for information. Board Members requested that specific recommendations be presented at the March 2009 meeting.

7. **CORRESPONDENCE**

No correspondence.

8. **REPORTS**

8.1 Chief Librarian's Report

Received for information.

8.2 2008 Circulation Report

Received for information. Ms Hovius presented circulation statistics by postal code to board members.

9. **NEW BUSINESS**

No new business items.

10. **PRIVATE AND CONFIDENTIAL**

**MOVED** by Mr. Gumieniak, seconded by Ms Leach,

**THAT THE LIBRARY BOARD MOVE IN-CAMERA TO DISCUSS THE COLLECTIVE AGREEMENT.**

**MOTION CARRIED.**

**MOVED** by Councillor Pearson, seconded by Ms Leach,

**THAT THE IN-CAMERA SESSION BE ADJOURNED.**

**MOTION CARRIED.**

**MOVED** by Councillor Pearson, seconded by Mr. Nakamura,

**THAT THE LIBRARY BOARD AUTHORIZE THE MANAGEMENT TEAM TO NEGOTIATE THE CUPE LOCAL 932 CONTRACT ON THEIR BEHALF.**

**MOTION CARRIED.**

11. **DATE OF NEXT MEETING**

Wednesday, March 18, 2009  
**Central Library, Board Room, 5<sup>th</sup> Floor**  
5:30 p.m. Dinner  
6:00 p.m. Meeting

12. **ADJOURNMENT**

**MOVED** by Ms Leach, seconded by Councillor Pearson,

**THAT THE HAMILTON PUBLIC LIBRARY BOARD MEETING OF  
WEDNESDAY, FEBRUARY 18, 2009 BE ADJOURNED.**

**MOTION CARRIED.**

The meeting was adjourned at 7:45 p.m.

Minutes recorded by Karen Hartog.



# HAMILTON PUBLIC LIBRARY INNER-CITY SERVICE PLAN

PREPARED BY BETH HOVIUS, KIT DARLING AND MAUREEN SAWA

*Draft: February 2009*

*Final Report: March 2009*

# HAMILTON PUBLIC LIBRARY INNER-CITY SERVICE PLAN

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## 1 INTRODUCTION

This report, presented in February, has been updated to reflect the Board discussion and subsequent discussions both internally and with the community. It provides an overview of the longer term service development possibilities. The recommendations, specific to the area of the city served by the Picton branch, are included in a separate memo.

The City of Hamilton has identified poverty reduction as a priority. This report proposes service changes to improve access to library services to residents in the inner city. In providing many services to different population groups, the Library has found that targeting services to specific groups is more successful and more likely to play a transformative role in individual lives than focusing on underutilized building-based services.

Hamilton Public Library continuously reviews service delivery to meet strategic needs within its community. Library services evolve, providing the opportunity to make adjustments optimizing resources and providing the flexibility to respond to changing needs. In adjusting the service mix, the service goals and key components of library service remain the same, but how they are delivered is changed. Because resources are limited, and because of the current economic climate, it is not only necessary, but imperative, to examine the current allocation of resources and reallocate them where they have the most impact.

Our primary goal is to provide library services for underserved populations and extend the library's services to people who have difficulty getting to the library because of disability, language, or economic isolation. This population has diverse needs, skills and backgrounds and may have no other access to new technologies, computer training, or library resources.

The service goals remain:

- Provide inner-city residents with accessible services targeted to their needs
- Make it easier for the residents of these neighbourhoods to use library materials.
- Provide more computer access to neighbourhood residents (including related training).
- Provide literacy-focused programs.
- Contribute to the social fabric of the community.

The key components of library service remain:

- Loan of materials
- Access to information
- Literacy support and development (including programming for all ages)
- Provision of computers for personal computing, including training
- Provision of public spaces

### 1.1 BOUNDARIES OF THE "INNER CITY"

This report focuses on the area surrounding the Central Library and reaching eastward towards Kenilworth and Red Hill branches. It includes neighbourhoods such as Central, Beasley, Landsdale, Gibson, Stipley, Stinson, North-end, and Riverdale. It recognizes that there are similar areas on the mountain which could also benefit from similar service adjustments, but they have not been addressed in this report.

Inner city Hamilton has been loosely defined as the area from the 403 to Centennial Parkway. This area of the city is well-served by library buildings: Central, Picton, Barton, Kenilworth and Red Hill.

It includes the following census tract neighbourhoods: Central, Beasley, Strathcona, North End East and West, Keith, Gibson, Landsdale, Stipley, Corkdale, Stinson, Crown Point, Parkdale East and West, McQuesten, Riverdale East and West, Kentley,

This area of the city accounts for 56% of the sq. ft. of public library space in the city, and 30% of the City's population<sup>1</sup> lives in this area. Libraries include: Barton (6,272, sq. ft.), Central Library (146,000 sq. ft.), Kenilworth (8,000 sq. ft.), Red Hill (11,760 sq. ft.), Picton (3,172 sq. ft.) There are also several bookmobile stops.

## 1.2 POVERTY IN HAMILTON: SPECIFIC AREAS TO BE TARGETED

### Map 1: Average Individual Income by Census Tract (2005)

This map indicates that almost the entire inner city has an average income of less than 80% of the City average.

Two census tracts stand out – Central and Beasley – as having the lowest income levels less than 60% of the City average in the city.

### Map 2: Prevalence of Low income before Taxes by Census Tract, 2006

This map, illustrates the stratification of income levels.

- Beasley and Central are the lowest income neighbourhoods with 47% - 57% of residents having a low income. The Central Library is located within the Central census tract. (dark red on the map)
- Keith, Gibson, Corktown, St. Clair, Stinson, Parkdale East, Parkdale West, McQuesten, McQuesten West have 37.9% to 47.7% residents with low income. Barton Library is located within the Gibson tract. (red on the map).
- McAnulty, Crowne Point, Kentley, Riverdale East and Riverdale West, St. Clair, North End East and West, Stipley, Landsdale have 28% – 37.9% of the residents with low income. Kenilworth branch is located on the edge of the Crowne Point tract. Red Hill is located in the Kentley tract. (deep pink on the map)
- The remaining inner city census tracts have 18.1 – 28% of the residents with low incomes. (light pink on the map).

## 2 ALTERNATE LIBRARY SERVICES

### 2.1 TRADITIONAL LIBRARY SERVICE - THE COLLECTIONS

The Central Library Service Review indicated that Central role would increasingly focus on its immediate communities, and less emphasis would be placed on its role as a research/ reference library. The latter role has decreased in importance as customers have chosen to use their

<sup>1</sup> Source: *Hamilton Public Library Facilities Master Plan – Part 2B Application of Per Capita Measures and Library Standards to Branch Data.*

community branch libraries instead of travelling to a large central facility. This change is successful as 2008 saw the reversal of the long-term decline of the Central Library as it experienced an 18.5% increase. This increase, a reflection of economic times, is also due to the increase in non-print materials since a browsing DVD collection was introduced to Central in 2008. This change has been gradual, and by the time the Central Library renovations are complete in 2010, this transformation will be complete.

Central is, and will continue to be, a hub for specialized materials. Central continues to house some anchored (i.e. not shared) collections, specifically: non-fiction, multilingual materials and literacy materials. All other collections are shared and move freely between Central and the branches. An analysis of circulation indicates that Central is now circulating more non-print (50.8%) than print materials. Only Barton Library has a similar borrowing pattern (54.4% non-print). This heavy use of non-print indicates that non-print must be heavily emphasised in the inner-city core.

Red Hill Library provides a secondary hub for the East end with its anchored collections of job and career materials, literacy materials, and collections in many languages.

## 2.2 BOOKMOBILE SERVICE

Bookmobile service is the most viable and sustainable service option for small neighbourhoods. A weekly (two-hour) bookmobile stop typically serves a neighbourhood of approximately 5,000 people, and circulates 20,000 - 25,000 items. As customers are increasingly using holds to preselect the materials they borrow (25% of total circulation is holds-based) delivery-based services are a customer-convenient service option.

The bookmobile service currently has excess capacity and can take on additional stops (with some schedule modifications) at no additional cost to the system. New opportunities for service arise, since the schedule is reviewed regularly. Fridays, as well as a couple of afternoons and an evening slot are open for reassignment. Beyond this, additional staff (driver) would be required to make more use of the vehicle and serve more neighbourhoods and hamlets.

Customers of the bookmobile service highlight the friendliness and personalized service as the key reasons, in addition to convenience, for their continued loyalty to this service. In addition, the rotating popular collection located on the bookmobiles provides more browsing variety than the small branch-based collections.

In the future, wireless capabilities will expand to the vehicles. Both new bookmobiles have been designed to incorporate computers when wireless access becomes more prevalent.

The bookmobiles currently provide service to the Riverdale community (east of Centennial Parkway) and to the Stinson neighbourhood within the geographic boundaries of this report.

## 2.3 THE LIBRARY WITHOUT WALLS

Youth flock to the library for access to electronic gaming and other social-networking. Since service agencies which run homework help and youth programming often lack the resources to provide computers to support these new youth interests, the Library can help by providing equipment, technical assistance, and training to their staff on web-based homework assistance. The benefits of public computers can spread more widely if the service is no longer limited by library staffing and space constraints.

Recent changes to the Library's technology set-up permit the expansion of computers beyond the walls of the library. The *Useful* application uses one CPU to run up to 6 screens and technical support is provided by a 1 800 number. In addition, the repair and maintenance of equipment has been contracted to a 3<sup>rd</sup> party which can provide support for a much larger number of computers.

Together these changes make it feasible to consider and test the application of the "library without walls" at selected community agencies, and if successful expand this service expansion strategy.

#### 2.4 COMPUTER TRAINING / MOBILE LAB

A trial of a mobile computer training lab has determined this to be a successful mechanism for public training (basic computer literacy and processing skills) for up to eight people at a time.. Self-improvement is cited as the main reason for participation. A permanently funded solution would enable the library to provide this service at branch libraries without training labs and at a variety of outside locations. The branch libraries have the high speed network access to implement this immediately. Dedicated equipment (8 laptops and a projector) has been purchased.

In the future, the mobile lab could be co-joined with bookmobile service so that the 2<sup>nd</sup> vehicle becomes the travelling mobile lab providing access to information to those communities which have less access than required.

A computer lab is needed at Red Hill Library to offer ongoing computer classes for the east-end community. This is dependent upon the transfer of equipment from another branch. Staff of the mobile computer lab would help to meet the training demand, as will the new Red Hill librarian position. The computers can be used when not used for training to meet the demand in this community for access to computers.

#### 2.5 PROGRAMMING & OUTREACH

The current service delivery through the "bricks and mortar" model hampers the Library's ability to provide outreach. There is an unmet demand for more programs delivered through partnerships with community agencies to meet the needs of diverse clients. The ability to meet demand is limited by staffing constraints.

Traditional library programming is evolving. The ongoing provision of outreach, services to families and newcomer services will continue. We continue to work with SISO and other agencies to provide such cooperative programs as settlement workers in the library (Central, Red Hill) and summer reading club programs at other agencies such as the Barton Library/ Eva Rothwell Centre program which ran the summer of 2008. The library participates in various *Best Start* initiatives and with other community groups.

The Library's full range of specialized preschool story times, targeted to specific age groups (baby times, toddler times, preschool story-times) can only be held in libraries with sufficient population to support them. Drop-in programs for wider age groupings (no registration) are becoming more popular.

#### 2.6 APPROPRIATE POLICIES

Circulation policies restrict borrowing when accumulated fines reach a threshold, or until lost materials are paid. These policies, applied universally, have the impact of being more detrimental to the residents of the very communities recognized as needing access to library materials. Some different ways of addressing this have been tested. For example, a fine forgiveness program targeted towards street youth was successful, but a more general one offered through the summer reading program did not work as expected in poorer areas of the city.

#### 2.7 DONATIONS TO SOCIAL AGENCIES

The library recently provided two service agencies (Eva Rothwell Centre and St. Mathews House) with donated paperbacks, magazines and children's materials on the condition that they be given to or used by, their clientele. Both agencies run book exchange rooms on the honour principle. In highly transient communities this could become a preferred service option because it reduces the need to return materials on a preset schedule, and gets materials into the hands of those who have barriers to conventional library service.

## 2.8 JOB DISCOVERY CENTRES

These provincially-funded centres have been a heavily-used service at five branches, two, of which (Red Hill and Barton) are located within the inner-city area defined by this report.

## 2.9 BRINGING PEOPLE TO THE LIBRARY

An affordable alternative is to rent school buses to bring people to the library on a prescheduled weekly basis. Not only does this ensure that people can access services, it enables them to visit a larger library location with a broader range of services which they can access. Staff costs are limited because the larger facilities have sufficient resources to accommodate group visits. This service would be feasible for dense neighbourhoods where residents face barriers to getting to the public library because of barriers to public transit and poverty issues.

The annual cost of a weekly trip from a neighbourhood to the Central Library would be about \$7,000. This includes the pick-up and return to a location with an extended time for a visit. Additional pick-up locations are possible for a small added charge.

The *Core to Shore* bus runs each summer between the downtown and the Bayfront Park. This free bus service could be of benefit, helping the residents of the Picton branch catchment area get to the Central Library at no personal cost.

## 2.10 KIOSK ACCESS

Kiosk access to the library website and catalogue in non-library community settings such as Community Recreation Centres has been suggested for those who do not have a computer at home. A durable, low-maintenance equipment option needs to be tested, to ensure that it can withstand vandalism in low-supervised public spaces.

# 3 LONG-TERM ACTION PLAN

## 3.1 TRADITIONAL LIBRARY SERVICE - THE COLLECTIONS

Central Library's collection continues to evolve to meet changing needs. The heavy use of non-print, as demonstrated by Central and Barton, will be a consideration when collections are supplied within the inner city. In addition, multicultural materials, literacy, job and career materials are identified as collections required here. Red Hill Library will continue to be a secondary hub of similar materials for the east end of Hamilton.

Both Central and Barton continue to show high increases in the use, a reflection of the needs of the community. The use in January and February 2009 vs. the same months in 2008 show a 39% increase at Barton; 18.9% at Central. In contrast, Picton shows only a 1.8% increase, while Kenilworth and Red Hill are closer to the system average of 8.5%.

## 3.2 BOOKMOBILE SERVICE

The bookmobile is the preferred first step for providing more services to the inner city community. Within the existing staffing constraints, the bookmobile can service additional neighbourhoods at no additional costs, specifically:

- Fridays: the bookmobile service has rearranged schedules to make Fridays available
- Two existing neighbourhood slots will be available when Turner Park opens.

Beyond this, with additional staff, the vehicles could pick up stops during the mornings and evenings.

The bookmobiles have been using an off-line circulation system. Electronic Services will make it a priority to enable the bookmobiles to circulate materials on-line beginning with the first replacement vehicle before May 2009, and the 2<sup>nd</sup> replacement vehicle in June 2009. They will also work to ensure that there are two computers for public use on each vehicle to access the Internet, electronic resources and the Library catalogue. To fund this will require funding outside of the current departmental operating budget.

#### PROPOSED NEW STOPS

- *NORTH-END NEIGHBOURHOOD (PICTON) - JUNE 2009*

**Propose:** Two stops to be provided: a weekly neighbourhood stop (2 hours) weekly on either Monday or Thursdays (6 – 8 p.m.) and a bi-weekly stop at the Bennetto Family Literacy Centre (Wednesdays either 10 – 11:30 or 11:00 – 1:00 p.m.) The proposed weekly stop takes place at the busiest times the Picton branch is now open. Customers would be able to pick up their holds at either stop.

It is proposed that these stops begin in June 2009 to enable a smooth transition.

- *KEITH NEIGHBOURHOOD: EVA ROTHWELL CENTRE - JULY OR SEPTEMBER 2009*

This centre has indicated a desire to begin bookmobile service immediately with an after-school time slot the preferred option since the local children are currently bussed to nearby schools (Bennetto and Cathy Wever) and then dropped off here for after school programs.

- *GIBSON- LANDSDALE NEIGHBOURHOOD: WEVER HUB - FALL 2009*

This neighbourhood hub provides a range of services which the bookmobile will complement. There is parking, as the Community Health Bus makes regular visits. The Centre has not yet been contacted as a time slot has not yet been identified.

- *BEASLEY NEIGHBOURHOOD: BEASLEY COMMUNITY CENTRE - FALL, 2010*

When this centre opens in September 2010, there will be parking for mobile services such as the Community Health Bus and the Bookmobile.

### 3.3 THE LIBRARY WITHOUT WALLS

The Eva Rothwell Centre (Keith neighbourhood) has been approached and is interested in a partnership in which the library supplies computers for their after-school programs. The children from this neighbourhood (west of Wentworth St. ) currently attend Bennetto school in the Picton neighbourhood. This can be initiated quickly with the new Useful application which uses 1 CPU to run up to 6 desktop applications concurrently. As indicated earlier, external technical support will make this a sustainable option.



### 3.4 COMPUTER TRAINING / MOBILE LAB

One of the most urgent system needs, is to deliver computer training (basic computer literacy and word processing skills) at branch libraries and community agencies where we plan to provide computers. A staff position is required to deliver this. Because of the cost (a minimum of \$40,000) any recommendations to add a position to the staff complement will be dealt with as part of future budget deliberations.

In addition, city-owned facilities will be investigated to determine suitability (appropriate space and either having existing high speed network or the capability to be added) for a partnership program. The Beasley Community Centre is opening in the fall 2010, with access to the school library and school computer lab after school hours. The Library has offered to partner with the Centre.

### 3.5 PROGRAMMING & OUTREACH

The Saltfleet librarian position has been re-described as a Red Hill/Saltfleet position to provide more programming and outreach in the east-end to the east-end community agencies, and to coordinate outreach library services with Central Library outreach staff.

The Picton neighbourhood schools are being transferred, effective spring, 2009, to the Central Library school visit list, as these schools already visit Central Library, at their request.

As part of an ongoing review of staff, the ability of Central (Children's and Adult), Bookmobile, Barton and Kenilworth branches to deliver more outreach programs for all ages will be examined, but realistically changes are not anticipated before the Central Library renovation is complete.

### 3.6 APPROPRIATE POLICIES

Library policies will be reviewed to determine how, on an individual basis, borrowing privileges can be reinstated for those in need while balancing the Library's need to have materials returned and the integrity of the collections agency processes maintained.

### 3.7 DONATIONS TO SOCIAL AGENCIES

Two centres (Eva Rothwell and St. Mathews House) received donations of materials removed from the collection in December. These have been well-used and distributed to residents of the community for their personal use. The Eva Rothwell Centre is interested in more materials. Materials could be offered selectively to other community agencies such as Kiwanis Boys and Girls House, Living Rock which providing direct services to their clientele.

### 3.8 JOB DISCOVERY CENTRES

Currently funded by the provincial government, these Centres are heavily used, and have positively influenced services. They have introduced new clientele to the branch libraries where they operate. Given the economic times, it may be necessary to modify these centres. There could be an impact on the operating budget, in 2010 or after. Annualized operating cost per centre is approximately \$ 80,000 - 90,000 (estimate).

### 3.9 BRINGING PEOPLE TO THE LIBRARY

At a cost of \$7,000 annually for a weekly visit, this is financially attractive. The demand for this needs to be assessed, and tested, perhaps in conjunction with a neighbourhood hub. This would

be a perfect partnership opportunity with a service club to support the services in a neighbourhood hub.

In addition, the *Core to Shore* Bus service operates between downtown and the Bayfront Park during the summer months. This free bus service will be included in any publicity regarding Picton Library as it will provide a means for neighbourhood residents to get to the Central Library at no personal cost.

### 3.10 KIOSK ACCESS

Priority will be placed on other means of providing access such as wireless access on the bookmobiles and provision of computers to community agencies will be a higher priority.

Meanwhile, on an ongoing basis, the costs, wiring connections and potential locations for off-site kiosks will be monitored and discussions with city staff regarding network considerations and feasibility or providing library kiosks in the lobby of recreation centres will take place. It is possible that the wireless bookmobile service and computers located in service agencies could make this option redundant.

## 4 POTENTIAL PARTNERSHIPS: SOME STARTING POINTS

Hamilton Public Library already partners with many agencies and is a member of several umbrella partnerships which address the needs and issues of the inner city, including:

- Hamilton Round Table for Poverty Reduction (over 60 initiatives are underway beginning at the grass roots level.)
- Best Start
- Early Literacy initiatives

The following is a partial list of the community agencies located near each branch, but there is overlap in service areas of the agencies and multiple branches.

### CENTRAL LIBRARY

Current outreach to new immigrants reflects their desire to visit "the big library with the market" and not the neighbourhood libraries which may be more conveniently located. The reasons given are space for the whole family to spread out, and access to more services such as literacy tutoring, materials in many languages, longer hours, and the relationship with the market.

- Beasley Community Centre (Ferguson and Wilson) with after-hours access to Dr. J. E. Davey School – opening September 2010 (99 Ferguson, just south of Wilson). Currently children attend Sandford Ave Middle School until the new school is built. The facility is designed for local service buses such as a bookmobile. The school library/ computer lab will be open after hours. Developing a partnership to deliver appropriate joint services such as bookmobile service, and computer training is a priority. This neighbourhood hub has identified early learning and parenting as a priority.
- SISO (Settlement and Immigrant Services Organization)
- The Living Rock – provides outreach and services to street youth; (Central library staff currently works with this Centre.)
- Good Shepherd Shelter and Services – Cannon St.
- St. Mary's After school/community program
- Good Shepherd/ Notre Dame School – outreach program on James. St North
- Early Years Centre, Queen St.

- St. Joseph's Immigrant Centre
- Public Health Dept. (Murray St.)

#### *BARTON LIBRARY*

- Eva Rothwell Centre (Keith neighbourhood; Wentworth St. north of Barton, near Burlington St.). Recently a large donation of used materials was given to this centre was positively received. They have given them to their customers who come for clothing and furnishings. Their breakfast club feeds children from both Bennetto and Cathy Wever schools. Consider: bookmobile service; mobile computer training lab. The Keith neighbourhood hub has identified health issues as an area of improvement.
- St. Mathews House (Gibson neighbourhood located 1 block from Barton Library). Recently a large donation of used materials was given to St. Mathews House to support their programs for families and adults in need. Consider the potential of providing computers to support their homework clubs; mobile computer training lab site.
- Wever Community Hub: (Cathy Wever Elementary School, 160 Wentworth St. North, and the Normal Pinky Lewis Recreation Centre) The Hub provides before and after school care through our Umbrella Family Daycare, after-school homework clubs, and parent education in cooperation with Public Health. Remedial instruction after school in literacy and numeracy and the offering of a variety of free after-school recreational activities in co-operation with the Pinky Lewis Recreation Centre is also provided. The Community Healthy Bus visits each week. This hub serves the Landsdale and Gibson neighbourhoods.

#### *PICTON LIBRARY*

- Bennetto School Family Literacy Centre (drop in program 4 mornings per week). Consider bookmobile stop and some cooperative programming for preschoolers and family members. This school is attended by children from the North End and Keith neighbourhoods, west of Wentworth.
- Bennetto Community Centre. Consider catalogue/ network access; mobile computer training programs, as space permits. Recreation centre scheduled for future renovation, at which time more small group spaces will be made available.
- Welcome Inn. Consider partnership potential of providing computers to support their homework clubs and mobile computer training lab site.
- North Hamilton Community Health Centre (2011, after new facility opens). Consider options of providing library component for their preschool and after-school programs; and the use of the Community Program room for library-outreach programs to their clientele and the residents of the immediate neighbourhood.
- Eva Rothwell Centre (see Barton) serves children attending Bennetto school.

#### *RED HILL LIBRARY*

- Kiwanis Boys and Girls House - 45 Ellis Ave. Consider providing donation of used library materials to support their clientele (2009). Consider the potential of providing computers to support their homework clubs; mobile computer training lab site.
- Riverdale Community Centre – currently a bookmobile site. Consider the provision of materials for a book exchange within the high-rise complex or recreation centre. Consider the potential of providing computers to support their homework clubs; mobile computer training lab site.

## 5 APPENDIX A: FROM 'BRICKS AND MORTAR' TO ALTERNATE SERVICES

This illustrates the impact of transferring resources from "bricks and mortar" to alternate services using the Picton Library as an example. \$140,000 in annual operating funds (excluding materials) could become available up over a period of 2009 – 2011 and used to phase in the proposed service changes.

### BUDGET IMPLICATIONS

If Picton were to close in 2009, operating funds of \$140,000 required to cover the costs would incrementally decrease until January 2011 at which point the funds would be used fund other services

Then funds would be available on this schedule

- For the balance of 2009, \$6,800 per month (\$40,000 - \$50,000 for 6 months).
- In January 2010, an additional \$40,000 - \$50,000 for an annual total of \$80,000 to 100,000 annually
- In January 2011, an additional \$50,000 to a maximum of \$140,000 (in 2011 dollars).

### SOME EQUIVALENTS

With \$90,000 staff costs, Picton Library provides

- Circulation of 23,000 items
- 16 hours of access to 6 public computers
- Seasonal programming, including a weekly story time, and book club.

With \$50,000 facilities costs, Picton library provides

- 16 hours access to a 3,100 sq. ft. facility
- Service to a community of 5,000 people.

With equivalent funding, alternate services could be provided

- A mobile computer lab with trainer and assistant delivering 18 hours programming weekly (\$45,000)

AND

- Expand bookmobile service to 8 additional neighbourhood stops delivering 160,000 items and reaching about 40,000 people (\$60,000)i **OR** provide a full-time Outreach position to work with the community

AND

- Set-up two additional service agencies with 3 computers and maintain networks costs for previously set up agencies. Equipment and initial network costs : \$10,000 and ongoing network connections and support per centre: \$2000. Total cost for 6 centres over 3 years: \$22,000 set-up and maintenance costs; \$12,000 annually after three-year phase in. (KIT????)

AND

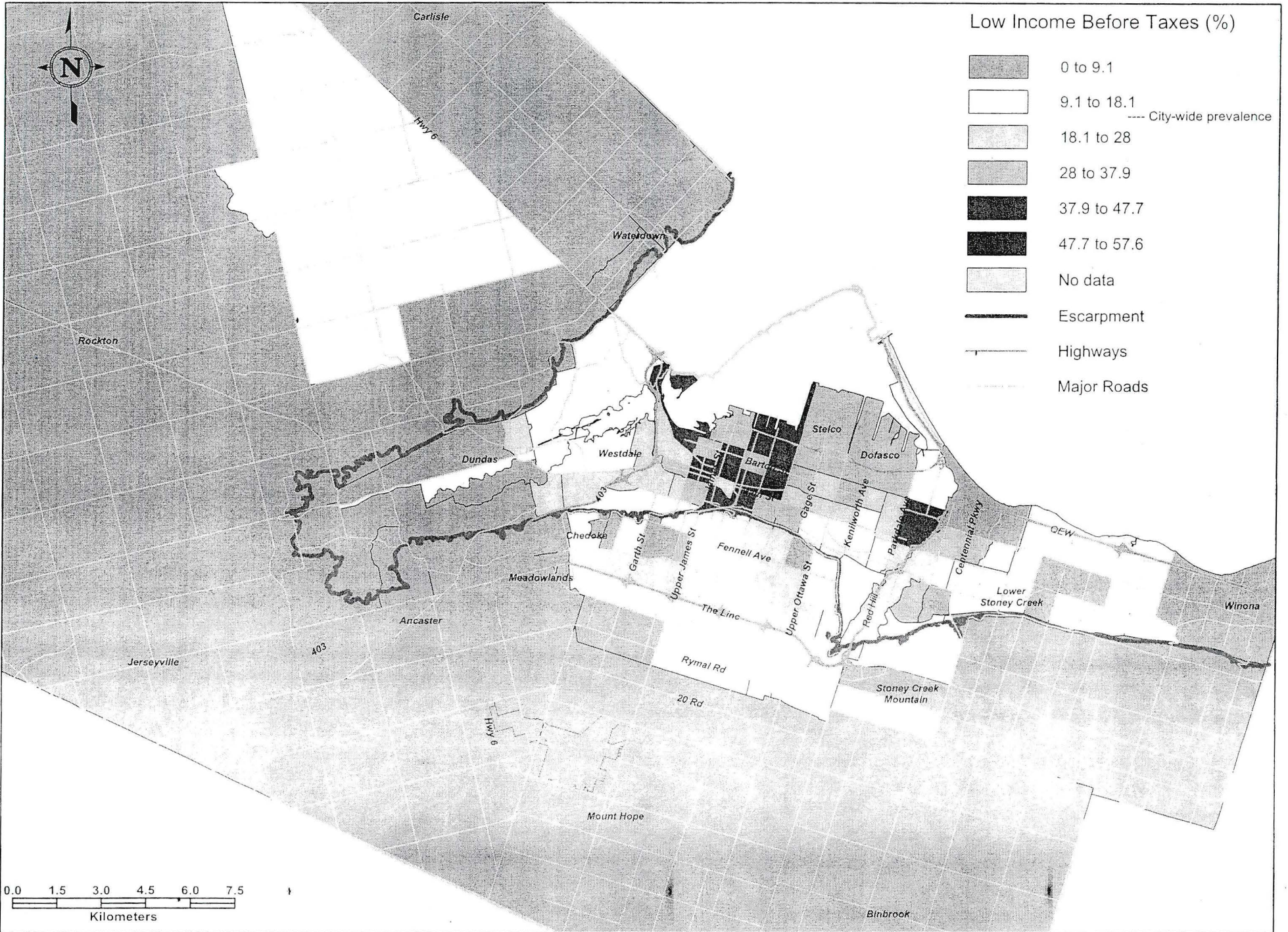
- Ten programs at ten community agencies: (\$15,000)ii

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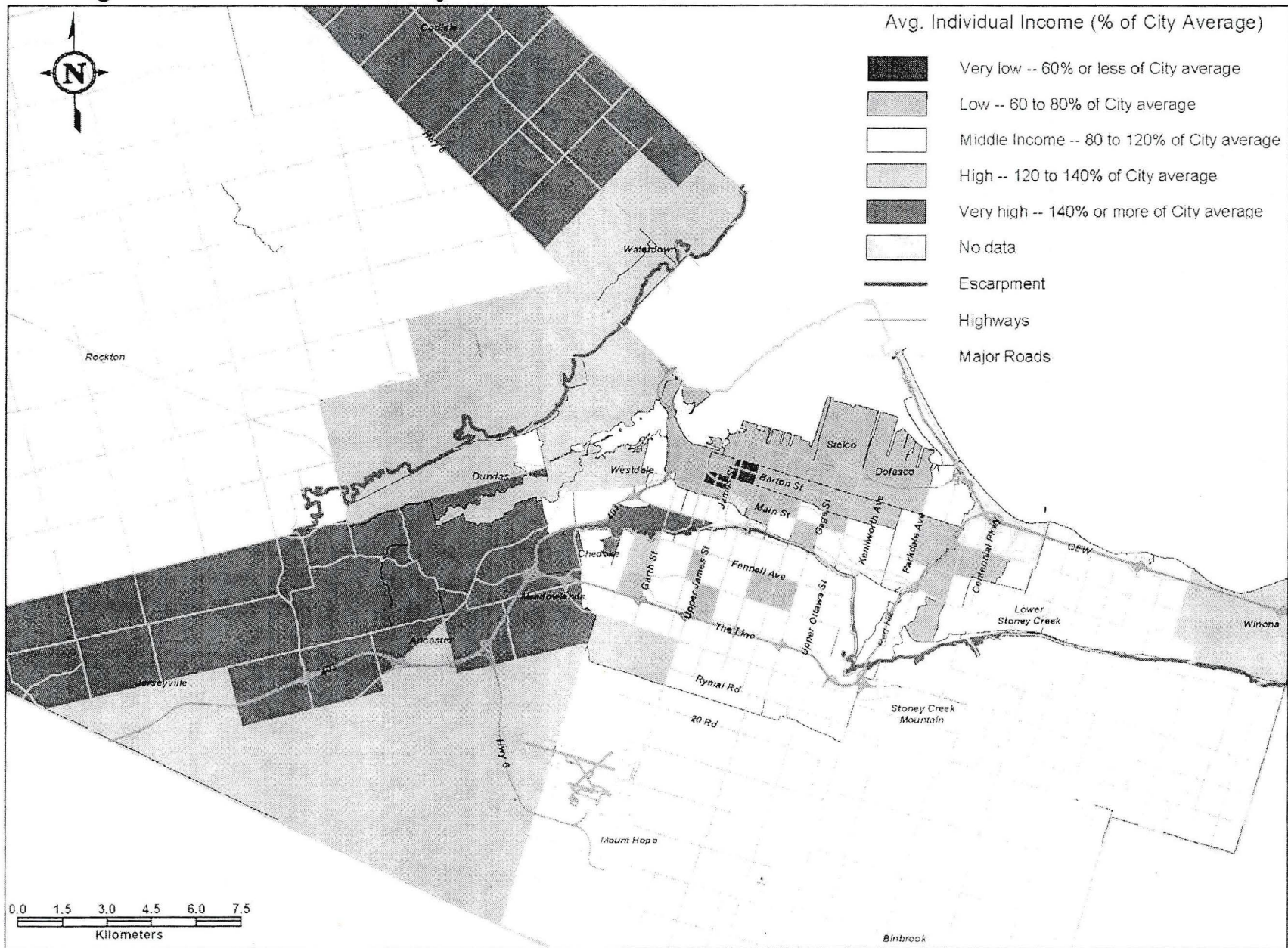
<sup>i</sup> Based on top-up of a part time delivery position and an info clerk position from PT to FT

<sup>ii</sup> Based on use of added hours (3 hours per week per person for 20 weeks; repeated at 10 community agencies.)

# Prevalence of Low Income Before Taxes, by Census Tract, 2006



# Average Individual Income by Census Tract, 2005









# Hamilton Public Library

**Date:** March 12, 2009

**To:** Chair and Members of the Board

**c.c.:** Ken Roberts, Chief Librarian

**From:** Beth Hovius, Director of Public Service and Collection Development

**Subject:** Picton Branch Library

---

## **RECOMMENDATIONS:**

That the Picton Branch Library close down operations, effective Saturday June 27, 2009, and that the lease not be renewed.

That the Bookmobile Service provide two stops weekly beginning June 2009 to this neighbourhood, with a day-time and an evening stop on different days with the understanding that the Bookmobile Department's annual assessment of neighbourhood stops will determine the long-term viability.

That the Library negotiate agreements with community agencies to provide some computers to support homework clubs and local children and adults beginning with at least one agency close to Picton Library and the Eva Rothwell Centre hub whose children attend Bennetto.

## **BACKGROUND:**

At the regular Board meeting of February 18, 2009 the Board moved the following motion:

**GIVEN THE FACT THAT THE PICTON BRANCH IS NOT SUSTAINABLE, THAT THE BRANCH BE CLOSED ON OR BEFORE OCTOBER 31, 2009 SO LONG AS AN ACCEPTABLE PLAN FOR APPROPRIATE ALTERNATIVE SERVICE WITHIN THE AREA BE SUBMITTED TO THE BOARD AND APPROVED BY THE BOARD IN MARCH 2009**

The Inner City Report, final version, describes the long-term directions planned for this part of the city, and establishes some timelines. This memo summarizes the recommendations as they apply to the North End East and West (Picton) neighbourhoods.

A June date for the closure of the Picton branch is recommended for the following reasons:

- Promotion for the summer reading programs which takes place in the schools can emphasize the programs available at the Central Library

Subject: Turner Park Branch Furniture  
Page 2 of 2  
Date: January 20, 2009



- The *Core to Shore* bus provides free transportation between this neighbourhood and downtown during July and August
- Sufficient time is provided to decommission the facility before the lease expires in October. The collections can be transferred in a timely manner to Central, Turner Park and other locations as needed

Bookmobile service will start in June to ensure a smooth transition. This will enable attendees of the Bennetto Family Literacy program to visit the bookmobile as can school classes. The bookmobile should shortly be equipped with two computers for public use to access the catalogue and electronic resources.

“Libraries without walls” will be established at two community centres. Computers will be installed at least two social agencies for their use in supporting after school homework help and providing access to local children for electronic gaming. Each set-up may consist of a pod for up to six concurrent users (the Useful application which includes one CPU and six screens and keyboards). The costs of this will be covered by the Library and the feasibility of this as a prime service delivery method of providing a “library without walls” will be evaluated.

Hamilton Public Library is exploring opportunities for community to expand family literacy programs.

A staff position to develop computer literacy skills is a high priority. Initially, the plan was to include this as a recommendation, but as the economic uncertainty continues, the determination of how to achieve this will best take place within the bounds of the Administration 2010 budget deliberations which are already beginning.

A communication and publicity plan will be established.

## Chief Librarian's Report

March, 2009

### Canada Reads

We were all thrilled to see that Lawrence Hill's *The Book of Negroes* won the Canada Reads competition. *The Book of Negroes* was one of the books selected for the One City Many Stories programs that concluded in February with a reading at the Hamilton Spectator. Larry (as he insists we call him) was generous with his time during the OBMS program and proved to be a delightful person. A number of us sent him congratulatory emails after the CBC announcement and he responded to them all with grace.

### Manager retirements

Kathleen Holder and Krystyna Zeglinska have both stated their intentions to retire this Spring. We have reviewed the management structure and determined that these are positions that have to be replaced. We have been conducting interviews and are close to decisions.

### Northern Exposure to Leadership

As you know, I participated in the 10th Northern Exposure to Leadership, held in Yoho National Park the end of February and the beginning of March. This is one of the premier library leadership programs in North America and it was a privilege to be a mentor. An added advantage is that I was able to hold long, late-night discussions about the profession with some of the brightest library leaders on the continent.

I was stunned to learn the extent of publisher and major university plans for the rapid implementation of electronic book technologies. These technologies have the potential to decrease the cost of textbooks by a substantial margin but will certainly be disruptive to the industry that supplies university students with their required reading material. There is a corner being turned. I now think that we are much closer than I had expected to seeing electronic publishing as a major component in our service mix.

### Ministry "Grants"

Last year the Ministry of Culture gave a one-time gift of \$15,000,000 to Ontario's public libraries and established SOLS and OLS-N as the agencies that were to determine how the gift was to be used. As a lengthy period of consultation, SOLS and OLS-N has announced a formula and a process for using these funds. Part of the funds will be returned to libraries as one-time grants for specific types of projects (not for operating funds). It is expected that our grant will be just over \$100,000. We have not yet received any details.

### FOPL

As you may remember, we made a decision not to renew our membership in the Federation of Ontario Public Libraries. We felt it was both expensive and that, so far, there was little return. We also felt that the federation did not advocate for the needs of large urban library systems. We have communicated our decision to FOPL and to other large libraries in the province.

### Bill 128

We continue to monitor the progress of this private member's bill that would require libraries to filter. I have attached a copy of the Opinion Page article I wrote for The Record in Kitchener-Waterloo as part of my CLA responsibilities.

### 2009 YMCA Women of Distinction Awards

Kit Darling is a nominee for the YMCA Hamilton Women of Distinction Awards, the annual award that recognizes businesswomen, educators, activist and students for their community contributions. Kit is nominated in the category of Business, Industry, and Entrepreneurship.

We were thrilled to see that Board Vice Chair Santina Moccio is also nominated. She is nominated in the category of Volunteerism.

### Central Library Renovation

The new storefront outlet near the Jackson Square Entrance of the Central Library has been completed and will soon be ready for occupancy. The York Boulevard entrance and 1<sup>st</sup> floor will be closed during construction. The outlet will provide a way for people to quickly pick up popular items, holds, and return materials.

Construction start dates will be confirmed shortly.

### March Break Activities

A full range of programs and activities have been planned across the system. Films will be shown daily at the Central Library. Afternoon and evening movie programs are designed to provide families with multiple options for free entertainment.

### 'What's Happening'

The new supplement appeared on March 9<sup>th</sup>. Our Job Discovery Centres were featured prominently. A number of job search related workshops and programs are scheduled across the system.

### Volunteer Tax Assistance

Volunteers from the Hamilton Tax Services Office are completing tax returns for people who earned less than \$25,000 in 2008. The pick up/drop off service is available at four library branches . Dundas, Central, Red Hill, and Terryberry, throughout March and April.

Last year, this service was available at Central and Red Hill Libraries where 200 and 300 returns were completed respectively. These 2 branches remain incredibly busy with diverse clients using the service heavily. At the Central Library, the LSSP workers have assisted with intake for Arabic and Chinese newcomers. Two of the tax volunteers at Central Library speak Chinese, greatly enhancing the ability of volunteers to help clients. The program is a wonderful opportunity for volunteers in the community to assist high need clients and for the library to partner with Canada Revenue Agency.

### **Spring Book Sale**

Our spring books sale, presented in partnership with Soroptimist International of Hamilton-Burlington, will run Monday, March 30-Saturday, April 4. It will take place in the Hamilton City Centre, Lower Level.

### **New Bookmobile**

The new bookmobile is near completion and we anticipate that it will arrive mid-April. Grand opening will take place later-April/early May.



## Internet filters aren't the best way to catch pornography

### KEN ROBERTS

As president of the Canadian Library Association, I am writing in response to the news reports concerning public library filtering.

Rev. Robert Merritt of the First United Church in Cambridge is quoted in his Feb. 13 letter to the editor, The Public Has Spoken, as insisting that libraries not condone the viewing of pornography.

The Canadian Library Association agrees. Pornography has no rightful place in public libraries.

At the same time, the Canadian Library Association strongly opposes any contention that filtering is required to ensure such safety.

Some library boards do filter and this is their choice. Still, filtering public access computers is not the only possible path or even the best method to ensure a safe environment. Many library boards make it clear, through policy, what type of use is acceptable and then empower staff and educate users to ensure compliance. Library boards that choose this model feel that community members are best protected when library staff are vigilant and actively enforce good policy.

Many library boards feel that vigilance is the only effective approach since filtering is not effective enough and does not prevent the viewing of inappropriate images on laptops using wireless connections or viewing material stored on memory sticks.

Vigilance allows people who abuse policy decisions to be identified and to be removed from libraries and to lose their rights of access or, where appropriate, to be arrested.

Staff at the Markham Public Library, for example, recently noticed inappropriate behaviour that led to the arrest of a library user. Several years ago, London Public Library staff also helped to convict a person who was engaged in illegal activity on a library computer. In both instances, filtering would not have stopped the offensive activity. Vigilance ensured that inappropriate behaviour was stopped. It is entirely possible that, if filtering had been in place, staff may have been less aware of potential danger.

When it works, filtering may recognize and stop for the moment some forms of unacceptable behaviour. Staff empowerment allows for illegal or inappropriate activity to be identified and stopped permanently.

If filtering can stop some forms of unacceptable activity, why is it not universally employed in public libraries? Filters do not block all pornographic or illegal sites. They can't. Some citizen boards worry that the illusion of safety filters provide relaxes control of monitored use.

While we can agree with Merritt that libraries should be safe places, we may disagree on what safety means. Libraries should never be places that are safe from unpopular ideas and thoughts. Private sector technology driven filters do not limit themselves to trying to block pornographic images. They also block access to legitimate content.

Conduct a simple test. Find a computer that is filtered and search for articles critical of filtering. Conduct this same search on a computer that is not filtered and compare the results. If the results are different, ask yourself why a filtering company needs to filter articles critical of its own way of conducting business. You can do this same test for other topics, such as evolution or abortion or the controversial Bill Maher movie, Religulous.

The Canadian Library Association's position is that the only effective filtering tool is human supervision and intervention supported by good policy. The best safeguard for children is the monitoring of use by a parent or guardian.

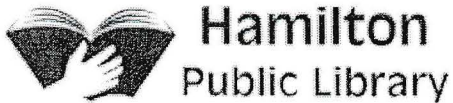
The association rejects any suggestion that only library boards which filter care about those they serve. We urge Cambridge city council to reconsider its motion calling for the province to force libraries to filter and we will strongly oppose Cambridge MPP Gerry Martiniuk's private member's bill.

Ken Roberts is chief librarian at the Hamilton Public Library and president of the Canadian Library Association. Second Opinion articles reflect the views of Record readers on a variety of subjects.

The **R**ecord.com

<http://news.therecord.com/article/494421>





**DATE:** February 11, 2009  
**REPORT TO:** Chair and Members of the Board  
**C.C.:** Ken Roberts, Chief Librarian  
**FROM:** Kit Darling, Director of Information Technology and Bibliographic Services  
**SUBJECT:** Automated Materials Handling Implementation

---

**RECOMMENDATION:**

That a purchase order in the maximum amount of \$995,000 (excluding taxes) be issued to mk Sorting for the supply, installation and maintenance of RFID Automated Materials Handling systems at Central, Terryberry and Turner Park libraries.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial**

- At the November 21, 2007 meeting the Board approved the allocation of \$2, 780,000 (plus applicable taxes) for hardware, software, delivery and installation to be funded from LIB 106008 Reserve for Library Major Capital Projects. There are adequate funds remaining within that allocation to fund these projects.
- 5 years of maintenance costs are included in the \$995,000

**Staffing**

- Staff will be freed to provide more value added services such as information, programming and readers' advisory.
- We anticipate a reduction in the amount of lost time or reduced productivity due to repetitive stress injuries.

**Legal**

The implementation and operation of RFID Automated Materials Handling is in compliance with Hamilton Public Library policy 1-2 Privacy Policy for Library Users , the ALA Policy 53.11 Radio Frequency Identification (RFID) Technology and Privacy Principles and ALA RFID in Libraries : Privacy and Confidentiality Guidelines, and the Information and Privacy Commissioner of Ontario Guidelines for Using RFID Tags in Ontario Public Libraries.

**ALIGNMENT WITH HAMILTON PUBLIC LIBRARY BOARD MISSION, VISION, VALUES AND STRATEGIC PRIORITIES:**

**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.*

**BACKGROUND:**

In March 2007, the installation of staff and patron RFID stations began at 3 pilot locations (Ancaster, Dundas and Westdale.) It is now evident that RFID is enabling staff to better cope with an increasing volume of circulation – all 3 pilot locations are circulating over 30,000 items per FTE. In addition, staff are now finding that they are available to provide readers advisory and information service and their customers have easily adapted to self-check.

In November 2007, the Hamilton Public Library Board approved the allocation of \$620,000 (plus applicable taxes) to tag existing collections and new acquisitions for the system, to be funded from LIB 106006 Reserve for Library Collections, and for \$2,780,000 (plus applicable taxes) for hardware, software, delivery and installation to be funded from LIB 106008 Reserve for Library Major Capital Projects. In September 2008, the Board awarded the contract for the supply of hardware, software and peripherals to implement RFID across the Library system to SirsiDynix and their partner ITG.

The City of Hamilton issued a request for Proposals for the Supply of Automated Materials Handling Systems for Central, Terryberry and Turner Park libraries on behalf of the Hamilton Public Library in December 2009 with a deadline of January 29<sup>th</sup> for receipt of proposals. A staff evaluation team was selected to review and evaluate the proposals. The team consisted of: Rebecca Raven, Sherwood Branch Manager; Karen Anderson, Neighbourhood Branch Manager and Manager of Turner Park; Susan Beattie, Manager, Central Circulation; Debbie Rudderham, Manager, Terryberry; Paul Takala, Manager of Electronic Services; Sean Crowe, Network / Applications Analyst; and Kit Darling. The Manager of Purchasing for the City of Hamilton reviewed the process at each stage to ensure that it conformed to the City's Purchasing Policy. Two of the four proposals submitted achieved a score above 80 points and their cost proposals were then opened. The recommended vendor is the lower of the 2 bids for each of the projects.

The individual costs for each location are Central (\$415,500), Terryberry (\$290,494) and Turner Park (\$289,000). There is a 10% contingency built into the cost allocation for each of the projects.



# Hamilton Public Library

**Date:** March 12, 2009

**To:** Chair and Board Members

**c.c.:** Ken Roberts, Chief Librarian

**From:** William Guise, Director, Finance and Facilities  
Hamilton Public Library

**Subject:** **2008 External Audit Plan and Draft Financial Statements**

---

## **RECOMMENDATION:**

That the Report to the Audit Committee - Initial Communication on Audit Planning, prepared by Grant Thornton LLP Chartered Accountants for the 2008 audit and the 2008 Draft Financial Statements prepared by staff be received for information.

## **BACKGROUND:**

Grant Thornton, Chartered Accountants' audit approach and scope of audit work for the Hamilton Public Library Board for the 2008 fiscal year is provided in the attached Initial Communication on Audit Planning. The Audit Plan communicates to the oversight body Grant Thornton's overall audit responsibilities and audit approach in accordance with Canadian generally accepted auditing standards. New auditing standards from the Canadian Institute of Chartered Accountants ("CICA") focus the audit on areas where there is greater risk of misstatement. Grant Thornton has tailored their audit of the Library to several specific audit areas.

Grant Thornton was appointed the City's external auditor by Council at its meeting on September 13, 2006 for a period of five (5) years covering the fiscal years from 2006 to 2010. Under Municipal Act, the external auditor for the City is also the auditor for the Library Board.

The 2008 Draft Financial Statements that will be presented to the auditors for their review and report are attached.





Grant Thornton

Attachment #9.2

# Report to the Audit Committee – Initial Communication on Audit Planning

**Hamilton Public Library Board**  
For the year ended **December 31, 2008**



November 28, 2008

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To the Members of the Audit Committee of  
**Hamilton Public Library Board**

We are pleased to enclose a copy of a document titled Report to the Audit Committee – Initial Communication on Audit Planning. This document covers the terms of our financial statement audit engagement of **Hamilton Public Library Board** for the year ending **December 31, 2008**. It will help the committee understand the audit services we provide to **Hamilton Public Library Board** and the level of responsibility assumed by Grant Thornton LLP under Canadian generally accepted auditing standards.

If you have any particular comments, concerns or additional expectations that may require us to undertake additional work over and above that which is currently contemplated, please do not hesitate to raise them at our next scheduled meeting.

Yours sincerely,  
Grant Thornton LLP

*Grant Thornton LLP*

Allister Byrne, FCA  
Partner

cc: William Guise

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Hamilton Public Library Board – Snapshot of the business and recent changes	1
Achieving effective governance	3
Quality assurance, independence and communication	4
Our audit approach	5
Audit timetable	8
Fee schedule	9
Appendix A – PSAB accounting developments	10
Appendix B – Auditing developments	12
Appendix C – Letter of independence	14

# Hamilton Public Library Board – Snapshot of the business and recent changes

The following is a summary of recent changes to the Board's operating environment and relevant accounting and auditing standards. We have considered these factors in preparing the 2008 audit plan for **Hamilton Public Library Board**.

## **Library Board-specific changes**

The following changes have occurred since the December 31, 2007 audit, which are expected to impact the 2008 audit:

- Implementation of PS 3150, *Tangible Capital Assets* is required for year ends beginning on or after January 1, 2009. The December 31, 2008 cutoff will be important to provide comparative information in 2009. Note disclosure on management's progress in inventorying and valuing tangible capital assets will be required in the financial statements as at December 31, 2008.

## **Accounting and Auditing standards**

As in prior periods, there continues to be significant change with respect to accounting standards.

PSAB accounting standards issued by the CICA which may affect your business for the current and future years include:

- |  |  |
|--|--|
| • PSAB Section 1000 – Financial Statement Concepts | • PSAB Section 3150 Tangible Capital Assets          |
| • PSAB Section 1100 Financial Statement Objectives | • PSG-7 Tangible Capital Assets of Local Governments |

We consider all relevant factors when preparing an audit plan specifically tailored to your organization

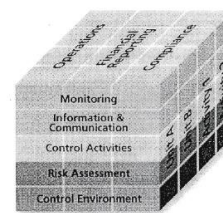


Auditing standards issued by the CICA and those under development which may affect your organization for the current and future years include:

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Identifying and Assessing Risks of Material Misstatement (CAS 315)</li><li>• Planning an audit of Financial Statements (CAS 300)</li></ul> | <ul style="list-style-type: none"><li>• Responses to Assessed Risks (CAS 330)</li><li>• Responsibilities Relating to Fraud (CAS 240)</li></ul> |
|--|--|

Further detail of the changes to accounting and auditing standards are included in Appendices A and B. If you have any questions about these changes we invite you to raise them during our next meeting. We will be pleased to address your concerns.

# Achieving effective governance



There are several fundamental components of effective governance. The audit committee plays a key role in achieving strong governance, particularly with respect to financial reporting

<p>Role of the Audit Committee</p>	<ul style="list-style-type: none"> <li>• Help set the tone for the organization by emphasizing honesty, ethical behavior and fraud prevention.</li> <li>• Oversee management, including ensuring that management establishes and maintains internal controls to provide reasonable assurance regarding reliability of financial reporting.</li> <li>• Recommend the nomination and compensation of external auditors to the board.</li> <li>• Directly oversee the work of the external auditors including reviewing, discussing, and approving audit plan.</li> <li>• Review annual financial statements and recommend approval to the board.</li> </ul>
<p>Role of Management</p>	<ul style="list-style-type: none"> <li>• Prepare financial statements in accordance with Canadian GAAP.</li> <li>• Design, implement, and maintain effective internal controls over financial reporting processes.</li> <li>• Exercise sound judgment in selecting and applying critical accounting principles.</li> <li>• Safeguard assets.</li> <li>• Prevent, detect, and correct errors.</li> <li>• Provide representations to external auditors.</li> <li>• Assess quantitative and qualitative impact of misstatements discovered during the audit on fair presentation of the financial statements.</li> </ul>
<p>Role of Grant Thornton LLP</p>	<ul style="list-style-type: none"> <li>• Provide an audit opinion that the financial statements are in accordance with Canadian GAAP.</li> <li>• Conduct our audit in accordance with Canadian GAAS.</li> <li>• Maintain independence and objectivity.</li> <li>• Be a resource to the audit committee and management.</li> <li>• Communicate matters of interest to the audit committee.</li> </ul>

# Quality assurance, independence and communication

Grant Thornton LLP has a robust quality control program

## Quality assurance

Grant Thornton LLP has a robust quality control program that forms a core part of our client service. We combine internationally developed audit methodology, advanced technology, rigorous review procedures, mandatory professional development requirements, and the use of specialists to deliver high quality audit services to our clients. In addition to our internal processes, we are subject to inspection and oversight by standard setting and regulatory bodies. We are proud of our firm's approach to quality assurance and would be pleased to discuss any aspect with you at your convenience.

## Independence

We have a rigorous process where we continually monitor and maintain our independence. We are required to communicate this annually to the audit committee of Hamilton Public Library Board in writing and have attached our letter of independence as Appendix C. The process of maintaining our independence includes, but is not limited to:

- Identification of threats to our independence and putting into place safeguards to mitigate those threats; and
- Confirming the independence of our engagement team members.

## Communication with the audit committee

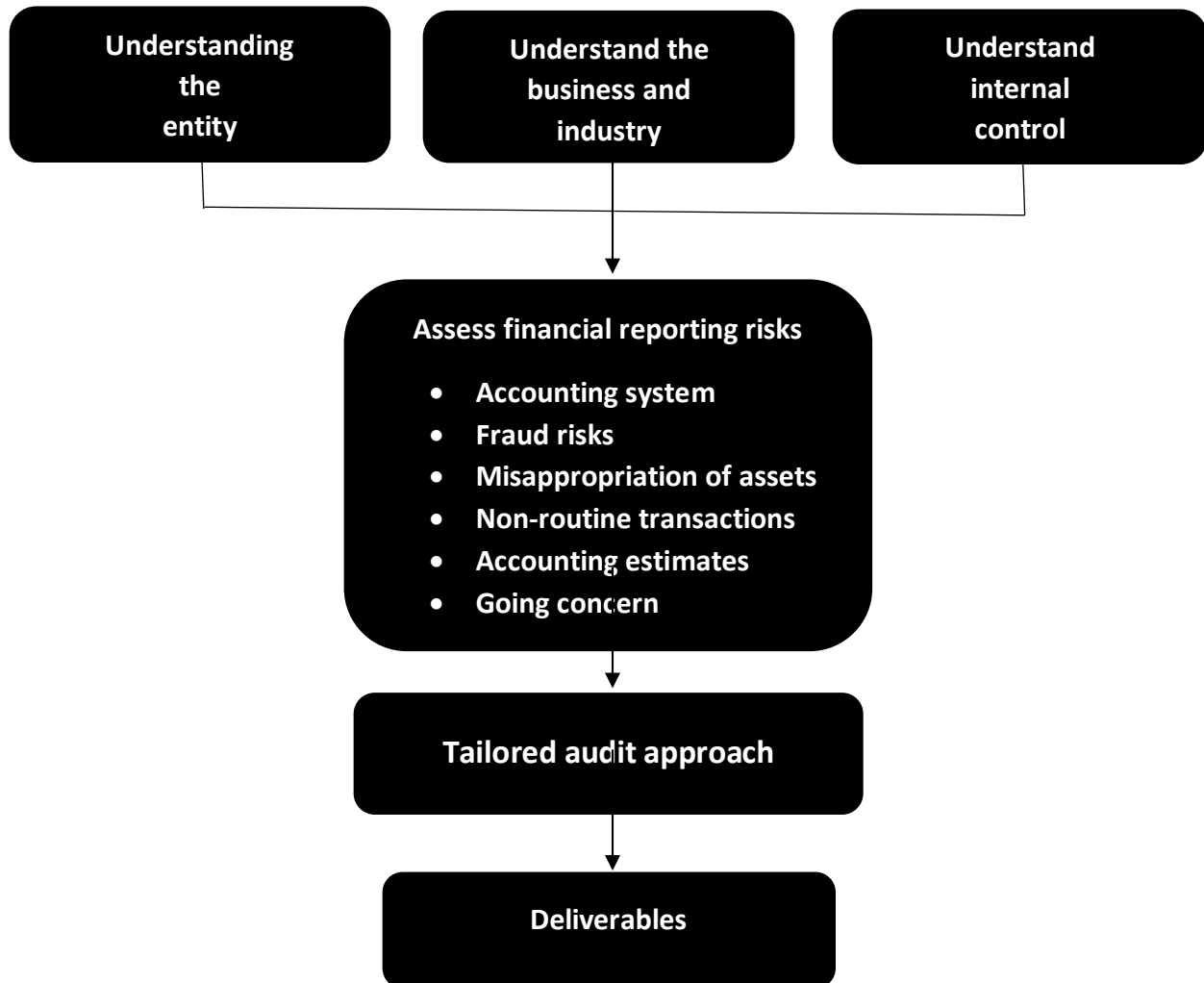
Communication is key to quality service. In conducting our audit we will communicate with the audit committee so that issues and concerns are addressed in a timely and productive manner.

We encourage the members of the audit committee to contact us at any time if questions or concerns arise.

Throughout the audit process we encourage the audit committee to contact us if there are any questions or concerns

# Our audit approach

An understanding of your company and your business drives the Grant Thornton LLP audit approach. Tailoring is central to our approach and a key aspect in providing Hamilton Public Library Board with quality service.



The objective of our audit is to obtain reasonable assurance that the financial statements are free of material misstatement. The responsibilities of the audit committee and management are broad and therefore the financial statement audit engagement is not designed to identify all matters which may be of interest to the audit committee or management in the discharge of these responsibilities. However, we will communicate the following should we encounter them during the course of our audit:

- Misstatements, other than trivial errors;
- Fraud;
- Misstatements that may cause future financial statements to be materially misstated;
- Illegal or possibly illegal acts, other than those considered inconsequential; and
- Material weaknesses and significant deficiencies in internal control over financial reporting.

**Internal control**

Our audit includes gaining an understanding of the Hamilton Public Library Board’s internal control over financial reporting. Our understanding will focus on processes associated with the identified financial statement risk areas (see below). The audit team uses this understanding to determine the nature, extent and timing of our audit procedures.

Our understanding may also result in valuable internal control findings for your consideration. Please note that the objectives of a financial statement audit are different from fiduciary control objectives. Therefore, management and the audit committee cannot rely on our findings to discharge their responsibilities in this area.

**Risk assessment**

Our risk assessment process has identified the following areas where we will focus our attention:

Risk area	Planned audit procedures
Operating expenses	Review supporting documentation and management estimates with respect to the completeness and accuracy of significant year-end accruals. Analysis of expenses compared to expectations and prior years.
Employee compensation	Review supporting documentation and management estimates with respect to the completeness and accuracy of significant payroll-related year-end accruals. Analysis of payroll expenses by department compared to expectations and prior years.

**Materiality**

The purpose of our audit is to provide an opinion as to whether your financial statements present fairly, in all material respects, the financial position, results of operations and cash flows in accordance with generally accepted accounting principles as of **December 31, 2008**. Therefore, materiality is a critical auditing concept and as such we apply it in all stages of the engagement.

Applying the concept of materiality at the planning and execution stage of the engagement recognizes that the audit team cannot verify every balance, transaction or judgment made in the financial reporting process. During audit planning, we make a preliminary assessment of materiality for purposes of developing our audit strategy, including determining the extent of our audit procedures. During the completion stage, we consider not only the quantitative assessment of materiality, but also qualitative

...In our opinion, the financial statements present fairly, in all material respects, the financial position of...

factors, in assessing the impact on the financial statements, our audit opinion and the matters reported to the audit committee.

### **Fraud considerations**

We are responsible for planning and performing the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement caused by error or by fraud. Our audit procedures consider the requirements of CICA Handbook Section 5135, The Auditor's Responsibility to Consider Fraud and Error. Section 5135 was issued to heighten the awareness of the potential for fraud when planning and executing audits and it emphasizes the need for professional skepticism during the audit.

Fraud can occur in any organization, at any time, and can be perpetrated by anyone.

The following provides a summary of some of the fraud-related procedures we plan to perform during the audit.

- Discuss amongst the engagement team where the financial statements may be susceptible to material misstatement due to fraud.
- Gather information to identify the risks of material misstatement due to fraud, including our understanding of internal control and making detailed inquiries to both management and members of the audit committee.
- Using the information gathered in our risk assessment process.

### **Client assistance and readiness**

Client assistance and readiness are integral to the successful meeting of our targeted report release date. As presented further below, it is also critical in meeting our agreed fee. To facilitate the communication process, we have provided management with a letter detailing expected assistance and the critical milestone dates.

### **Deliverables**

We are committed to executing our audit in a most effective, efficient and timely manner

We are committed to executing our audit in a most effective, efficient and timely manner. We will provide the following deliverables to the audit committee:

- Initial communication on audit planning,
- Audit report on the financial statements of the Hamilton Public Library Board,
- Communication of audit results, and
- Management letter that provides our observations and recommendations regarding internal controls, based on matters identified during the course of our audit.

# Audit timetable

October 28-30, 2008	Audit planning
TBD	Meeting with Audit Committee and presentation of Report to the Audit Committee – Initial Communication on Audit Planning
March 23-26, 2009	Year-end visit
April 2009	Preliminary clearance to be provided on draft consolidated financial statements
April 2009 (TBD)	Meeting with the Audit Committee and presentation of Report to the Audit Committee – Communication of Audit Results

## Fee schedule

### **Fee proposal considerations**

Upfront and periodic discussions are central to our approach in dealing with fees. Our goal is to avoid surprises by having early and frank communication. We wish to provide Hamilton Public Library Board with a competitive price and fair value, while also allowing sufficient audit hours to conduct an effective audit and deliver quality service.

Our proposed fee for the audit for the year ended December 31, 2008 is in accordance with the proposal provided to the City of Hamilton, and is based on the level of activity and the anticipated complexity of the audit of the Board's financial statements.

The proposed fee is based on receiving the following from management:

- Draft financial statements
- Trial balance together with reconciled accounts;
- All books and records made available to us when requested; and
- Use of the organization's staff to help us locate information and provide explanations.

Our ability to deliver the services outlined in the agreed timetable and our proposed fee will depend upon these schedules being available/tasks being completed by the due dates. If there are any variances to the above plan, we will discuss them with you and agree to any additional fees before costs are incurred, wherever possible.

Any unforeseen work outside the scope of this proposal will be billed separately after discussion with the appropriate company officials.



# Appendix A – PSAB accounting developments

Public Sector Accounting Board	Effective Date	Applicability
<p><b>PS 1000 Financial Statement Concepts</b>                      This Section provides the conceptual framework for accounting by governments and other public sector entities under the scope of the CICA Public Sector Accounting Handbook by providing guidance on the characteristics of useful financial statements.</p>	<p>This Section will apply to local governments for fiscal years beginning on or after January 1, 2009.</p> <p>Earlier adoption is encouraged.</p>	
<p><b>PS 1000 Financial Statement Objectives</b>                      This Section addresses objectives of government financial statements in the context of the scope of government financial statements, reporting financial position, reporting changes in financial position, reporting government operations, reporting the change in net debt, reporting cash flow and legislative control and government financial accountability.</p>	<p>This Section will apply to local governments for fiscal years beginning on or after January 1, 2009.</p> <p>Earlier adoption is encouraged.</p>	
<p><b>PSAB Section 3150 – Tangible Capital Assets.</b>                      PSAB has approved revisions to Section PS 3150 “Tangible Capital Assets.” This Section now applies to all levels of government, including local governments. The most prominent change for local governments is the requirement to recognize and amortize all their tangible capital assets.</p> <p>Revisions to the Section include:</p> <ul style="list-style-type: none"> <li>• The definition of cost has been amended to clarify that cost is the gross amount, and that capital grants are not to be netted against the cost of the related tangible capital asset. Guidance on the cost of leased tangible capital assets is also provided.</li> <li>• The 40-year guideline on the amortization period has been removed</li> <li>• There is additional guidance on the commencement and cessation of capitalizing carrying costs.</li> <li>• During the period of transition, local governments should follow Public Sector Guideline PSG-7, Tangible Capital Assets of Local Government.</li> </ul>		

Public Sector Accounting Board	Effective Date	Applicability
<p><b>PSG-7 – Tangible Capital Assets of Local Governments</b> This Guideline provides transitional guidance to local governments on presenting information related to tangible capital assets in notes or schedules to its financial statements until such time as Tangible Capital Assets, Section PS 3150 is adopted by local governments. PS 3150 applies to local governments for fiscal years beginning on or after January 1, 2009, although earlier adoption is encouraged.</p>	<p>This Guideline applies to fiscal years beginning on or after January 1, 2007.</p> <p>Earlier adoption is encouraged.</p>	

## Appendix B – Auditing developments

### Canadian Auditing Standards (CASs)

The Auditing and Assurance Standard Board (AASB) is adopting the International Standards on Auditing (ISAs) as Canadian Auditing Standards (CASs). When they come into effect, CASs 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. Although the effective date of these standards is two years away, they are being made available, as they are developed, to provide auditors with adequate time to become familiar with them and implement them efficiently and effectively. Auditors may also choose to implement aspects of the CASs before their effective date as long as they still comply with the current standards. Below is a list of CASs that have been approved to date:

Canadian Auditing Standards (CASs) issued by the CICA	Effective Date	
<p><b>CAS 240 – The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements</b>                      This Canadian Auditing Standard (CAS) deals with the auditor’s responsibilities relating to fraud in an audit of financial statements. Specifically, it expands on how CAS 315, “Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment,” and CAS 330, “The Auditor’s Responses to Assessed Risks,” are to be applied in relation to risks of material misstatement due to fraud.</p> <p>This CAS will replace Section 5135, The Auditor’s Responsibility to Consider Fraud. There are no changes from the existing standard.</p>	<p>Applies to audits of financial statements for periods commencing on or after December 15, 2009.</p>	
<p><b>CAS 300 – Planning an Audit of Financial Statements</b>                      This Canadian Auditing Standard (CAS) deals with the auditor’s responsibility to plan an audit of financial statements. This CAS is framed in the context of recurring audits. Additional considerations in initial audit engagements are separately identified.</p> <p>This CAS will replace Section 5150, Planning. There are no changes from the existing standard.</p>	<p>Applies to audits of financial statements for periods commencing on or after December 15, 2009.</p>	
<p><b>CAS 315 – Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment</b>                      This Canadian Auditing Standard (CAS) deals with the auditor’s responsibility to identify and assess the risks of material misstatement in the financial statements, through understanding the entity and its environment, including the entity’s internal control.</p> <p>This CAS will replace Section 5141, Understanding the Entity</p>		

Canadian Auditing Standards (CASs) issued by the CICA	Effective Date	
<p>and its Environment and Assessing the Risk of Material misstatements. There are no changes from the existing standard.</p>		
<p><b>CAS 330 – The Auditor’s Responses to Assessed Risks</b>                      This Canadian Auditing Standard (CAS) deals with the auditor’s responsibility to design and implement responses to the risks of material misstatement identified and assessed by the auditor in accordance with CAS 315, “Identifying and Assessing Risks of Material Misstatement Through Understanding the Entity and Its Environment,” in a financial statement audit.</p> <p>This CAS will replace Section 5143, The Auditor’s Procedures in Response to Assessed Risks. There are no changes from the existing standard.</p>	<p>Applies to audits of financial statements for periods commencing on or after December 15, 2009.</p>	

Report to the Audit Committee – Initial Communication on Audit Planning  
Hamilton Public Library Board  
For the year ended December 31, 2008

## Appendix C – Letter of independence

November 28, 2008

**The Audit Committee**

**Hamilton Public Library Board**

Dear Audit Committee Members:

We have been engaged to audit the financial statements of Hamilton Public Library Board (the “Board”) for the year ending **December 31, 2008**.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Board and Grant Thornton LLP that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the appropriate provincial institute and applicable legislation, 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

Report to the Audit Committee – Initial Communication on Audit Planning  
Hamilton Public Library Board  
For the year ended December 31, 2008

e provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since May 9, 2008, the date of our last letter.

We are not aware of any relationships between the organization and ourselves that in our professional judgement may reasonably be thought to bear on our independence that, have occurred from May 9, 2008, the date of our last letter, to November 28, 2008.

The total invoices issued to the Board for audit services were \$2,081 during the period from May 9, 2008 to November 28, 2008.

GAAS requires that we confirm our independence to the audit committee in the context of the Rules of Professional Conduct of the Institute of Chartered Accountants of **Ontario**. Accordingly, we hereby confirm that we are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of **Ontario** as of **November 28, 2008**.

This report is intended solely for the use of the audit committee, the board of directors, management, and others within the Board and should not be used for any other purposes.

Yours sincerely



Chartered Accountants  
Allister Byrne, FCA  
Partner

# Hamilton Public Library Board

## Financial Statements

December 31, 2008



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## Auditor's Report

<<NOTE: The Auditor's Report will be inserted here>>

# The Hamilton Public Library Board

## Consolidated Statement of Financial Position

December 31	2008	2007
<b>Assets</b>		
Financial assets		
Cash	\$ 56,170	\$ 54,347
Accounts receivable	199,124	124,996
Due from City of Hamilton (Note 2)	<u>8,796,248</u>	<u>8,766,128</u>
	9,051,542	8,945,471
Non financial assets		
Prepaid expenses	<u>31,133</u>	<u>6,411</u>
	<u>\$ 9,082,675</u>	<u>\$ 8,951,882</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 738,468	\$ 481,597
Deferred revenue	-	5,577
Due to trust funds	<u>419,395</u>	<u>417,164</u>
	1,157,863	904,338
Liability for future benefits (Note 3)	<u>2,125,304</u>	<u>2,125,304</u>
	<u>3,283,167</u>	<u>3,029,642</u>
<b>Library position</b>		
Reserves and reserve funds (Note 5)	7,924,812	8,047,544
Amounts to be recovered in future (Note 6)	<u>(2,125,304)</u>	<u>(2,125,304)</u>
	<u>5,799,508</u>	<u>5,922,240</u>
	<u>\$ 9,082,675</u>	<u>\$ 8,951,882</u>

Commitments (Note 8)

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 (Unaudited)	Current Fund	Reserve Fund	2008 Total	2007 Total
<b>Revenue</b>					
Municipal contribution	\$ 25,248,372	\$ 25,248,372	\$ -	\$ 25,248,372	\$ 24,156,800
Province of Ontario grants	949,450	949,451	-	949,451	949,451
Other grant revenue	458,350	856,841	-	856,841	749,523
Fines	528,110	443,241	-	443,241	482,602
Photocopier revenue	28,570	30,999	-	30,999	34,840
Other – rentals, sales and Recoveries	85,770	324,891	-	324,891	140,951
Interest	-	-	286,391	286,391	310,280
Donations and other	-	62,443	-	62,443	38,474
Total revenue	<u>27,298,622</u>	<u>27,916,238</u>	<u>286,391</u>	<u>28,202,629</u>	<u>26,862,921</u>
<b>Expenditures</b>					
Employee costs	19,049,992	19,299,106	-	19,299,106	18,301,176
Library materials	3,140,720	3,328,166	-	3,328,166	2,941,956
Facility costs	3,176,040	3,134,901	-	3,134,901	3,089,368
Supplies and services	1,702,070	2,288,516	-	2,288,516	1,734,159
Total expenditures	<u>27,068,822</u>	<u>26,066,659</u>	<u>-</u>	<u>28,050,689</u>	<u>26,066,659</u>
Net revenues	<u>229,800</u>	<u>(134,451)</u>	<u>286,391</u>	<u>151,940</u>	<u>796,262</u>
<b>Financing transfers</b>					
Long term debt charges (Note 4)	(69,800)	(220,643)	-	(220,643)	(69,399)
Transfer from (to) reserve - City of Hamilton	-	164,853	-	164,853	(411)
Transfer to capital - City of Hamilton	-	-	(233,882)	(233,882)	(1,313,009)
Net contributions from reserve fund	-	723,594	-	723,594	117,037
Net contributions to reserve funds	(160,000)	(548,353)	-	(548,353)	(575,911)
Net contributions to current fund	-	-	(723,594)	(723,594)	(117,037)
Net contributions from current fund	-	-	548,353	548,353	575,911
Net contributions from trust funds	-	15,000	-	15,000	30,087
Increase in amounts to be recovered in future	-	-	-	-	76,695
Net financing and transfers	<u>(229,800)</u>	<u>134,451</u>	<u>(409,123)</u>	<u>(274,672)</u>	<u>(1,276,037)</u>
<b>Change in funds</b>	-	-	(122,732)	(122,732)	(479,775)
Fund balances, beginning of year	-	-	8,047,544	8,047,544	8,527,319
Fund balances, end of year	\$ -	\$ -	\$ 7,924,812	\$ 7,924,812	\$ 8,047,544

See accompanying notes to the financial statements.

## The Hamilton Public Library Board

### Consolidated Statement of Changes in Financial Position

Year Ended December 31

2008

2007

Increase (decrease) in cash

<b>Operation activities</b>		
Change in funds	\$ (122,732)	\$ (479,775)
(Increase) decrease in accounts receivable	(74,128)	1,914
(Decrease) increase in due from City of Hamilton	(30,120)	994,555
(Increase) decrease in prepaid expenses	(24,772)	2,623
Increase (decrease) in accounts payable and accrued liabilities	256,871	(524,336)
Decrease in deferred revenue	(5,577)	(4,423)
Increase in due to trust funds	<u>2,231</u>	<u>31,205</u>
	<u>1,823</u>	<u>21,763</u>
<b>Financing activities</b>		
Increase in liability for future benefits	-	76,695
Increase in amounts to be recovered in future	<u>(-)</u>	<u>(76,695)</u>
	<u>-</u>	<u>-</u>
Net increase (decrease) in cash	1,823	21,763
Cash and cash equivalents		
Cash, beginning of year	<u>54,347</u>	<u>32,584</u>
Cash, end of year	<u>\$ 56,170</u>	<u>\$ 54,347</u>

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See accompanying notes to the financial statements.

# The Hamilton Public Library Board

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 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.

Certain comparative figures in these consolidated statements have been reclassified from statements previously presented to conform to the presentation adopted for the current year.

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**

Effective January 1, 2007, the Board 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 comes into effect on January 1, 2009.

During 2008, the Board continued to work towards compliance with the new recommendations for accounting for tangible capital assets. The Board is working towards having a complete listing of assets and values and is expected to be completed by December 31, 2009.

The historical cost and accumulated amortization for capital assets are not recorded. Purchases of capital assets are charged directly to operations in the year in which the expenditures occur.

#### **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.

# The Hamilton Public Library Board

## Notes to the Consolidated Financial Statements

December 31, 2008

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### 1. Summary of significant accounting policies (continued)

#### 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.

#### Budget figures

Budgets are only established for the Current Fund.

### 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 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>2008</u>	<u>2007</u>
<b>Accrued Benefit Obligation</b>		
Vested sick leave liability	\$ -	\$ 209,119
Retirement Benefits	<u>-</u>	<u>2,234,272</u>
	-	2,443,391
Net unamortized actuarial loss	<u>(-)</u>	<u>(18,087)</u>
<b>Accrued Liability</b>	<u>\$ -</u>	<u>\$ 2,125,304</u>

# The Hamilton Public Library Board

## Notes to the Consolidated Financial Statements

December 31, 2008

### 3. Liability for Future Benefits (continued)

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

	<u>2008</u>
Liability for Employee Benefits and Other Obligations balance at beginning of the year	\$ -
Benefit expenditure	-
Interest expenditure	-
Amortization of actuarial loss	-
Benefit payments	<u>(-)</u>
Liability for Employee Benefits and Other Obligations balance at end of the year	\$ <u>-</u>

#### (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. An actuarial valuation as at December 31, 2004 estimated the accrued benefit obligation at \$162,340. The assumptions used to calculate the accrued benefit obligation include a discount rate of 6%, an inflation rate of 3.0% and future salary and wage increases of 4%. Changes in valuation assumptions resulted in a decrease in the liability to \$162,340 from the expected liability of \$252,270 as at December 31, 2004. The actuarial gain of \$89,930 is being amortized over thirteen years representing the expected average remaining service life expectancy of the members of the employee groups. The estimated accrued benefit obligation at December 31, 2008 is \$250,275 (2007 - \$209,119)

#### (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. An actuarial valuation at December 31, 2004 estimated the accrued benefit obligation at \$2,135,994. The accrued benefit obligation was determined using a discount rate of 6.0% and inflation rate of 3%. Medical costs were assumed to increase at a rate of 7.5% in 2005 and reduce by 0.5% per year to 4.5% in 2011 and thereafter. Dental costs were assumed to increase at 4.5% per year. Changes in valuation assumptions have resulted in an increase in the liability to \$2,135,994 from the expected liability of \$1,631,000 as at December 31, 2004. The actuarial loss of \$504,994 is being amortized over 13 years representing the average remaining service life expectancy of the plan members in various groups. The estimated accrued benefit obligation at December 31, 2008 is \$2,234,272 (2007 - \$2,234,272).

# The Hamilton Public Library Board

## Notes to the Consolidated Financial Statements

December 31, 2008

### 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.

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

Debenture Number	Purpose	Interest Rates	Maturity Date	2008	2007
01-244	Westdale Branch	3.125% to 6%	2011	125,966	138,069
01-244	Barton Branch	3.125% to 6%	2011	287,832	315,488
01-162	Central Library	4.65% to 6.75%	2016	19,346	21,149
08-120	South Mtn Complex	4.728%	2023	2,930,174	-
				<u>\$ 3,363,318</u>	<u>\$ 474,705</u>

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

2009	\$ 188,515
2010	197,974
2011	488,473
2012	168,731
2013	176,842

(c) The Board was charged \$220,643 (2007 \$69,399) for long term debt charges during the year as follows:

	2008	2007
Principal	\$ 113,387	\$ 39,475
Interest	109,256	29,924
	<u>\$ 222,643</u>	<u>\$ 69,399</u>

### 5. Reserves and reserve funds

	2008	2007
Mobile equipment	\$ 280,882	\$ 637,558
Library collections	1,048,554	1,499,062
Library general development	941,787	816,041
Library major capital projects	4,767,561	4,265,745
Summer reading	327,115	270,976
Redevelopment, training & restructuring	342,284	1,016,288
Youth Programming	12,215	21,649
Accessibility, Health & Safety	204,414	-
	<u>\$ 7,7924,812</u>	<u>\$ 8,527,319</u>



# The Hamilton Public Library Board

## Notes to the Consolidated Financial Statements

December 31, 2008

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6. Amounts to be recovered in future	<u>2008</u>	<u>2007</u>
Employee benefit obligations (see note 3)	<u>\$ 2,125,304</u>	<u>\$ 2,125,304</u>

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### 7. 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, 2003 indicated that current member and employer contributions were sufficient to fund future benefits. Contributions were made in the 2008 calendar year at rates ranging from 6.5% to 9.6% depending on the level of earnings. As a result, \$915,104 was contributed to OMERS (2007 - \$919,527) for current service.

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### 8. Commitments

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

2009	\$	-
2010		-
2011		-
2012		-
2013		-
	<u>\$</u>	<u>-</u>

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### 9. Trust funds

Trust funds administered by the Board amounting to \$2,489,619 (2007 - \$2,725,919) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Financial Activities.

## Auditor's Report

<<NOTE: The Auditor's Report will be inserted here.>>

**The Hamilton Public Library Board  
Trust Funds  
Balance Sheet**

December 31

2008

2007

**Assets**

Cash	\$ 292,767	\$ 283,624
Deposits with the Hamilton Community Foundation	1,253,958	1,253,958
Due from current fund	419,395	417,164
Accrued interest receivable	<u>523,499</u>	<u>771,173</u>
	<u>\$ 2,489,619</u>	<u>\$ 2,725,919</u>

**Fund Balances**

Trust Funds – fund balances	<u>\$ 2,489,619</u>	<u>\$ 2,725,919</u>
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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

2008

2007

<b>Revenue</b>		
Interest	\$ 0	\$ -
Donations and other	<u>2,500</u>	<u>16,154</u>
	<u>2,500</u>	<u>16,154</u>
<b>Expenditures</b>		
Other	<u>223,800</u>	<u>31,904</u>
	<u>\$ (221,300)</u>	<u>\$ (15,750)</u>
Financing and transfers		
Net transfers to Library current fund	<u>(15,000)</u>	<u>(30,087)</u>
Change in fund balances	(236,300)	(45,837)
Fund balances, beginning of year	<u>2,725,919</u>	<u>2,771,756</u>
Fund balances, end of year	<u>\$ 2,489,619</u>	<u>\$ 2,725,919</u>

See accompanying notes to the financial statements.

# The Hamilton Public Library Board

## Trust Funds

### Notes to the Financial Statements

December 31, 2008

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#### 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.

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#### 2. Fund balances

	<u>2008</u>	<u>2007</u>
Trust funds consist of:		
M. Walden Thompson	\$ 19,229	\$ 33,155
Special Gifts Fund	1,748,943	1,910,318
Permanent Endowment	529,819	592,610
K. McClaren Memorial	24,232	27,978
F. Walden	60,571	58,677
Dundas Library Fundraising	68,844	66,496
Waterdown Library	<u>37,981</u>	<u>36,685</u>
	<u>\$ 2,489,619</u>	<u>\$ 2,725,919</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.





**DATE:** March 12, 2009  
**REPORT TO:** Chair and Members of the Board  
**C.C.:** Ken Roberts, Chief Librarian  
**FROM:** Paul Takala, Director Digital Technology  
Kit Darling, Director of Information Technology and Bibliographic Services  
**SUBJECT:** Microsoft Software Licensing Agreement

---

**RECOMMENDATION:**

That the Hamilton Public Library enroll with Metafore Corporation as our Large Account Reseller (LAR) for the purchase of Microsoft software and Microsoft Software Assurance for the period February 1, 2009 to January 31, 2011.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial**

There is no cost to the Library to sign an enrolment with a Microsoft Reseller or to switch to a different reseller in the future. The Library will commit to purchase Software Assurance (maintenance) from Metafore Corporation on selected Microsoft products, at an annual cost of \$8,237 for existing software over 3 years to be paid from the operating budget. The Library will qualify for significant discounts on the purchase of additional Microsoft Licenses through Metafore for the contract period.

The City of Hamilton receives discounts on Microsoft Licenses through government discounts; however as a public library the Hamilton Public Library qualifies for educational pricing which provides further significant discounts on our licenses. Licensing through this contract is approximately one third of the cost of government licensing.

**Staffing**

There are no staffing implications from this report.

**Legal**

**Related Policies, Guidelines and Standards**

Hamilton Public Library Procurement Policy BO.1.17

**ALIGNMENT WITH HAMILTON PUBLIC LIBRARY BOARD MISSION, VISION, VALUES AND STRATEGIC PRIORITIES:**

**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.*

**BACKGROUND:**

In early 2009 staff received 3 quotes for the cost of renewing our Microsoft Licenses and Microsoft Software Assurance. The pricing from Metafore which provides us with Microsoft Licensing as Select 6, Level A was the lowest cost quote.

The Library has previously purchased Microsoft Software at a discounted rate through Metafore as our Large Account Reseller. Our last three year agreement ended January 31, 2009. Metafore, as a Large Account Reseller, is able to provide the library with lowest costing licenses available to us