

**Out of the Box...
And Beyond the Walls!**



LIBRARY SYSTEM OF ONTARIO LAW ASSOCIATIONS

BUSINESS PLAN

April 2002



LIBRARY SYSTEM OF ONTARIO LAW ASSOCIATIONS

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BLENDING SYSTEM MODEL

The *Blended System Model* as articulated in *Beyond 2000: The future Delivery of County Library Services to Ontario Lawyers* suggests that the model will minimally be composed of three separate library types – Regional, Area and Local. (See *Phase I* at pages 112 through 117). This document builds on *Beyond 2000* (See *Phase I* at pages 292 and 293) and identifies four separate law library types – Local A, Local B, Area, Regional.

This *Blended Model* is designed to bring 48 disparate libraries together into a system to operate collaboratively. Within this system, by cooperating and working as a system, the whole will work more effectively than each individual library through the sharing of both human and material resources in order to provide access to information – not necessarily ownership – for the lawyers in the province. This model offers a coordinated and highly flexible approach:

- for developing system-wide law library collections both in traditional and electronic formats;
- to providing training opportunities for lawyers and staff in order to further develop competency skills to effectively access and research information electronically; and
- to ensure skilled staff throughout the system to provide assistance, research services and training for lawyers.

COMPETENCY

Taken from the *Revised Rules of Professional Conduct*, in effect November 2, 2002 as amended:

Rule 2 – Relationship to Clients

2.01 COMPETENCE,

2.01 (1)

In this rule “competent lawyer” means a lawyer who has and applies relevant skills, attributes and values in a manner appropriate to each matter undertaken on behalf of a client, including:

- (a) knowing general legal principles and procedures and the substantive law and procedure for the areas of law in which the lawyer practices;
- (b) investigating facts, identifying issues, ascertaining client objectives, considering possible options, and developing and advising the client on appropriate courses of action;
- (c) implementing, as each matter requires, the chosen course of action through the application of appropriate skills, including:
 - i. legal research,
 - ii. analysis,
 - iii. application of the law to the relevant facts,
 - iv. writing and drafting, etc.

COUNTY LIBRARY RESERVE FUND

A fund of approximately \$1,797,000 accrued for Ontario’s Law Libraries as a result of the Law Society of Upper Canada having changed the membership year. This resulted in an overlap of funds collected. The County Library Reserve Fund is critical for the future development and delivery of services to Ontario’s lawyers and, commencing in 2002, it will be utilized to stage in the implementation of the *Blended System*.

ESSENTIAL LAW LIBRARY

This is the title adopted for a core collection of materials that all libraries, at a minimum, will offer. The Essential Law Library will form the basis for the Local Law Libraries.

LAW LIBRARIES, TYPES

Up to 15 libraries are designated to be **Local A Libraries**. These will be unstaffed libraries with a full suite of electronic products and resources available to the lawyers. They will have a very small, traditional paper collection and will be serviced by an adjacent Area or Regional Law Library and the Roving Law Librarian. These libraries are typically very close in proximity to other larger libraries with access to more resources – human and material. Future ventures anticipate offering push technologies to the lawyers using these law libraries, (see **Appendix C and D**).

Up to 12 libraries are designated to be **Local B Libraries**. These will be staffed with clerical assistance for 10 to 15 hours per week. They will have a full suite of electronic products and resources available to lawyers. They will have a small traditional paper collection known as the *Essential Law Library* and will be supported by an adjacent Area or Regional Law Library and the Roving Law Librarian. These libraries are typically very close in proximity to other larger libraries with access to more resources – human and material. Future ventures anticipate offering push technologies to the lawyers using these law libraries, (see **Appendix C and E**).

Up to 16 libraries are designated to be **Area Libraries**. These are to be staffed with full-time, library-trained, Library Technicians or a Librarian and other support staff as required. They will have a full suite of electronic products and a solid traditional paper collection. They will be supported for more in-depth research needs by an adjacent Regional Law Library. They may in turn support/service an adjacent Local A or Local B Library, (see **Appendix C and F**).

Five libraries are designated to be **Regional Libraries**. These are to be staffed with full-time Professional Law Librarians, Library Technicians and other support staff as required. They will have a full suite of enhanced electronic products and enhanced traditional paper collection. They will support in-depth research needs of other libraries in the system, offer technical support and document delivery. They will support/service adjacent Local A or Local B Libraries, (see **Appendix C and G**).

PUSH TECHNOLOGIES

A form of technology being explored in order to deliver law and law-related information to the desktops of lawyers, particularly in remote parts of the province.

ROVING LAW LIBRARIAN

An experienced Law Librarian (MLS) who will assist and advise Local A and Local B Law Libraries with collection maintenance and training of lawyers and library staff on electronic products and services.

UNIVERSAL ACCESS

With universal funding (see below for definition), all lawyers who pay a membership fee to the Law Society of Upper Canada are ensured access to any County and District law library.

UNIVERSAL FUNDING

All members of the Law Society of Upper Canada contribute to the financial support of all County and District Law Libraries in the Province of Ontario. This fee is part of the members' annual fees.



The very name selected for this plan, *Out of the Box ... and Beyond the Walls: Business Strategies for LibraryCo Inc. 2002 – 2005*, suggests movement and gathering momentum.

By their very nature, Law Libraries are ever evolving, ever changing. So, too, must a document proposing business strategies for law library operations four years into the future be flexible and dynamic. Additionally, because the economic and political environment is ever changing, and because technology is evolving rapidly, it is critical that this be a “rolling” plan.

This document provides many specific strategies as a planning framework for implementing recommendations from *Beyond 2000: The Future Delivery of County Library Services to Ontario Lawyers*¹. However, the very nature of the changing legal profession, and the evolving role of library staff and indeed law libraries, necessitates a framework as opposed to a map for four years hence.

This rolling plan, as the label implies, is not a static document.

Rather it is one where not only opportunities are built in each year to evaluate, reassess and adjust the plan so that it remains relevant and realistic but also it is designed to offer a continuous renewal process where another year’s programme is added at each annual evaluation. Additionally, this model or style of business plan acknowledges rolling financial assumptions and projections. It allows for changing economies and philosophies that at the time of writing cannot be foreshadowed or known.

¹ *Beyond 2000: The Future Delivery of County Library Services to Ontario Lawyers*, Prepared for Convocation by the Professional Development and Competence Committee, Working Group on Long-Term Delivery of County and District Law Library Services, consists of a three Phased report: Phase I, August 1998; Phase II, April 1999; and Phase III, May 2000.



EXECUTIVE SUMMARY

The historic 'ad hoc system' under which Ontario's 48 County and District Law Libraries functioned was identified in *Beyond 2000: The Future Delivery of County Library Services to Ontario Lawyers*, hereinafter referred to as *Beyond 2000*, as in need of restructuring. Of the recommended models for the restructuring, Convocation chose the *Blended System* as the model best able to effectively implement the changes deemed necessary. The key elements for that restructuring can be articulated as:

- the necessity for **universal access** to all library system components for users;
- support for libraries based on **universal funding**;
- the creation of **clear standards** to ensure a quality service;
- the implementation of **innovative technologies** to facilitate improved electronic access to law and law-related information;
- the development of common strategies and **coordinated approaches to collection development**;
- the assurance of access to a **full-range of legal research expertise**; and
- the delivery of **improved training and education opportunities** to law library staff and law library users.

Under the *Blended System Model*, the implementation of such change is being undertaken in an organized, priority-driven fashion by LibraryCo Inc. Noted below are:

- A. LibraryCo's **TIMELINE** for the implementation of the changes identified in *Beyond 2000*, with the more significant strategies presented in coloured, bold type;
- B. the **SUMMARY: COUNTY LIBRARY RESERVE FUND**; and,
- C. the **SUMMARY: PROJECTED FINANCIAL INFORMATION** resulting from such change.

A. TIMELINE for the Implementation of Change

<i>Environmental Scan: The Case for Change</i>	
AUGUST 1998	<ul style="list-style-type: none"> ▪ Phase I of <i>Beyond 2000: The Future Delivery of County Library Services to Ontario Lawyers</i> is presented to Convocation. ▪ It identifies issues and trends impacting upon Ontario County and District Law Libraries, particularly with respect to technology. ▪ Phase I provides various policy options, possible service delivery models and financial considerations.
APRIL 1999	<ul style="list-style-type: none"> ▪ Phase II of <i>Beyond 2000: The Future Delivery of County Library Services to Ontario Lawyers</i> is presented to Convocation ▪ It develops in significant detail how the <i>Blended System</i> should work. It includes design principles, and an administrative structure in which it will operate. ▪ Phase II discusses creation of a Transition Board to begin implementing decisions immediately following approval of Phase II Report.

MAY 2000	<ul style="list-style-type: none"> ▪ Phase III <i>Beyond 2000: The Future Delivery of County Library Services to Ontario Lawyers</i> is presented to Convocation. ▪ The Report clarifies how LibraryCo is to be established. ▪ Phase III identifies issues related to governance, accountability, responsibilities and performance. <p style="text-align: right;"><i>Implementing Change</i></p>
OCT – DEC 2000	<ul style="list-style-type: none"> ▪ Board of Directors of LibraryCo was selected and LibraryCo Inc. was incorporated ▪ Recruitment of an Executive Director is undertaken. ▪ LibraryCo Inc. is incorporated. <p style="text-align: right;"><i>Strategies Effected</i></p>
FISCAL YEAR 2001	<ul style="list-style-type: none"> ▪ A process for LibraryCo to receive timely financial information from the County and District Law Libraries is formalized. ▪ Twenty-two libraries are designated as Local Law Libraries, 26 remaining are as yet unspecified. ▪ Executive Director, Suzan A. Hebditch, is hired in February 2001. ▪ Base of operations for LibraryCo is established in Burlington in June 2001. ▪ Visual identity is created to announce and establish LibraryCo to/with the 48 County and District Law Libraries. ▪ Banking arrangements are undertaken. Legal Counsel engaged. Accountants are retained to advise and assist with LibraryCo's financial affairs. ▪ Twenty-seven of the 48 County and District Law Libraries are personally visited and assessed by the Executive Director. ▪ Surveys regarding technology, staffing, accounting procedures and training in the County and District Law Libraries are conducted and analyzed. ▪ On behalf of County and District Law Libraries, \$1.3 million worth of contracts with legal publishers and vendors are reviewed, negotiated, renewed, amended or cancelled. ▪ LibraryCo's first budget is presented to Convocation. ▪ LibraryCo's first submission for funding to the Law Foundation of Ontario is presented and approved. ▪ Assistant to the Executive Director, Christiane A.C. Wyskiel is hired in September. ▪ All accounting practices are transferred from the LSUC to LibraryCo and a system for the smooth flow of financial information from LibraryCo to the Board of Directors and LibraryCo. Shareholders is developed. ▪ Recruitment process of a Roving Law Librarian begins. <p style="text-align: right;"><i>Advancing the Blended System</i></p>
FISCAL YEAR 2002	<ul style="list-style-type: none"> ▪ Consistent, accurate and timely quarterly reporting from all 48 County and District Law Libraries is instituted. ▪ Block-based funding formula is devised for all law libraries. ▪ Minimum standards for collections and staffing are defined for Local and Area Law Libraries. Draft guidelines for Regional Law Libraries are proposed. ▪ Ten of the Local Law Libraries will, on average, receive up to \$10,000 funding for print collections in 2003 ▪ The remaining 17 Local Law Libraries will receive, on average, up to \$30,000 funding for print collections in 2003. ▪ Grants are distributed to law libraries in four equal amounts at the beginning of each quarter via electronic funds transfer. ▪ All law libraries begin to record consistent, system-wide statistics. ▪ A Roving Law Librarian is hired. Twenty-two Local Libraries are visited, assessed and aided through the expertise of a professional Law Librarian.

FISCAL YEAR 2002 (cont'd)	<ul style="list-style-type: none"> ▪ By the end of the Executive Director's (ED) first sixteen months all 48 Ontario County and District Law Libraries are personally visited and assessed with respect to: the nature, size and extent of collections; staffing expertise; the level of service provided; the degree of technology in place; the calibre of the overall facilities; amount of funding allocated; accounting and budgetary processes utilized; and nature of services provided. ▪ An <i>Advance</i> (aka a Retreat) is undertaken in the autumn where LibraryCo Board of Directors maps out future strategies. ▪ A Working relationship between The Great Library and LibraryCo Inc. is formalized. ▪ At year-end, an annual evaluation of progress to date is undertaken. Reassessment and adjustments are made.
FISCAL YEAR 2003	<ul style="list-style-type: none"> ▪ Competency within the profession is improved via on-going research/training programs coordinated with legal information providers, library staff and legal professionals. ▪ Standards for staffing and collections at Regional Law Library level are established. ▪ Standards for services are established. ▪ Five additional Local Law Libraries are designated Local A Law Libraries in 2004. ▪ Roving Law Librarian continues work with Local Law Libraries and assists Area Law Libraries. ▪ Additional infrastructure to accommodate future technology advances will be determined and "push technologies" explored.
FISCAL YEARS 2004-2005	<ul style="list-style-type: none"> ▪ Local Law Libraries supported by Area and Regional Libraries are operational. ▪ Standards as proposed in <i>Beyond 2000</i> are all fully in place. ▪ Further push technologies and "my library" forms of delivery to the desktop of lawyers are implemented. ▪ Sophisticated Document Delivery mechanisms are explored. ▪ Continuous review, assessments and evaluations are assured as the Law Libraries move <i>Beyond the Walls!</i>

Out of the Box...

...And Beyond the Walls!

B. SUMMARY: COUNTY LIBRARY RESERVE FUND

LibraryCo has the advantage of a legacy of the County Library Reserve Fund. This fund consists of monies accrued for libraries when the Law Society changed the membership year resulting in an overlap of funds collected. Amounting to approximately \$1,797,000, this fund is critical for the future development and delivery of services to Ontario's lawyers through the County and District Law Library System.

Commencing in 2002, a portion of the County Library Reserve Fund will be utilized to stage in the implementation of the *Blended System*. Given **anticipated funding cuts from the Law Foundation** for fiscal year 2003 and beyond, a portion of the County Library Reserve Fund will be utilized to support creative electronic initiatives promising **equitable access to information for the lawyers of Ontario**. An anticipated need of \$1,373,800 over the four-year period is forecasted, (refer to **Financial Schedule B**). From 2002 through 2005, this planned use of the legacy funding the **implementation of the Blended System** and supporting imaginative initiatives for the lawyers of Ontario, ensures that there will be **no significant increase in lawyers' fees over the 2002 levels**, to support the County and District Law Libraries.

Based on a conservative 1.5% return on the average County Library Reserve Fund balance, LibraryCo projects commencing 2006 with a balance of \$617,000. While 2006 and beyond is outside of the scope of this Business Plan, with routine annual reviews and reassessments of this plan **contingencies for County Operations and Facilities** are expected to be established. With momentum underway, it is clear that on-going use of this fund will be essential to continue the innovations established over 2002 through 2005.

C. SUMMARY: PROJECTED FINANCIAL INFORMATION

The summary below demonstrates the theme of change which is prevalent throughout this rolling business plan. Change is evident in the move to rationalize the law libraries in the system in order to equitably deliver access to law and law-related information to the lawyers of Ontario. With designations of the libraries to Regional, Area and Local the funding distribution along with the use of the County Library Reserve Fund offers options for access to information *Out of the Box ...* heretofore only imagined.

Broadly based and more widespread access to information for lawyers throughout the province is possible with the implementation of the *Blended System*. The *Blended System* proposes that the expertise of the staffs in Regional and Area Libraries be available to serve the information needs of all lawyers within a region of smaller local libraries. The resulting funding shifts provide for highly skilled staffs who are better equipped to find and deliver to the lawyers of Ontario, information and services from *Beyond the Walls* of the traditional law library. Funding shifts allow for more specialized collections concentrated in fewer resource libraries. Along with the reapportioning of monies, funds from the County Library Reserve Fund allow for imaginative technology initiatives to supplement these paper-based collections and permit delivery to the desktop.

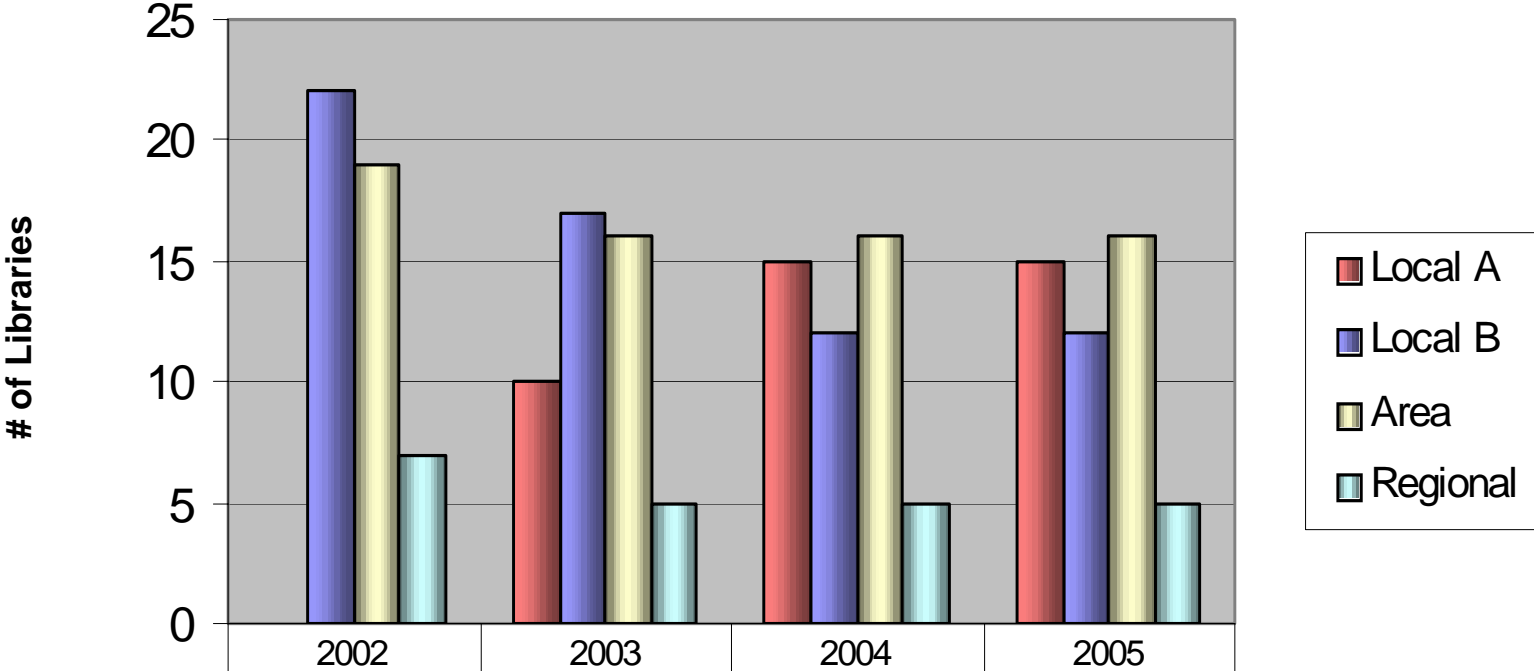
Within the scope of this plan, projections foresee utilization of \$1,200,000 of this reserve, (**Financial Schedule B**). Depending on the success in moving substantially to electronic access to information by 2006, funds from traditional paper-based collections may be redirected to continue to support this and further initiatives.

This financial plan provides for no projected increases in the annual fees charged to the members of the Law Society of Upper Canada. Despite increasing costs over 2002 levels and anticipated reduced funding from the Law Foundation of Ontario, this change is made possible by creative uses of funding and the utilization of a portion of the County Library Reserve Fund.

LIBRARYCO INC.				
Summary Projected Statement of Revenues & Expenses: 2002 to 2005				
	2002	2003	2004	2005
REVENUE	\$	\$	\$	\$
Annual Fee Levy	5,408,000	5,512,000	5,616,000	5,720,000
Fee per Member X estimated number of Members	(\$208 X 26,000)	(\$208 X 26,500)	(\$208 X 27,000)	(\$208 X 27,500)
Law Foundation of Ontario	1,290,000	850,000	850,000	850,000
County Library Reserve Fund	75,000	419,900	406,300	472,600
TOTAL REVENUE	6,773,000	6,781,900	6,872,300	7,042,600
EXPENSES				
County & District Libraries (see below)	6,445,000	6,472,100	6,571,700	6,740,800
Head Office / Administration	328,000	309,800	300,600	301,800
TOTAL EXPENSES	6,773,000	6,781,900	6,872,300	7,042,600
OPERATING SURPLUS / DEFICIT	Nil	Nil	Nil	Nil

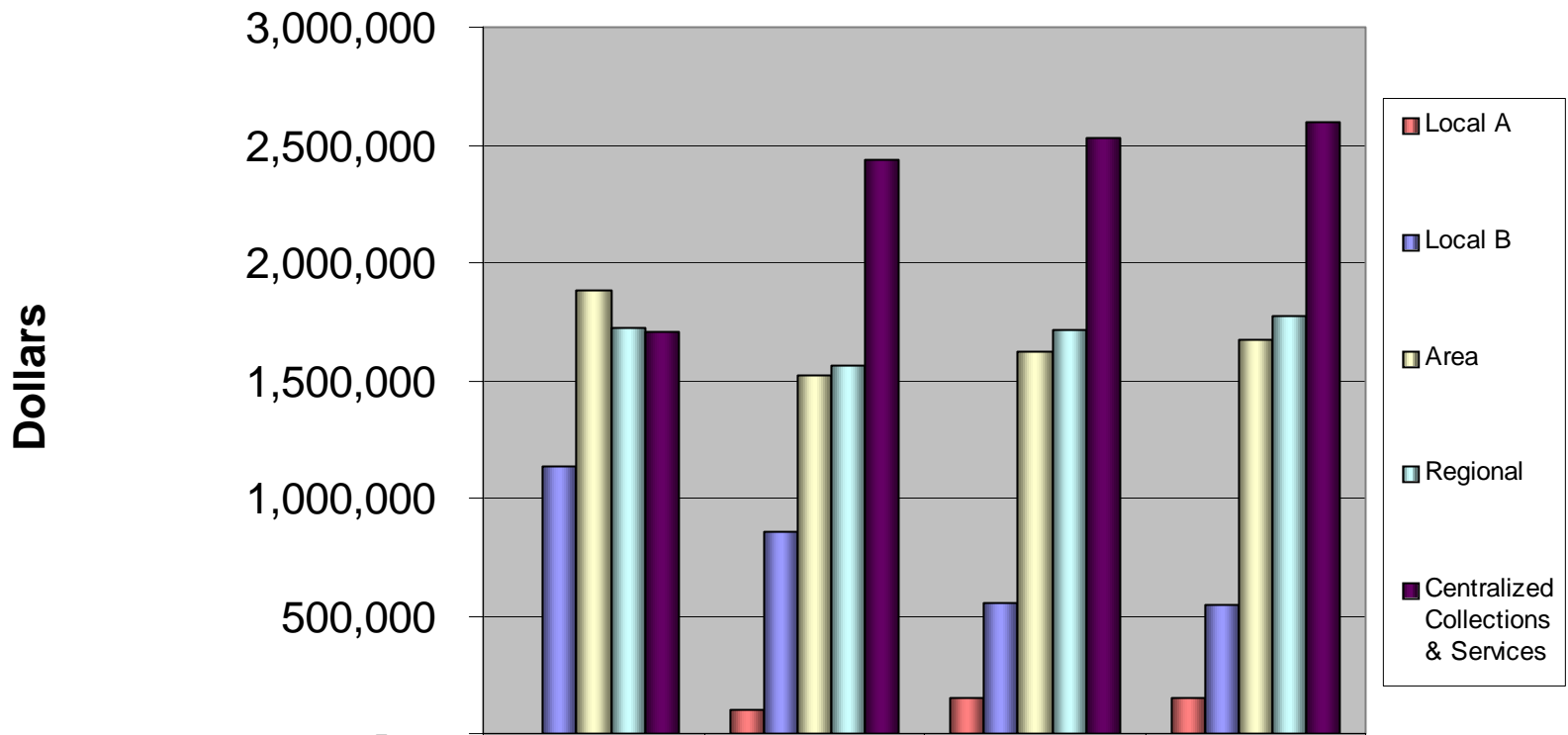
County & District Libraries					
Number of Libraries					
	<i>Local A</i>	0	10	15	15
See Chart A	<i>Local B</i>	22	17	12	12
	<i>Area</i>	19	16	16	16
	<i>Regional</i>	7	5	5	5
		48	48	48	48
Expenses By Library Designation					
	<i>Local A</i>		100,000	150,000	150,000
See Chart B	<i>Local B</i>	1,133,300	861,100	550,700	544,900
	<i>Area</i>	1,883,100	1,517,600	1,623,000	1,676,400
	<i>Regional</i>	1,719,800	1,559,300	1,715,500	1,769,800
	Centralized Collections & Services	1,708,800	2,434,100	2,532,500	2,599,700
		6,445,000	6,472,100	6,571,700	6,740,800
Expenses By Category					
	<i>Collections - Libraries</i>	2,543,900	2,160,000	2,155,500	2,256,100
See Chart C	<i>Collections - Electronic</i>	1,090,000	2,000,000	2,100,000	2,205,000
	<i>Staffing - Libraries</i>	1,522,200	1,384,400	1,420,400	1,421,700
	<i>Operations - Libraries</i>	670,100	493,600	463,300	463,300
	<i>Centralized Services</i>	618,800	434,100	432,500	394,700
		6,445,000	6,472,100	6,571,700	6,740,800

Chart A - Library Designations



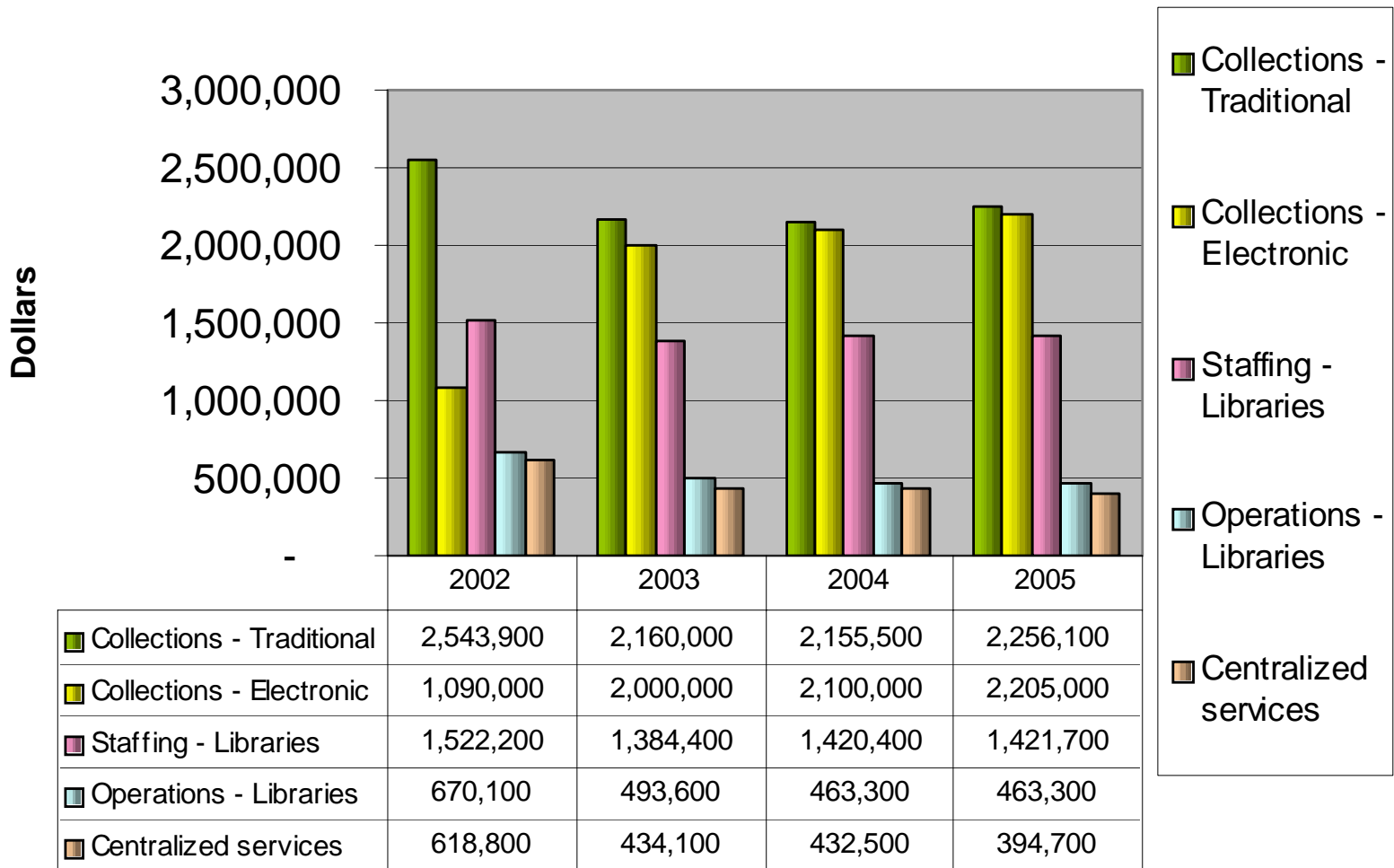
Local A	0	10	15	15
Local B	22	17	12	12
Area	19	16	16	16
Regional	7	5	5	5

Chart B - Expenses by Library Designation



	2002	2003	2004	2005
Local A	-	100,000	150,000	150,000
Local B	1,133,300	861,100	550,700	544,900
Area	1,883,100	1,517,600	1,623,000	1,676,400
Regional	1,719,800	1,559,300	1,715,500	1,769,800
Centralized Collections & Services	1,708,800	2,434,100	2,532,500	2,599,700

Chart C - Expenses by Category





INCORPORATION and FISCAL YEAR END

LibraryCo Inc. is a not-for-profit corporation established under the laws of the Province of Ontario by Articles of Incorporation originally registered December 20, 2000 and amended by Articles registered April 12, 2001. The Company's first fiscal year end was December 31, 2001. Financial statements for that period were prepared and have been subjected to audit.

LOCATION

The Head Office of LibraryCo Inc. officially opened on September 25, 2001 from rented premises located at Upper Canada Place, 460 Brant Street, Suite 211, in Burlington.

SHARE STRUCTURE

The authorized capital of the Corporation consists of an unlimited number of common shares and an unlimited number of preference shares. The issued and outstanding shares in the capital of the Corporation consist of 100 common shares and 100 preferred shares held as follows:

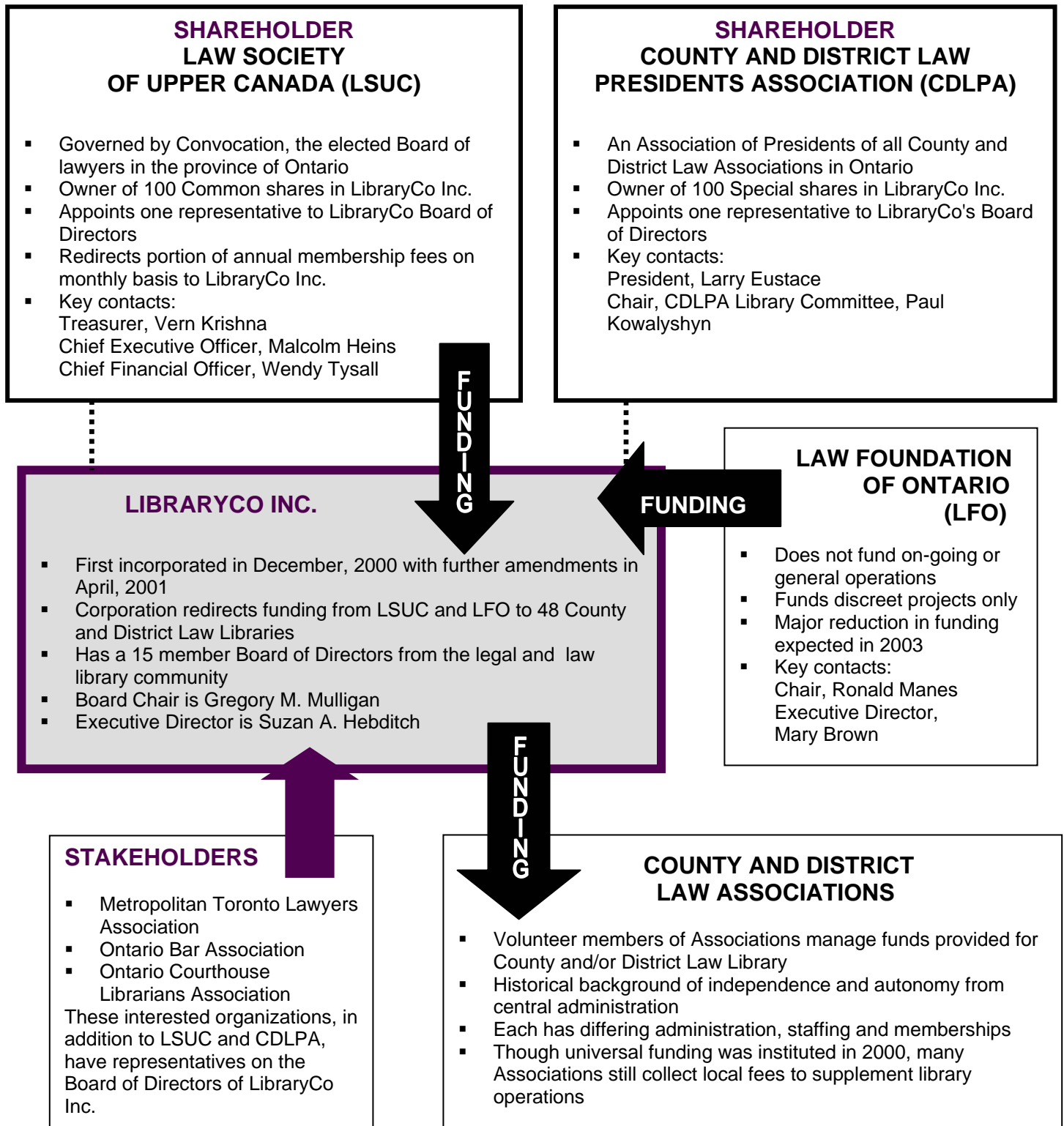
Law Society of Upper Canada – 100 common shares

County & District Law Presidents' Association – 100 preferred shares

The Flow Chart on the following page demonstrates the **stakeholder and funding relationships** between LibraryCo Inc. and the Law Society of Upper Canada (LSUC), the County and District Law Presidents Association (CDLPA), the Law Foundation of Ontario (LFO), County and District Law Associations, the Metropolitan Toronto Lawyers Association (MTLA), Ontario Bar Association (OBA), and Ontario Courthouse Librarians Association (OCLA).

Governance of the Corporation is articulated in the *Unanimous Shareholder Agreement for LibraryCo Inc.*

Stakeholder and Funding Relationships



DIRECTORS and OFFICERS

The fifteen Directors of LibraryCo Inc. hail from across Ontario and are a mix of lawyers, lay Benchers and law librarians representing the Law Society of Upper Canada, the Ontario Bar Association, the Metropolitan Toronto Lawyers Association, the County and District Law Presidents Association and the Ontario Courthouse Librarians Association. Directors have rotating terms of office. The current Board Chair is Gregory M. Mulligan, a Bencher and lawyer from Orillia Ontario. (See [Appendix A](#) for a complete, list of the current Directors).

The role of a Director of LibraryCo Inc. is one of stewardship. Directors are responsible for monitoring, rather than actively managing the business affairs of the Corporation. They oversee the financial management of the corporation, determine future directions and priorities in keeping with the mandate of the corporation, and set policy in accordance with the *Unanimous Shareholders Agreement* while consulting with interested stakeholders.

The Officers of LibraryCo Inc. are designated as follows:

- Gregory M. Mulligan, Chair of the Board
- Suzan A. Hebditch, Executive Director
- Urmas Suits, Treasurer
- Peter Bourque, Secretary

PROFESSIONAL ADVISORS and CONTACTS

- | | |
|------------------------------------|---|
| ▪ Corporate Legal Counsel: | Loopstra, Nixon & McLeish (Mississauga) |
| ▪ Auditor: | Arthur Andersen LLP (Toronto) |
| ▪ Financial & Accounting Advisors: | Wade Group Professional Services (Burlington) |
| ▪ Liability Insurance: | H.B. Bennett Insurance Brokers Inc. (Mississauga) |

KEY PERSONNEL and COMMITTEE SUPPORT

Executive Director **Suzan A. Hebditch, Dip. Lib. Tech, B.A., MLS**

Suzan Hebditch was recruited from Edmonton, Alberta by a Selection Committee comprised of members of the Board of Directors of LibraryCo Inc. She assumed the position of Executive Director (ED) in mid February of 2001 and reports to the Board of Directors. The ED brings a wealth of law library and management experience from the academic, public legal information and government sectors. Most recently she was responsible for overseeing a regional-based law library system in western Canada. The ED also holds the distinction of having been President of the 500 member *Canadian Association of Law Libraries/Association Canadienne des Bibliothèques de Droit* from 1997-1999.

The ED is responsible for the day to day management of the business affairs of LibraryCo Inc., for the implementation of the *Blended System*, the development of standards and the subsequent management of the distribution of funding and services to the County and District Law Libraries of Ontario.

The ED is actively involved in the development of the County and District Law Libraries, with the Board of Directors and a number of committees of the Board including the Business Plan, Communications, Distribution of Funds, Finance, Planning and Priorities, Special Needs Emergency Fund, and Standards.

Assistant to the Executive Director	<p>Christiane A.C. Wyskiel, B.A., LT. Christiane was recruited by, and reports to, the Executive Director of LibraryCo Inc. She assumed her position in September of 2001.</p> <p>Ms. Wyskiel brings office management experience from the private sector and library experience from public and County law library settings. Most recently, she was employed in the Welland County Law Association library.</p>
Roving Law Librarian	<p>At the time of writing, this position is being actively recruited. To date this position is being filled by the Executive Director. The role of the successful candidate will be to continue on-going assessments of collections, staffing and technologies in the County and District Law Libraries. Primarily in their first year, concentration will be on the Local Law Libraries. Training lawyers and library staff on the use of electronic products and services will be a prime responsibility.</p>
Committees	<p>The Executive Director receives guidance in the fulfillment of her duties, obligations and responsibilities from various Committees comprised of members of the Corporation's Board of Directors. These Committees are:</p> <ul style="list-style-type: none"> Audit Committee (Chair: R. Wilson) Business Plan Committee (Chair: J. Carten) Communications Committee (Chair: J. Potter) Distribution of Funds Committee (Chair: J. Miller) Finance Committee (Chair: R. Wilson) Investment Committee (Chair: U. Suits) Nominating Committee (Chair: G. Mulligan and P. Bourque) Personnel Committee (Chair: K. MacLaurin) Planning and Priorities Committee (Chair: G. Mulligan) Special Needs Emergency Fund Committee (Chair: R. Wilson) Standards Committee (Chair: A. Matthewman)

FUNDING

The majority of the funds raised on behalf of the 48 County and District Law Libraries are allocated from a portion of the **Law Society of Upper Canada** fees paid annually by the lawyers of Ontario. This funding is distributed by LibraryCo to the 48 County and District Law Libraries on the condition that the funds be used for library purposes.

Over the course of fiscal year 2002, LibraryCo Inc. will receive funding totaling \$5,408,000 based on an estimated 26,000 members of the Law Society of Upper Canada assessed at \$208 per member. This funding is distributed on a monthly basis to LibraryCo.

The **Law Foundation of Ontario** has historically been a generous contributor to the County and District Law Libraries. For the year 2002, the LFO supported LibraryCo's request for funding for \$1,290,000. This funding, traditionally granted for one-time only projects, has typically been earmarked for infrastructure, hardware expenditures and clearly defined and discreet projects.

LibraryCo has been advised by the LFO that for the 2003 year, the grant will be substantially reduced. In all likelihood it will revert, at best to 1999 funding levels. This is approximately a 35% decline in funding. This will have a devastating effect on products and services offered through the law libraries.

Fortunately, LibraryCo has the advantage of the legacy of a ***County Library Reserve Fund***. These funds consist of monies accrued for libraries when the Law Society changed the membership year resulting in an overlap of funds collected. This reserve amounts to approximately \$1,797,000. This Fund is critical for the future development and delivery of services for Ontario's lawyers through the County and District Law Library system.

Commencing in 2002, a portion of the County Library Reserve Fund will be utilized to stage in the implementation of the *Blended System*.

Given the anticipated funding cuts from the Law Foundation for Fiscal 2003 and beyond, the County Library Reserve Fund will be utilized in 2003 and beyond to fund new electronic initiatives in order to ensure no significant increase in member fees.



ENVIRONMENTAL SCAN: *The Case for Change*

Libraries are facing monumental challenges as a direct result of the movement to electronic formats. Recommended by CDLPA and approved by Convocation, the *Blended System* was selected as the model best able to effectively implement the changes deemed necessary to meet the current and anticipated challenges of the 48 County and District Law Libraries, (**Appendix B**).

The Blended System is a coordinated approach to developing system-wide collection and research facilities which would provide all users of Ontario's County and District Law Libraries with effective and timely access to all of the information within the law library system through the innovative use of both personnel and technology.

Included among the issues identified as in need of immediate attention in order to preserve the integrity of the province's County and District Law Libraries are the following:

- **COMPETENCY:** The very **competency of Ontario's legal profession is challenged** by the transition in Law Libraries to electronic technologies. Many lawyers are not equipped with the requisite research skills to function competently in this electronic milieu. It is a long felt sentiment that even junior lawyers do not receive adequate legal research training and experience in law school.
- **EDUCATION:** The **role of Law Librarians, a Roving Librarian, and Library Technicians as educators must be strengthened**. This expanded role calls for a proactive sharing of knowledge and resources. It demands a higher skill level of library staff to facilitate end-user training and education. It demands a proactive approach to delivery of library service. The legal profession is traditionally slow to accept and adapt to changing technologies. Library staff must seize the opportunity to assist with educating the profession.
- **FUNDING:** The proliferation of electronic formats and ever increasing costs pose serious **challenges to law library budgets**. Such funding issues are long term and are not expected to diminish. Libraries that have been forced due to financial exigencies to cancel paper-based subscriptions but have not kept pace with evolving electronic formats of the same information exhibit a greatly reduced quality of collection and the concomitant service that must accompany it. Failure to change this situation results in a negative image of the library and impacts on the competency skills of those lawyers utilizing the library.
- **ACCOUNTABILITY:** Universal access to law libraries is the benefit of the recent change in funding whereby a portion of all Law Society members' fees is redirected in support of the 48 County and District Libraries. This move, however, has underscored the **duplication of library materials throughout the system, the lack of a coordinated approach to collection development, and the lack of accountability as to how Local Associations spent their funding in the past**. It is inevitable that County and District Law Libraries must be organized as a system to efficiently coordinate resources and the delivery of services. The planned changes will ensure a coordinated approach to develop better access to information and services in order to insure a more competent, informed bar for Ontario.



MANDATE: *LibraryCo Inc.*

LibraryCo Inc. is mandated to carry on the **central management** of the Ontario County and District Law Library system on a not-for-profit basis **in accordance with the objectives of the *Blended System* framework** for the purpose of developing and enhancing skills for the "competent lawyer"² in Ontario.

² Taken from the *Revised Rules of Professional Conduct*, in effect November 2, 2000 as amended:

Rule 2 – Relationship to Clients

2.01 COMPETENCE,

2.01 (1)

In this rule "*competent lawyer*" means a lawyer who has and applies relevant skills, attributes and values in a manner appropriate to each matter undertaken on behalf of a client including:

- (a) knowing general legal principles and procedures and the substantive law and procedure for the areas of law in which the lawyer practices;
- (b) investigating facts, identifying issues, ascertaining client objectives, considering possible options, and developing and advising the client on appropriate courses of action;
- (c) implementing, as each matter requires, the chosen course of action through the application of appropriate skills, including:
 - (i) legal research,
 - (ii) analysis,
 - (iii) application of the law to the relevant facts,
 - (iv) writing and drafting,

...



THE VISION OF A BLENDED SYSTEM: *Access, Not Ownership*

The *Blended System* at its core will see libraries employing sophisticated and technology savvy personnel, committed to the delivery of relevant and timely law and law-related information to the lawyers of Ontario.

Under the *Blended System*, **new life will be breathed into the present structure.** People will work collaboratively and cooperatively to share both human and material resources.

LibraryCo's vision for the County and District Law Libraries of Ontario necessitates a clearly defined philosophy of library service.

The philosophy or vision, simply stated, supports access to information rather than ownership. No longer are libraries financially resourced to purchase all law and law related information. No longer are libraries in a position to physically house all the information published. So vast is the publishing arena, that libraries can no longer comprehend the extent of the legal bibliography. The *Blended System* establishes a framework that addresses these concerns.



KEY SUCCESS FACTORS: *Strengths, Weaknesses, Opportunities, Challenges*

The following are recognized by the Board of Directors of LibraryCo Inc. and its Executive Director as **key influences impacting upon LibraryCo's progress** and success in implementation of the *Blended System*:

STRENGTHS

- The *Blended System Model* is defined in *Beyond 2000* as a **highly flexible plan** evolving over time as required and where required. This definition provides LibraryCo with the freedom to implement the necessary changes while still giving full and fair consideration to the specific needs of each individual Law Library.
- LibraryCo is privileged to enjoy the **benefits of an experienced, committed Board of Directors** representing an excellent cross-section of Ontario's County and District Law Libraries that is able to provide significant guidance and support to LibraryCo Inc.
- The **capable, dedicated Executive Director** brings to LibraryCo excellent academic qualifications, first-hand experience managing law libraries and status as the Past President of Canadian Association of Law Libraries from 1997-1999.
- **Groundwork has been solidly laid** for a base of operations in Burlington; LibraryCo's purpose has been profiled to Ontario lawyers and law librarians; accounting control has been transferred to LibraryCo Inc. from the Law Society of Upper Canada; statistical and technological surveys have been conducted and analyzed in order to assist in the prioritizing of a course of action.
- **Key contracts have been negotiated** and are now in place with legal publishers and vendors.
- More than two-thirds of the 48 Ontario County and District Law Libraries have been visited personally by the Executive Director for assessment and communications purposes.
- **The progress made has been in an organized, priority driven fashion and a steady momentum in the direction prescribed by *Beyond 2000* (Phase III Report, Page 52, Line 286) has grown.**

WEAKNESSES

- LibraryCo Inc. is a **new entity with an unprecedented mandate**. It has a relatively new voluntary Board of Directors who must travel great distances from across Ontario in order to attend Board meetings. Many of these Board members are self-employed lawyers for whom absence from their practice proves difficult.
- Despite the magnitude of the work to be undertaken in implementing the *Blended Model System* province-wide, LibraryCo has had from inception until September 2001 **only one employee**, the Executive Director, and it currently has only one additional employee, an Assistant to the Executive Director.
- No formal system previously existed whereby each Ontario County and District Law Library would routinely submit a full and detailed accounting of its financial situation including its budget, account balances, profit and loss, capital expenditures, etc.
- In addition to **time-consuming personal visits** to the widely located Ontario law libraries, it was necessary to initiate surveys regarding resource usage, technology, staffing and accounting/business practices in order for LibraryCo to go forward in an orderly, cost-effective fashion.

OPPORTUNITIES

- The need to restructure Ontario's law libraries is generally **acknowledged by the users of the system**; they view the changes that are to be implemented as necessary to safeguard and improve the competency of legal professionals.
- The great **advances made in technology** over the past ten years provide Ontario's law libraries with the opportunity to efficiently share information and resources to an extent which has never before been possible.
- The new method of allocating a portion of all members' fees towards the support of all County and District Libraries provides LibraryCo Inc. with the **mechanism and control** needed to organize and restructure the system in the manner prescribed by *Beyond 2000*.
- The essential assessment groundwork is nearly complete and ready to be utilized for **planning and prioritization purposes**.
- **Networking** has been accomplished with key individuals at the Law Society of Upper Canada, the County and District Law Presidents Association, the Law Foundation of Ontario, the Ontario County Librarians Association, the Metropolitan Toronto Lawyers Association and the Ontario Bar Association as well as a myriad of legal publishers and vendors who may now be called upon as needed to assist with LibraryCo's plan of action.

CHALLENGES

- Time was required to implement a **system of control** re the transition of accounting from the Law Society of Upper Canada to LibraryCo and for the nature of the reports that would be required by the shareholders, the board and auditors to be determined. A system is now in place and will be fine-tuned over Q1 and Q2 of Fiscal 2002 as required.
- A **strategic Advance** scheduled for October 25, 2001 and rescheduled to November 23, 2001 so that the Executive Director and the Board of Directors could hammer out LibraryCo's "Mission, Policies and Direction" was forced to change its purpose as a result of the need to focus on the distribution of funds for 2002 to the County and District Law Libraries. This meeting must be rescheduled.
- The perception that LibraryCo Inc. is **moving too slowly** may antagonize the funding arm of the Law Society of Upper Canada and, hence, the very existence of LibraryCo Inc.
- **Proceeding too quickly** in committing to certain technologies can mean problems in the future if systems cannot be expanded efficiently and cost-effectively.
- The historical background of **independence and autonomy of the 48 Ontario County and District Law Libraries and their Associations** may well make implementation of standards difficult. Caution must be exercised to ensure LibraryCo Inc. is providing savings, supporting law libraries ensuring quality collections and otherwise reliable access to information; offering continuing education opportunities to lawyers and library staff all in a non-threatening environment. Active resentment could jeopardize LibraryCo's mandate.



2001 OVERVIEW: *Strategies Effectuated*

The majority of issues addressed by LibraryCo Inc. during Fiscal year 2001 were directly related to the groundwork regarding various 'assessments' and 'definitions' which *Beyond 2000* earmarked for the Transition Board. LibraryCo never benefited from a Transition Board and consequently these responsibilities were assumed by the Board of Directors and the Executive Director. *Accomplishments in the first year of LibraryCo are listed below:*

DELIVERY OF SERVICES

Data gathered from all 48 Ontario law libraries via the LibraryCo Inc. *Technology Questionnaire* conducted in Spring 2001 was used to support the provision of a further **\$3,000 to each County and District Law Library that required new or additional hardware.** This was LibraryCo's first effort to move the law libraries toward a uniform hardware/software platform.

Negotiations with legal publishers and vendors were undertaken over the summer months with a view to obtaining the best access to information that is possible for Ontario lawyers; **careful negotiation of large contracts resulted in savings to each library** and expansion of the variety of new information products to the vast array of CD ROM and electronic based resources offered to County and District Law Libraries. Through centralized negotiation and purchase the **equivalent of \$26,000** to each County and District Law Library is delivered out. Electronic initiatives are vital to LibraryCo's vision for the future delivery of information to lawyers in the province. The **Law Foundation's generosity** permits this access to electronic information as these costs far exceed the centralized, member-based funding from the Law Society.

The contracts with legal publishers and vendors were negotiated to include a **training component** to ensure library staff is trained to assist lawyers, and for lawyers who wish to personally partake in training opportunities.

Building Blocks for Improved Competencies: A Funding Submission to the Law Foundation of Ontario on Behalf of the County and District Law Libraries was successfully presented and approved in October. This **\$1.29 million request** builds on the earlier 2001 submission in creating the necessary infrastructure for new technology ventures.

LibraryCo **sponsored, hosted and prepared the Conference for Ontario Law Associations' Libraries (COLAL) for law library staff** held November 14-16, 2001. The event included research skills workshops, job skills activities and various vendor demonstrations.

The benefit of shrewd negotiations and opportunities to buy in bulk were passed on to law libraries in December 2001 when the MS Word suite of products was purchased for everyone. This further aids in standardizing the tools used by all in an effort to build consistency into the new system.

FINANCIAL REPORTING & BUDGETING

Aided by financial projections collected from the County and District Law Libraries, the LibraryCo Finance Committee worked diligently through the summer months to compile its **first budget** which was submitted to the LSUC Finance Committee on

September 13, 2001. This \$5.4 million submission on behalf of the County and District Law Libraries for fiscal 2002 was approved by Convocation on October 25, 2001.

The **\$1.797 million reserve fund** for County and District Law Libraries was transferred from the Law Society of Upper Canada to LibraryCo Inc. in December 2001.

All **accounting procedures were transferred** from the Law Society of Upper Canada to LibraryCo Inc. and a regular flow of information to the shareholders, board and auditors has been established.

Policies and procedures for **consistent, timely and accurate quarterly financial reporting** from the 48 Counties were established in 2001 to take effect in 2002.

New scheduling for the **consistent and routine distribution of grants** to the Associations was devised and implemented in 2001. Funds, for the first time were deposited via electronic funds transfer to each County Law Library's bank account.

ORGANIZATION

The Board of Directors of LibraryCo Inc. **hired Suzan A. Hebditch**, Past President of the Canadian Association of Law Libraries (1997-1999), as Executive Director commencing February 2001.

A site was selected as the **headquarters of LibraryCo Inc.** This included lease negotiation, designing, furnishing and equipping the office facility and the subsequent publicized formal launching of LibraryCo's head office in Burlington on September 25, 2001.

Banking arrangements were instituted. **Legal advice** for various corporate needs was sought out. **Accountants** to assist with LibraryCo's day-to-day business practices were retained. Status reports were communicated to the Shareholders on an on-going basis.

A **visual identity** was created for LibraryCo. Various promotional pieces, press releases and publicity announcements were released to the *Ontario Reports* and other leading Ontario and Canadian legal press organizations. Routines for reporting to Convocation and CDLPA were completed.

Christiane Wyskiel was hired as Assistant to the Executive Director commencing September 2001.

The search for a **Roving Law Librarian** who would personally liaise with all Ontario County and District Law Libraries began.

Despite the great traveling distance from Toronto of so many Board members, **Board meetings have been conducted monthly since November 2000.** Committees, policies and procedures for the Corporation have been established over that time.

ASSESSMENTS

The Executive Director traveled over **32,000 km to visit 35 of the 48 law libraries** in her first 13 months. She met with library staff, Association Executives and interested lawyers for the purpose of (a) categorizing the County and District Law Libraries as Regional, Area or Local libraries as prescribed by *Beyond 2000* so that block funding allocations can be determined, and (b) to examine

the collections and services of these individual locations to determine duplication and to ensure that information needs of local lawyers are being met.

At a day-long planning session, options were considered for the implementation of the *Blended System Model*. Fiscal year 2002 will see the first steps in advancing the model.

A **Technology Survey** was conducted in spring of 2001 to determine hardware and software levels and capabilities. Another **Survey on Accounting Software** information was conducted in December 2001.

The **OCLA's Working Group on Statistics** was assembled in the summer of 2001 and in November 2001 presented their proposals to the County and District Law Library staff for statistic keeping. Commencing January 2002, under the direction of LibraryCo all law libraries will now keep **uniform statistics to track trends in library usage**. These will, for instance, reflect library resources being used, numbers and varieties of questions asked, numbers of

individuals using the facilities, use of technology in the law libraries and more.

Additionally, a **Library Staff Survey** was conducted in December 2001 to examine number of hours the libraries are staffed, years of experience of staff and educational background, and continuing education activities.

Work began in 2001 toward identifying the minimum standards for staffing, collections, technology and equipment, operations, physical facilities, budgeting, as well as information/reference and research services for Local Law Libraries in particular. Work began on defining the core titles comprising the ***Essential Law Library***.



2002 STRATEGIES: *Advancing the Blended System*

LibraryCo is currently consulting with experts from within its ranks; those with expertise in the law library, legal and finance communities; technology fields and publishing arenas to explore doing business in a different fashion. **Delivering better results to the lawyers of Ontario is key in the new-look library system.** Utilizing more effective and efficient tools is critical for this result.

A number of issues which were to have been addressed by the Transition Board referred to in the *Beyond 2000 Report* have been assumed by the Board of Directors and the Executive Director of LibraryCo. Transitional assessments that began in 2001 and defining issues needing to be addressed will carry forward throughout fiscal 2002. As these matters are resolved, implementation of the *Blended System* will progress. Going forward in 2002, the system consists of 7 Regional, 19 Area and 22 Local Law Libraries, (refer to **Appendix B**).

High priority issues being addressed in 2002 are:

1. **COLLECTIONS: Standards for collections** for Local and Area Law Libraries are determined. (At the Local Library level, this collection becomes known as the *Essential Law Library*.)
2. **STAFFING: Standards for staffing** at all Local, Area and Regional Law Library levels are developed and recommended for implementation in 2003.
3. **TECHNOLOGY: Standards for technology infrastructure and broad band access** in all County and District Law Libraries are implemented. With assistance from the Law Foundation of Ontario, LibraryCo explores establishing a web presence for better communication with lawyers and library staff. A number of Internet providers and web designers are interested in working with LibraryCo and various options for partnering are explored with organizations such as Bar-eX.
4. **GROUNDWORK: The Executive Director completes visits to all 48 County and District Law Libraries** for the purposes of:
 - introducing LibraryCo and the benefits it represents in a personal, positive manner with a view to obtaining local input to keep perspective in the system;
 - assessing the nature, size and extent of on-site collections; staffing/expertise and the level of service provided; degree of technology; calibre of the overall facilities; funding requirements; nature of services provided and overall use of each library;
 - assessing any duplication which may exist and the need to reduce and/or eliminate same; and,
 - completing the categorization of all County and District Law Libraries.
5. **PERSONNEL: A Roving Law Librarian** is hired to assist and advise Local Law Libraries with collection maintenance and assist with training of lawyers and library staff on electronic products and services.

6. **ACCOUNTABILITY:** The Executive Director oversees the introduction of **standardized and consistent financial reporting** by the 48 County and District Law Libraries. In 2002 quarterly financial reporting facilitates timely and detailed reporting to LibraryCo's shareholders. The information gleaned from this undertaking impacts directly on the 2003 budget and future decision-making.
7. **FUTURE GROWTH:** Appropriate infrastructure to accommodate future **technology advances** is determined.
8. **REGIONAL LIBRARIES:** Five Regional Libraries are designated. Based on this determination, some Area Libraries require **special considerations due to geography**, (see **Appendix B**).
9. **LOCAL LIBRARIES:** Ten Local Libraries are designated Local A Libraries and 17 as Local B Libraries in 2003, (see **Appendix C**). Standards regarding collections and how these libraries will be managed and maintained are determined. Ten Local Law Libraries (Local A Libraries) will on average receive up to \$10,000 funding for print collections in 2003. The remaining 17 Local Law Libraries (Local B Libraries) will on average receive up to \$30,000 funding for print collections in 2003. Associations, staff and all affected parties are consulted and informed prior to mid-year.
10. **COMPENSATION:** Along with the attrition factor, **compensation packages for any staff declared redundant** are determined.
11. **FUNDING:** A **block-base funding formula** is determined for all Local, Area and Regional Law Libraries. As funding for collections in all libraries stabilizes, initiatives are explored for lawyers supported by Local Law Libraries. These initiatives are based on a 'delivery to the desktop' concept. If successful in these delicate, on-going negotiations, such electronic initiatives will largely be funded from the County Library Reserve Fund.
12. **THE GREAT LIBRARY:** A **relationship with The Great Library** is formalized to consider fee for services and cost sharing arrangements.
13. **TEAMS:** Cooperative teams of library staff are proposed and mandates established. These teams will have representatives from all levels of libraries throughout the system and **concentrate at the outset on Collection Development, Document Delivery, Continuing Education and Planning and Priorities**. They will act as advisory teams to LibraryCo.
14. **PLANNING:** An Advance (aka a Retreat) is rescheduled in the autumn of 2002 for the Board of Directors of LibraryCo because the original Advance scheduled for November 23, 2001 was aborted in favour of discussions regarding distribution of funds for 2002. **This Advance is critical** to chart a path for future strategies.
15. **EVALUATION:** At year-end, an **annual evaluation** of progress to date is undertaken. Reassessment and adjustments are made. More detailed strategies for 2004 are developed.



2003 STRATEGIES: *Out of the Box...*

With infrastructure in place and a core set of standards established, LibraryCo will advance with further implementations of the *Blended System*. ***Out of the Box*** implies marked steps toward the **48 County and District Law Libraries working and operating like a cohesive system** rather than as 48 separate, ad hoc libraries. Staff and organizations begin to work collaboratively and to cooperatively share resources, expertise and information as the system moving into 2003 consists of 5 Regional, 16 Area and 17 Local Law Libraries, (refer to **Appendix C**).

1. **STAFFING:** **New standards for staffing** are implemented.
2. **COLLECTIONS:** **Standards for collections** in the Regional Law Libraries are developed.
3. **SERVICE:** With expectations for collection availability at the four types of libraries established and standards for staffing confirmed, **standards for services** are established.
4. **INFORMATION DELIVERY:** **Expedited delivery of information** within the system is developed. Document delivery and efficient communication systems are explored. These include traditional 800 lines between Regional, Area and Local Law Libraries, faxing, email and courier/mail delivery methods. Building on infrastructure developments funded by the Law Foundation of Ontario in 2002, further technologies are explored such as scanning, Intranet, listserv and portal technologies.
5. **DESKTOP SERVICE:** Acknowledging the vast geographical distances needed to travel in many Counties, and that the law libraries have a role to play in **pushing technologies out to the lawyers** in these remote areas, LibraryCo explores delivery to the desktop.
6. **LOCAL LIBRARIES:** Five additional Local Libraries are designated as Local A Libraries for 2004 bringing the total to 15. Decisions regarding collections and **how these libraries are to be managed and maintained** are determined. Associations, staff and all affected parties are consulted and informed prior to mid-year.
7. **TEAMS:** Members of teams from library staff are selected. These teams will have representatives from all levels of libraries throughout the system and concentrate at the outset on on-going issues concerning **Collection Development, Document Delivery, Continuing Education and Planning and Priorities**. They will act as advisory teams to LibraryCo.
8. **EVALUATION:** At year-end, an **annual evaluation of progress to date** is undertaken. Reassessment and adjustments are made. More detailed strategies for 2005 are developed.



2004/2005 STRATEGIES: *Beyond the Walls!*

More visible signs of cooperative workings are evident in this year.

As the system moves into 2004, the component parts are now 5 Regional, 16 Area, 15 Local A and 12 Local B Law Libraries. The ability to move *Beyond the Walls* to deliver relevant, timely and accurate information equitably across the province is now possible.

It is clear that the education process of staff and lawyers must continue to move forward as the emphasis on electronic access to information advances.

1. **LOCAL A LAW LIBRARIES:** Utilizing feedback from lawyers, **on-going assessments and evaluations** regarding use of these libraries are continued.
2. **REFINING SYSTEMS:** On-going refinements for **managing the Local A Law Libraries and supporting all Local Libraries** are coordinated with affected Area and/or Regional Law Libraries.
3. **DOCUMENT DELIVERY:** With assistance of the Document Delivery Team, more sophisticated **mechanisms and options** for delivery of information are explored.
4. **STANDARDS:** By the end of 2005, **Standards as advocated in *Beyond 2000*** are fully in place and being monitored for adjustments as required. Assessments and continuing evaluation by the LibraryCo Board and interested parties ensure their continued relevancy and currency. As a more systematic approach to the delivery of information to lawyers in the province is refined, continuous development of improved standards takes place.
5. **CONTINUOUS REVIEW AND EVALUATION:** Implemented changes within the libraries proper are continually assessed and **reviewed for successes and deficiencies**.
6. **PUSH TECHNOLOGIES:** On-going **push technologies and "my library"** forms of delivery to the desktop of lawyers are explored, and where feasible, implemented.
7. **EVALUATION:** At year-end, an **annual evaluation** of progress to date is undertaken. Reassessment and adjustments are made. More detailed strategies for 2006/2007 are developed.



AFTERWARD

Out of the Box ... And Beyond the Walls: Business Strategies for LibraryCo Inc. 2002 -2005 is an ambitious plan. With its implementation, the *Blended System* advances!

This four year rolling plan assures the realization of the promises in *Beyond 2000*. It plots the strategies to implement standards: for a high level of service excellence; to facilitate access to expert library staff; for quality collections either in traditional or electronic versions; and to provide for on-going educational opportunities assuring that the lawyers of Ontario are competent end users.

LIBRARYCO INC.

Business Plan
April 2002

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PROJECTED STATEMENT OF REVENUES & EXPENSES - Total Operations

2002 to 2005

REVENUE	2002 \$	2003 \$	2004 \$	2005 \$
Law Society of Upper Canada annual fee levies (Fee per member x estimated number of members)	5,408,000 (\$208 X 26,000)	5,512,000 (\$208 X 26,500)	5,616,000 (\$208 X 27,000)	5,720,000 (\$208 X 27,500)
Law Foundation of Ontario grants	1,290,000	850,000	850,000	850,000
County Library Reserve Fund (Schedule B)	75,000	419,900	406,300	472,600
Total Revenue	<u>6,773,000</u>	<u>6,781,900</u>	<u>6,872,300</u>	<u>7,042,600</u>
EXPENSES				
County & District Libraries				
Local Libraries (Schedule C)	1,133,300	961,100	700,700	694,900
Area Libraries (Schedule C)	1,883,100	1,517,600	1,623,000	1,676,400
Regional Libraries (Schedule C)	1,719,800	1,559,300	1,715,500	1,769,800
Purchase of electronic information	1,090,000	2,000,000	2,100,000	2,205,000
Roving Librarian (Schedule D)	68,500	116,300	118,500	115,000
Centralized Services (Schedule D)	550,300	317,800	314,000	279,700
	<u>6,445,000</u>	<u>6,472,100</u>	<u>6,571,700</u>	<u>6,740,800</u>
Head Office / Administration (Schedule E)				
Salaries & benefits	164,700	169,100	173,400	178,000
Office & occupancy	42,700	43,600	44,600	45,700
Telecommunications	12,800	13,200	13,600	14,000
Insurance	3,800	3,900	4,000	4,100
Board meetings	44,000	30,000	25,000	20,000
Professional fees	60,000	50,000	40,000	40,000
	<u>328,000</u>	<u>309,800</u>	<u>300,600</u>	<u>301,800</u>
Total Expenses	<u>6,773,000</u>	<u>6,781,900</u>	<u>6,872,300</u>	<u>7,042,600</u>
OPERATING SURPLUS (DEFICIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Schedule F "Notes and Assumptions"

PROJECTED COUNTY LIBRARY RESERVE FUND BALANCE

2002 to 2005

	2002	2003	2004	2005
	\$	\$	\$	\$
Balance, beginning of year	1,907,000	1,860,000	1,464,900	1,077,500
Investment income earned	28,000	24,800	18,900	12,600
Transfers to general fund	(75,000)	(419,900)	(406,300)	(472,600)
Balance, end of year	<u>1,860,000</u>	<u>1,464,900</u>	<u>1,077,500</u>	<u>617,500</u>

See schedule F "Notes and Assumptions"

LIBRARYCO INC.

Schedule C

PROJECTED STATEMENT OF REVENUES AND EXPENSES - County and District Libraries Expenses

2002 to 2005

	2002	2003	2004	2005
Expenses By Library Designation	\$	\$	\$	\$
LOCAL				
# of Libraries	22	27	27	27
Collections	736,600 65%	610,000 63%	528,000 75%	547,200 79%
- per library	22 @ 33,482	17 @ 30,000 10 @ 10,000	12 @ 31,500 15 @ 10,000	12 @ 33,100 15 @ 10,000
Staffing	256,200 23%	198,000 21%	74,900 11%	74,900 11%
- per library	22 @ 11,645	17 @ 11,647 10 @ nil	12 @ 6,242 15 @ nil	12 @ 6,242 15 @ nil
Severance Package	0 0%	50,000 5%	25,000 4%	0 0%
Operations	140,500 12%	103,100 11%	72,800 10%	72,800 10%
- per library	22 @ 6,386	17 @ 6,065 10 @ nil	12 @ 6,067 15 @ nil	12 @ 6,067 15 @ nil
	1,133,300 100%	961,100 100%	700,700 100%	694,900 100%
	24%	24%	17%	17%
AREA				
# of Libraries	19	16	16	16
Collections	1,047,100 56%	800,000 53%	840,000 52%	882,000 53%
- per library	55,111	50,000	52,500	55,125
Staffing	580,000 31%	512,800 34%	578,200 36%	589,600 35%
- per library	30,526	32,052	36,137	36,850
Operations	256,000 14%	204,800 13%	204,800 13%	204,800 12%
- per library	13,474	12,800	12,800	12,800
	1,883,100 100%	1,517,600 100%	1,623,000 100%	1,676,400 100%
	40%	38%	40%	40%
REGIONAL				
# of Libraries	7	5	5	5
Collections	760,200 44%	750,000 48%	787,500 46%	826,900 47%
- per library	108,600	150,000	157,500	165,375
Staffing	686,000 40%	623,600 40%	742,300 43%	757,200 43%
- per library	98,000	124,715	148,460	151,440
Operations	273,600 16%	185,700 12%	185,700 11%	185,700 10%
- per library	39,086	37,132	37,129	37,129
	1,719,800 100%	1,559,300 100%	1,715,500 100%	1,769,800 100%
	36%	39%	42%	43%
Totals	4,736,200	4,038,000	4,039,200	4,141,100
	100%	100%	100%	100%
Expenses By Category				
Collections	2,543,900 54%	2,160,000 53%	2,155,500 53%	2,256,100 54%
Staffing	1,522,200 32%	1,334,400 33%	1,395,400 35%	1,421,700 34%
Operations	670,100 14%	493,600 12%	463,300 11%	463,300 11%
Other	0 0%	50,000 1%	25,000 1%	0 0%
Totals	4,736,200 100%	4,038,000 100%	4,039,200 100%	4,141,100 100%

See Schedule F "Notes and Assumptions"

PROJECTED STATEMENT OF REVENUES & EXPENSES

2002 to 2005

	2002	2003	2004	2005
	\$	\$	\$	\$
<u>Roving Librarian</u>				
Salary	31,000	62,000	63,900	65,200
Benefits (at 15 % of salary)	4,700	9,300	9,600	9,800
Travel	25,000	30,000	30,000	25,000
Other (ie.training of staff & lawyers)	7,800	15,000	15,000	15,000
	<u>68,500</u>	<u>116,300</u>	<u>118,500</u>	<u>115,000</u>
<u>Centralized Services</u>				
Cataloguing of Collections	25,000	25,000	20,000	20,000
CD Rom catalogue & mailing	6,100	6,500	6,500	6,500
CLE & Bar Admission mailings	40,000	40,000	40,000	40,000
Web/Internet development	-	10,000	10,000	10,000
Annual COLAL conference	15,000	15,000	15,000	15,000
Library property/commercial insurance	22,200	23,300	24,500	25,200
Staff benefit package	144,000	100,000	100,000	100,000
CDLPA Library Committee meetings	15,000	15,000	15,000	15,000
Promotions/Communications	7,000	7,000	7,000	7,000
Volunteer recognition	1,000	1,000	1,000	1,000
Special Needs Emergency funds	75,000	75,000	75,000	40,000
High speed internet access for all Libraries	135,000	-	-	-
Initial Development of Web site	20,000	-	-	-
Purchase of ergonomic furniture	45,000	-	-	-
	<u>550,300</u>	<u>317,800</u>	<u>314,000</u>	<u>279,700</u>

See Schedule F "Notes and Assumptions"

LIBRARYCO INC.

Schedule E

PROJECTED STATEMENT OF REVENUES & EXPENSES - Head Office / Administration Expenses
2002 to 2005

	2002	2003	2004	2005
	\$	\$	\$	\$
Salaries & benefits				
Salaries - permanent staff	126,000	129,800	133,600	137,600
Benefits (at 15% of salaries)	18,900	19,500	20,000	20,600
Professional memberships	800	800	800	800
Professional development	4,000	4,000	4,000	4,000
Staff travel	15,000	15,000	15,000	15,000
	<u>164,700</u>	<u>169,100</u>	<u>173,400</u>	<u>178,000</u>
Office & occupancy				
Rent	21,600	22,000	22,400	22,900
Leased equipment	6,000	6,100	6,200	6,300
Office equipment (minor)	2,000	2,100	2,200	2,300
Postage & courier	3,000	3,100	3,200	3,300
Printing & stationary	1,500	1,500	1,600	1,600
Publications	600	600	600	700
Office expense & business supplies	3,000	3,100	3,200	3,300
Miscellaneous	5,000	5,100	5,200	5,300
	<u>42,700</u>	<u>43,600</u>	<u>44,600</u>	<u>45,700</u>
Telecommunications				
Phone/fax/cable	2,400	2,500	2,600	2,700
Long distance	5,000	5,100	5,200	5,300
880 or WATTS line	2,400	2,500	2,600	2,700
Conference calls	3,000	3,100	3,200	3,300
	<u>12,800</u>	<u>13,200</u>	<u>13,600</u>	<u>14,000</u>
Insurance				
Directors and Officers liability	2,300	2,400	2,400	2,500
General and Tenant liability	1,500	1,500	1,600	1,600
	<u>3,800</u>	<u>3,900</u>	<u>4,000</u>	<u>4,100</u>
Board meetings	44,000	30,000	25,000	20,000
Professional fees				
Legal	5,000	5,000	5,000	5,000
Audit	10,000	10,000	10,000	10,000
Accounting	25,000	25,000	15,000	15,000
Consultants	20,000	10,000	10,000	10,000
	<u>60,000</u>	<u>50,000</u>	<u>40,000</u>	<u>40,000</u>
TOTAL	<u><u>328,000</u></u>	<u><u>309,800</u></u>	<u><u>300,600</u></u>	<u><u>301,800</u></u>

See Schedule F "Notes and Assumptions"

LIBRARYCO INC.
PROJECTED FINANCIAL INFORMATION - Notes and Assumptions
2002 to 2005

Schedule F

- 1 Projected Law Society funding has been based on the premise that the portion of members' fees attributed to libraries is to remain the same each year - the number of net additional members is expected to increase by 500 each year.
- 2 The Law Foundation of Ontario funding is expected to revert back to 1999 levels in 2003. Projections reflect maintaining this level of funding through 2004 and 2005.
- 3 The utilization of the reserve fund in current operations is estimated to be an amount to : A) ensure there is not an operating deficit and B) to increase delivery of information to the desktop of lawyers in Counties and Districts with Local A library designations.
- 4 In 2002 the Libraries are designated as: 7 Regional, 19 Area, and 22 Local (see Appendix B).
- 5 In 2003 the Libraries are designated as: 5 Regional, 16 Area, and 17 Local B and 10 Local A (see Appendix C).
- 6 Local A libraries will consist of a facility with computer(s) and no staff. Such libraries will be supported by an Area or Regional Library.
- 7 In 2004 the Libraries are designated as: 5 Regional, 16 Area, and 12 Local B and 15 Local A.
- 8 Library grants allocated to collections, staffing and operations are based on the 2001 actual and 2002 budgeted expenses as provided by the County & District Libraries.
- 9 Costs for basic collections for Local A libraries is estimated, on average, at up to \$10,00 for each library.
- 10 Costs for the Essential Law Library or core collection for Local B libraries is estimated, on average, at up to \$30,000 for each library.
- 11 Costs for collections for Area libraries is estimated, on average, at up to \$50,000 for each library.
- 12 Costs for collections for Regional libraries is estimated, on average, at \$150,000 for each library.
- 13 Based on the publishing industry projections, a 5% inflationary increase in collection costs each year has been included.
- 14 No changes or salary increases expected for staff of local libraries for 2002 and 2003.
- 15 Starting in 2003, major staff reductions will begin in the 10 Local A libraries. Each library will have 10 hours of staff time per week at \$12/hr. In 2004, an additional 5 Local A libraries will be similarly affected.
- 16 With the above noted staff reductions is is anticipated that severance package will be required for a number of long standing employees in 2003 and 2004.
- 17 For Area and Regional library staff, on average, a 5% increase in salaries will be provided in 2003 with a further 3% COLA provided in 2004, with a further 2 % COLA increase in 2005. An additional \$50,000, in total, will be provided to the Area Libraries in 2004 for additional staff. An additional \$100,000, in total, will be provided to the Regional Libraries in 2004 for additional staff.
- 18 It is anticipated through elimination of unnecessary services and duplication that operating costs can be reduced by 5% initially and further reduced in later years to offset inflationary increases.
- 19 Head office staff is expected to be maintained at 2002 levels. Salaries are expected to increase by 3% starting in 2003.
- 20 Most other expenses are expected to increase by an inflation factor estimated at approximately 2%.
- 21 Investment income added to the reserve fund is based on a projected 1.5% return each year on the "average" reserve fund balance.

LIBRARYCO INC.

Business Plan
April 2002

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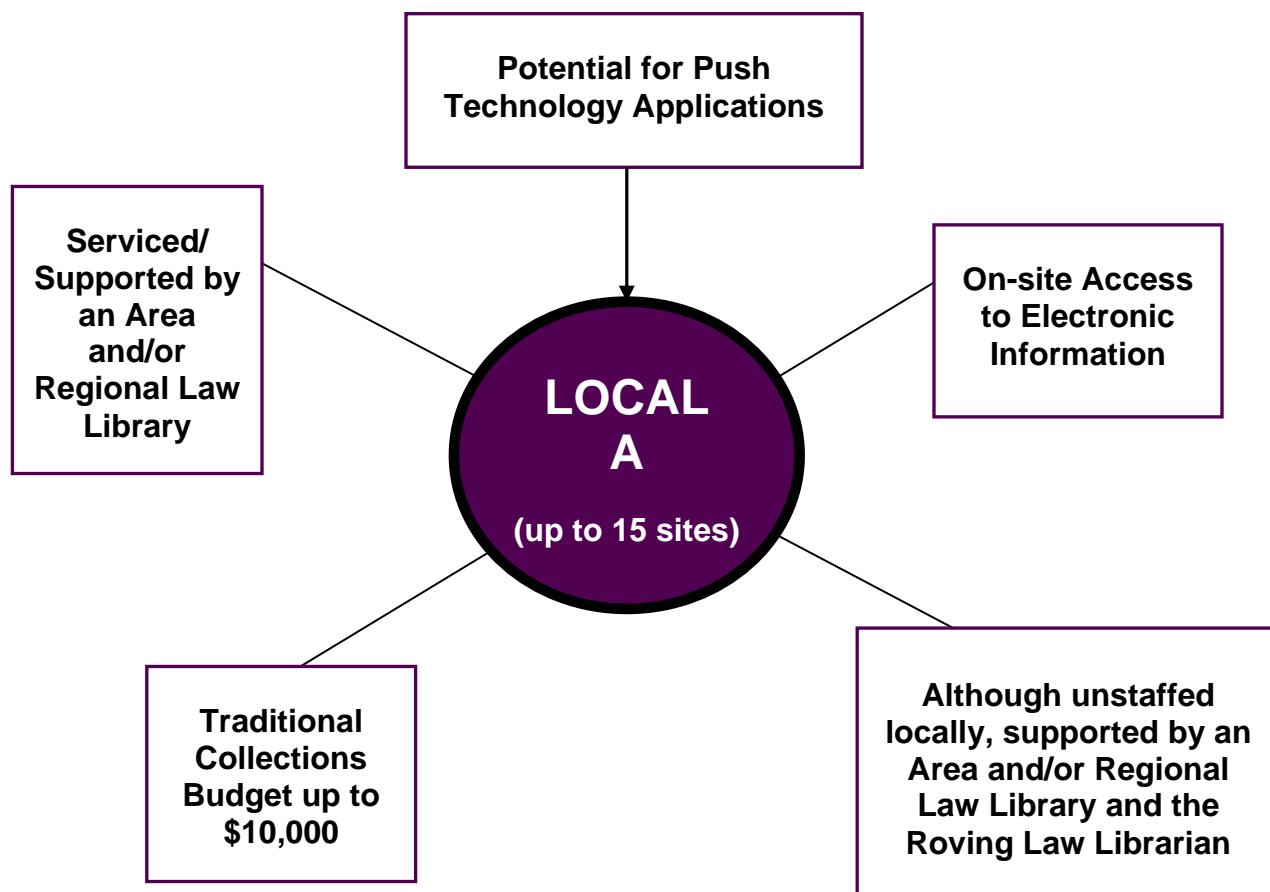
THE 48 ONTARIO COUNTY AND DISTRICT LAW LIBRARIES – 2002

LOCAL	AREA	REGIONAL
Brant Bruce Dufferin Elgin Grey Haldimand Hastings Huron Kent Lambton Lanark Leeds & Grenville Lennox & Addington Manitoulin Muskoka Norfolk Northumberland Oxford Parry Sound Perth Prescott & Russell Rainy River Stormont, Dundas & Glengarry Temiskaming Victoria Haliburton Welland Wellington	Algoma Cochrane Durham Frontenac Halton Kenora Lincoln Nipissing Peel Peterborough Renfrew Simcoe Sudbury Thunder Bay Waterloo York	Carleton Essex Hamilton Metropolitan Toronto Middlesex

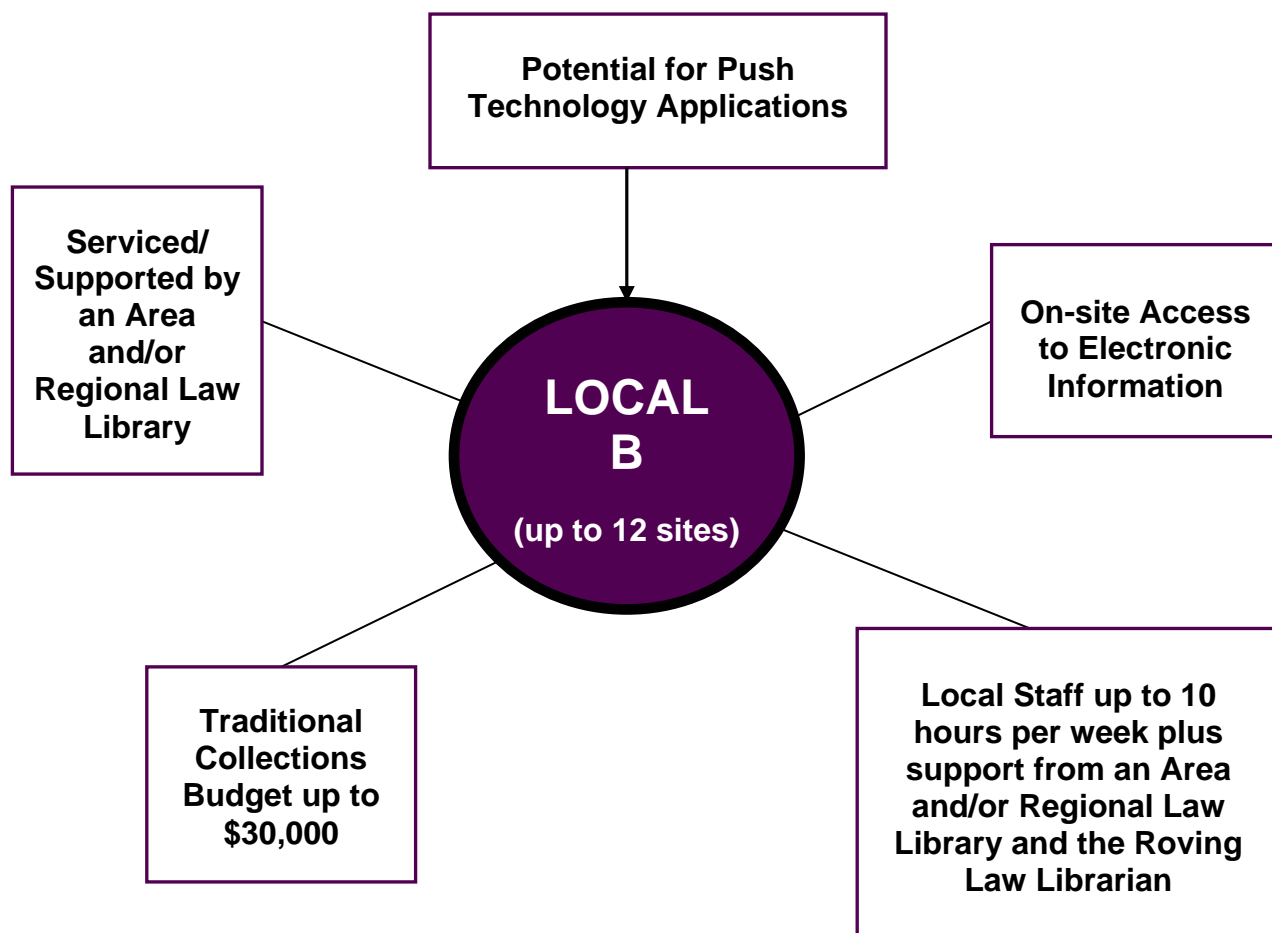
**THE 48 ONTARIO COUNTY AND DISTRICT
LAW LIBRARIES – 2003**

LOCAL A	LOCAL B	AREA	REGIONAL
Dufferin Haldimand Lanark Lennox and Addington Manitoulin Muskoka Parry Sound Prescott & Russell Welland Wellington	Brant Bruce Elgin Grey Hastings Huron Kent Lambton Leeds and Grenville Norfolk Northumberland Oxford Perth Rainy River Stormont, Dundas & Glengarry Victoria Haliburton Temiskaming	Algoma Cochrane Durham Frontenac Halton Kenora Lincoln Nipissing Peel Peterborough Renfrew Simcoe Sudbury Thunder Bay Waterloo York	Carleton Essex Hamilton Metropolitan Toronto Middlesex

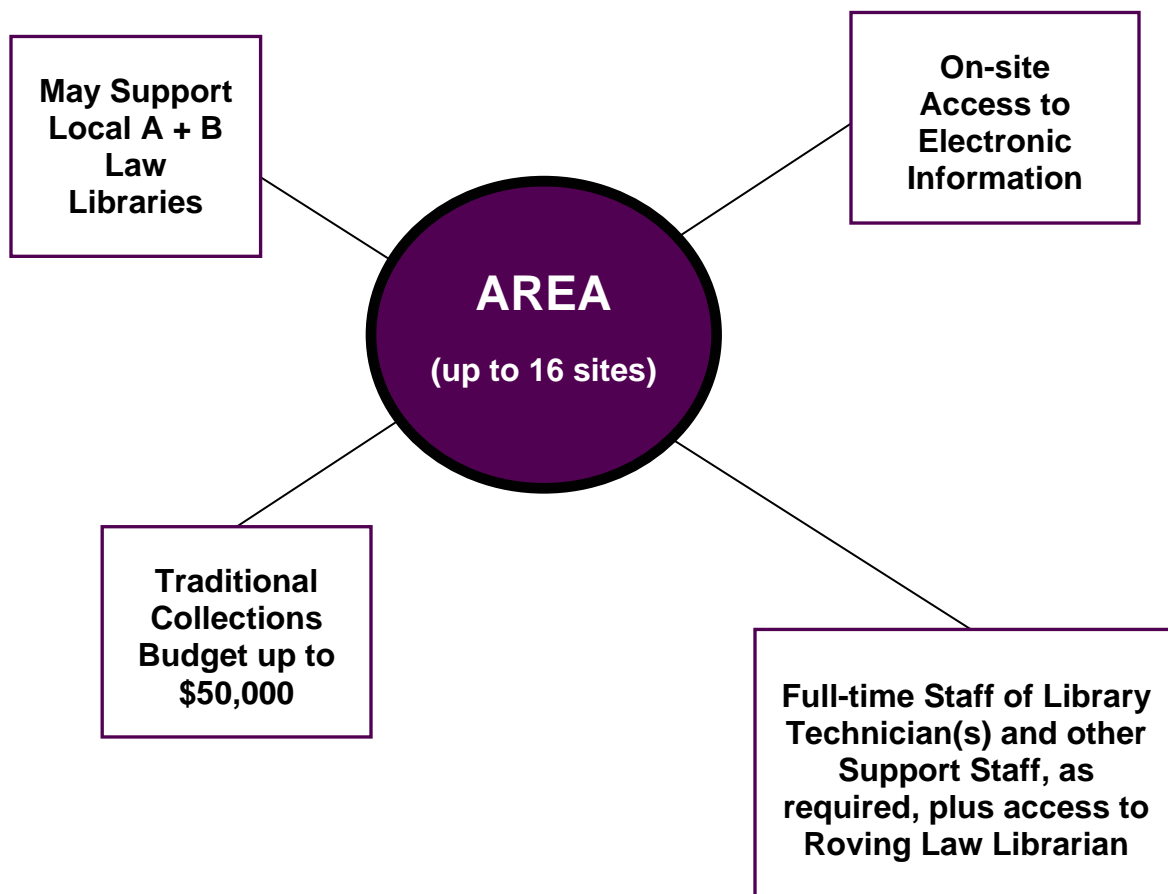
DYNAMICS OF THE LOCAL A LAW LIBRARIES



DYNAMICS OF THE LOCAL B LAW LIBRARIES



DYNAMICS OF THE AREA LAW LIBRARIES



DYNAMICS OF THE REGIONAL LAW LIBRARIES

