



The Seventh Annual Review of LibraryCo Inc. FOR THE YEAR ENDING 2007

Introduction

2007 was a year of significant change and reorganization for LibraryCo. As a result of the report and recommendations from the LibraryCo Integration Task Force, a new shareholders' agreement and administrative services agreement were negotiated and implemented in 2007.

Structural Changes at LibraryCo

As result of the Unanimous Shareholders' Agreement negotiated between the Law Society of Upper Canada, the County and District Law Presidents' Association, and the Toronto Lawyers' Association, the Board of Directors was reduced in size from fifteen to eight, and some of the organizations which had been represented on the larger board no longer had specific seats on the new Board. These changes were implemented primarily for the purpose of improving communication and co-operation between the shareholders and the Board of LibraryCo. These changes came at the end of the first five years of the operation of LibraryCo at a time when LibraryCo was evaluating the success of its first five year business

plan and trying to determine the way forward for the next many years. At the end of February 2007, LibraryCo's executive director, Suzan Hebditch, left LibraryCo. Through the late winter and early spring of 2007, with considerable assistance from Law Society bencher Ross Murray, the transition plan from the old shareholders' agreement to the new shareholders' agreement was put in place.

The Burlington office of LibraryCo was closed in the summer of 2007 and the LibraryCo office was moved to Osgoode Hall.

In accordance with the new Unanimous Shareholders' Agreement, the Board of LibraryCo undertook a search for a LibraryCo Board general manager. In the late summer of 2007, the Board was pleased to hire Martha Foote as the Board general manager. Martha's appointment took effect in mid-October.

Abe Feinstein, Q.C., was a member of the Board of LibraryCo and a member of the LibraryCo Integration Task Force. Mr. Feinstein continued as a member of the Board after the implementation of the new shareholders' agreement. Mr. Feinstein had been the Chair of the Board under

the previous shareholders' agreement, and continued in that position under the new shareholders' agreement. In accordance with the Unanimous Shareholders' Agreement, the Law Society also appointed Gerald Swaye, Q.C. of Hamilton, Tom Conway of Ottawa, and Paul Henderson of Oakville as Law Society representatives. The County and District Law Presidents' Association appointed Michael Johnston of Brockville, Lise Parent of Ottawa, and David Thompson of London as its representatives. Bruce Hutchison of Toronto was appointed as the representative of the Toronto Lawyers' Association.

In early 2008, Mr. Feinstein decided to make other contributions to the profession and resigned from the Board of LibraryCo. His replacement as a Law Society representative is Carol Hartman of Sudbury. At the same time, David Thompson was appointed as Chair, and Bruce Hutchison was appointed as Vice-Chair.

The structural changes in the Board of Directors and management of LibraryCo have been completed.



County and District Law Libraries: toll free*

Algoma District (Sault Ste. Marie) 1-866-840-2540	Brant County (Brantford) 1-866-759-2038	Bruce County (Walkerton) 1-866-486-4365
Carleton County (Ottawa) 1-866-637-3888	Dufferin County (Orangeville) 1-866-862-9931	Durham Region (Whitby) 1-866-668-2177
Elgin County (St. Thomas) 1-866-545-6335	Essex County (Windsor) 1-866-815-1112	Frontenac County (Kingston) 1-866-893-2010
Grey County (Owen Sound) 1-866-578-5841	Haldimand County (Cayuga) 1-866-528-5779	Halton County (Milton) 1-866-838-5139
Hamilton (Hamilton) 1-866-213-6867	Hastings County (Belleville) 1-866-544-3310	Huron County (Goderich) 1-866-266-3270
Kenora District (Kenora) 1-866-684-1164	Kent County (Chatham) 1-866-575-2529	Lambton County (Sarnia) 1-866-203-5101
Lanark County (Perth) 1-866-593-0236	Leeds & Grenville (Brockville) 1-866-503-0574	Lennox & Addington (Napanee) 1-866-603-6383
Lincoln County (St. Catharines) 1-866-637-6829	Middlesex County (London) 1-866-556-5570	Muskoka Region (Bracebridge) 1-866-613-9217
Nipissing Region (North Bay) 1-866-899-6439	Norfolk County (Simcoe) 1-866-648-8708	Northumberland County (Cobourg) 1-866-214-8450
Oxford County (Woodstock) 1-866-750-5169	Parry Sound District (Parry Sound) 1-866-456-6472	Peel County (Brampton) 1-866-228-0235
Perth County (Stratford) 1-866-365-0218	Peterborough County (Peterborough) 1-866-556-8395	Rainy River District (Fort Frances) 1-866-684-1184
Renfrew County (Pembroke) 1-866-705-8538	Simcoe County (Barrie) 1-866-692-6163	Stormont, Dundas & Glengarry (Cornwall) 1-866-830-9118
Sudbury District (Sudbury) 1-866-508-7655	Temiskaming (Haileybury) 1-877-672-5655	Thunder Bay District (Thunder Bay) 1-866-684-1186
Toronto (Toronto) 1-866-258-8886	Victoria Haliburton (Lindsay) 1-866-895-6220	Waterloo County (Kitchener) 1-866-201-0168
Welland County (Welland) 1-866-455-6489	Wellington County (Guelph) 1-866-893-5220	York Region (Newmarket) 1-866-221-8864

* During Regular Business Hours



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Highlights of the 2007 Budget

Suzan Hebditch left LibraryCo in good shape for 2007, having completed all necessary contracts with our resource providers. As well, Ms. Hebditch had secured significant grants for LibraryCo from the Law Foundation of Ontario. In particular, the Law Foundation of Ontario provided a grant to the County and District Law Libraries to allow for the purchase and upgrade of computer systems. The grant was not well publicized initially, and many associations were not aware of the grant money available until late in 2007. Many associations did take advantage of the grant in 2007, and in consultation with the Law Foundation of Ontario, the grant has now been extended until mid-2008. LibraryCo would like to thank the Law Foundation of Ontario for this generous grant.

LibraryCo did have an operating deficit in 2007. The deficit was covered by LibraryCo reserves. The details are contained in the LibraryCo financial statements.

In 2007, the Board of LibraryCo also established a formal reserve policy. In accordance with this policy, the LibraryCo budget will set aside \$500,000 comprised of a general component of \$200,000, a capital and special needs component of \$150,000 and a staffing and severance component of \$150,000. This policy

was established to provide comfort to the Associations that LibraryCo would be able to provide some protection in the event of unexpected developments and changes in circumstances, provided that there has been proper consultation with the Board of LibraryCo.

As well, Associations were unclear as to whether or not they could retain any portion of the annual LibraryCo grant thereby creating a "surplus". The Associations did not want to be penalized for not spending their grants, and at the same time did not want to incur unexpected deficits. As a result, the Board has developed a policy stating that the Associations may retain 10% or \$10,000 of their annual allocation, whichever is less, without fear of being "penalized" when planning for the subsequent years' budget is undertaken. This policy should provide an adequate tolerance to the Associations to properly plan their acquisitions and spending throughout the year.

AdvoChat

The AdvoChat reference and research facility was terminated at the end of 2007. The computer software was supposed to facilitate "co-browsing" between the librarian and the requesting lawyer. That software never worked properly and consequently the core function of AdvoChat was never properly realized. The grant

from the Law Foundation of Ontario which had facilitated the beginning of AdvoChat had also expired. The failure of the software, the relatively low use of the facility, and the high cost of maintaining it in its present form were key factors in the decision to terminate the program as it existed. The Board of LibraryCo is exploring other ways by which this type of electronic research and reference service can be provided.

Integration of the Great Library and LibraryCo

The Integration Task Force of LibraryCo had originally inquired into the roles of LibraryCo and the Great Library of the Law Society. Significant changes were made between the two libraries to reduce duplication and facilitate a more streamlined provision of necessary library and information resources through the combined efforts of the Great Library and the library of the Toronto Lawyers' Association. LibraryCo and the Great Library will continue to work together to identify other areas of co-operation and mutual benefit.

Budget Planning for 2008

The Board of LibraryCo undertook a wide ranging consultation with the Associations. The overwhelming majority of the Associations submitted detailed budget proposals to the Board of LibraryCo setting out their anticipated needs and expenses for 2008. These detailed submissions played a very significant part in the development of the 2008 budget. The Board expects to continue similar consultations for the development of the 2009 budget and thereafter.

Electronic Resources

LibraryCo provides electronic resources to the lawyers of Ontario through a variety of means:

1. by direct access from their own computers to the LibraryCo Toolkit;
2. by direct access through computer outlets provided in each law library; and
3. through the electronic resources made available to the librarians and library staff throughout the province.

It has been extremely difficult to assess the extent of the use and acceptance of many of the electronic resources. The resource providers all keep different usage statistics. Those statistics are impossible to compare as between providers, and some times are completely useless in providing meaningful information about the way

in which those resources are being used by our members. As a result, when the contracts for the provision of these resources in 2008 were negotiated, specific requirements regarding usage statistics were incorporated into those contracts. We hope this will allow for a meaningful analysis of all of our electronic resources on an ongoing basis. This should, in turn, assist us greatly with future decisions concerning electronic resource acquisition and allocation.

The ever increasing cost of electronic resources is a major concern and poses an obvious challenge to LibraryCo in being able to provide the most meaningful resources to the greatest number of lawyers.

Long-term Issues

Longer term planning issues that have been identified in the transition process throughout 2007 include the following:

1. consistent allocation of resources as between Associations of similar size and demand;
2. re-examination of the salary bands and compensation packages established for different levels of library employees;
3. consistency from Association to Association in hiring and employment standards, including written employment contracts;
4. maintaining effective lines of communication between the

LibraryCo Board, its shareholders, the Ontario Court House Librarians' Association, the Law Foundation of Ontario, and other interested and necessary groups;

5. exploring alternate ways of providing both electronic and print resources;
6. participation in and development of the Canadian Legal Information Institute (CanLII);
7. re-examination of the Core Collection and Collection Standards for the various levels of libraries throughout the province; and
8. enhancing continuing education for law association library staff through the COLAL and CALL conferences and by other means.

The Board of LibraryCo is meeting in mid-May to establish the long-term planning priorities and agenda.

Summary

The Board of LibraryCo would like to thank everybody for their patience during a difficult transition year. Our Association Executives, the staff members in libraries across the province, and the representatives of the Law Society all showed great patience while facilitating some difficult changes. The structural changes have now been accomplished. Significant communication issues have been identified and improvements, where necessary, are taking place.

David Thompson • Chair



LibraryCo Board of Directors

David Thompson – Chair	CDLPA representative
Bruce Hutchison – Vice Chair	TLA representative
Thomas Conway	LSUC representative
Paul Henderson	LSUC representative
Michael M. Johnston	CDLPA representative
Lise Parent	CDLPA representative
Gerald A. Swaye, Q.C.	LSUC representative
Carol Hartman	LSUC representative

LibraryCo Personnel

Martha Foote, MLIS	General Manager
Wendy Tysall	Chief Financial Officer

Services are also provided to LibraryCo by departments of the Law Society of Upper Canada under the terms of the Administrative Services Agreement. The Board of Directors would like to thank Diana Miles, Director, Professional Development and Competence, Laura Cohen, Human Resources Director, Felicia North, Human Resources Manager, Diana Beyke, Human Resources Administrator, Andrew Cawse, Accounting Manager and Nardeo Sham, Senior Financial Analyst, for their assistance during the year.