



CALGARY PUBLIC LIBRARY

# Board Meeting

5:30 PM

Wednesday, October 24, 2018

Boardroom 0-11, New Central Library



CALGARY  
PUBLIC  
**LIBRARY**



## Board Meeting

5:30pm, Wednesday, October 24, 2018  
Boardroom 0-11, New Central Library

<b>I.</b>	<b>Treaty 7 Opening and Chair's Opening Remarks</b>	...1
<b>II.</b>	<b>Review of Agenda</b>	
<b>III.</b>	<b>Consent Agenda <u>(5 minutes)</u></b>	
	A. Minutes of the September 26, 2018 Board Meeting	...3
	B. Record of Urgent Motion	...9
	C. Chair's Report	...11
<b>IV.</b>	<b>Business Arising <u>(20 minutes)</u></b>	
	A. Business Arising from the Minutes	
	B. Advocacy Updates	...verbal Information
	C. ALTA Update	
<b>V.</b>	<b>Chief Executive Officer's Report <u>(15 minutes)</u></b> <i>Mr. Bill Ptacek, CEO</i>	...13 Information
	A. Questionairiums <i>Ms. Jackie Flowers, Director, Service Design</i>	...verbal Information
<b>VI.</b>	<b>New Central Library Updates <u>(10 minutes)</u></b> <i>Ms. Mary Kapusta, Director, Communications</i> <i>Ms. Sarah Meilleur, Director, Service Delivery</i>	...verbal Information
<b>VII.</b>	<b>Audit &amp; Finance Committee <u>(15 minutes)</u></b> <i>Mr. Andrew Rodych, Acting Committee Chair</i>	
	A. Report of the October 16, 2018 Meeting	...verbal Information
	B. Quarterly Register Update	...21 Information

C. Approval of 2018 Operating Budget	...39 Decision
<b>VIII. Strategy &amp; Community Committee (<u>10 minutes</u>)</b>	
A. Report of the October 2, 2018 Meeting (based on draft unapproved minutes) <i>Mr. Rob Macaulay, Committee Chair</i>	...43 Information
<b>IX. Governance Committee (<u>10 minutes</u>)</b>	
A. Report of the October 10, 2018 Meeting (based on draft unapproved minutes) <i>Ms. Shereen Samuels, Committee Chair</i>	...47 Information
B. Motion to Empower Governance Committee to Review the Naming Policy	...51 Decision
<b>X. Calgary Public Library Foundation Update (<u>10 minutes</u>)</b> <i>Mr. Avnish Mehta, Board Representative</i>	
A. Report on the October 9, 2018 Calgary Public Library Foundation Board Meeting	...verbal Information
B. Calgary Public Library Foundation Report	...to be tabled Information
<b>XI. Other Business</b>	
<b>Adjournment</b>	

## **Treaty 7**

### **Meeting Opening**

We are gathered here today at a place called Moh'kinsstis, a Blackfoot word that means elbow. The word describes the landscape of what is now known as Calgary, an area where the Elbow River meets the Bow River.

It is in the spirit of respect and truth that we honour and acknowledge Moh'kinsstis, and recognize the traditional territories and oral practices of the Blackfoot people, the Nakoda people of the Stoney Nation, the Beaver people of the Tsuut'ina Nation, and the Métis Nation of Alberta, Region Three. This Library is one of 20 libraries across our city built on this traditional land. Finally, we acknowledge all people who make their homes in the Treaty 7 territory of Southern Alberta.



Report to the  
Calgary Public Library Board  
October 24, 2018  
**Chair's Report**

Sep 26	Board Members' Tour of NCL
Sep 26	Board Meeting
Oct 02	Strategy & Community Committee Meeting
Oct 09	Library Foundation Board Meeting
Oct 10	Board Agenda meeting with Shereen, Bill and Mark
Oct 10	Governance Committee Agenda
Oct 16	Audit & Finance Committee Meeting

Throughout September and October:

- Communications regarding Board appointment report for Council
- Preparation and follow-up to meetings
- Phone calls and meetings with Board and Library staff on various matters

Janet Hutchinson  
Board Chair



Report to the  
Calgary Public Library Board  
October 24, 2018  
**CEO's Report**

## GOVERNMENT

The City's budget deliberations are well underway. While the announcement of the final decisions on Capital and Operating budgets will not take place until late November, we are aware that the Library's budget under consideration includes our base budget (increases for the Central Library, Seton and Symonds Valley) plus our request for small increases to cover the upsurge in operating contracts. The capital budgets for planning and construction of new libraries will come from The City's Infrastructure Calgary Division. The group has several potentially major projects (Olympics, Stadium, Convention Centre) underway, so it is unlikely we will hear about capital budgets until the end of the process.

The Engine 23 firetruck move is delayed due to ongoing negotiations between The City's Planning Department and the Hounsfield Heights-Briar Hill Community Association, which is located behind the Louise Riley Library. Planning did not want parking expanded; nonetheless, the Community Association insists that more parking be a part of the plan. This week, Planning revised the plan to include parking in their approval. We now await the sign-off from the Community Association.

In the interim, the Calgary Fire Department has graciously agreed to assist in storing Engine 23 while the site is prepared. Thanks to this exceptional partnership, the Fire Department and the Library are excited to be expanding firefighter story times — which currently occurs only at Central Library — to other community libraries. Starting in January, there will be two firefighter story times scheduled each week at different community libraries, rising to almost 50 additional firefighter story times at community libraries between January and June. Library locations were chosen in line with some priority communities identified by Fire Department where they would like to raise their visibility and impact. Locations include Shawnessy, Judith Umbach, Giuffre Family, and Village Square libraries.

The final word on our proposal to the Provincial Government to fund a Treaty 7 Indigenous Language Centre at the Calgary Public Library remains pending. All indications are the proposal is being well-received and we expect the final word prior to the Board meeting. However, Indigenous language learning is already taking place in partnership with the Aboriginal Friendship Centre. As part of this partnership, Michif language classes have commenced at Louise Riley, Cree at Bowness, and Blackfoot at Village Square. All classes include the opportunity for participants to experience smudging, share a meal, and gain knowledge. Community Library staff are on site for all classes to welcome teachers and participants, attend to logistical questions, and share information about the Library. For instance, at Louise Riley, Library Experience Facilitator Henri Giroux worked with the instructor to gather a collection of Métis authors to create a book display and, at Bowness, Library Experience Facilitator Wyanne Smallboy-Wesley contacted each participant personally to ensure they had the opportunity to attend a pipe ceremony unexpectedly planned offsite for the second class.

Some of the Library's services to newcomers are supported by a grant from Immigration, Refugee, and Citizenship Canada. Over the years, the reporting requirements for this grant, which is roughly \$200,000 per year, have been onerous. The Department is now concerned that the Library is not collecting and reporting Permanent Resident or other authentications from the



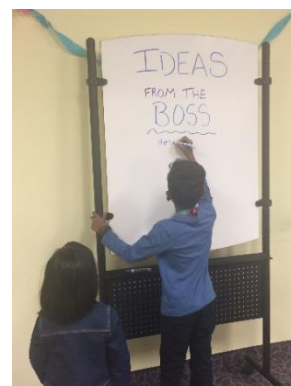
service population. There is a reluctance to reveal this information in some cases and the Library is committed to our patron's privacy. The possible outcomes are; we either decline future funding or the Department will discontinue our involvement in the program. However, the Library continues to be dedicated to Settlement Services and other newcomer programs and is prepared to continue its program without this Federal funding.

## OPERATIONS

All aspects of the move of the Central Library, including furniture and equipment installations and opening events, are well in hand. Sarah Meilleur and Mary Kapusta will have an update at the Board Meeting on all things Central Library.

There has been interest by private groups who would like to rent portions of the building, such as the Shaikh Family Welcome Gallery. Our staff carried out extensive research to determine potential revenue and logistics. The Shaikh Family Welcome Gallery has been identified as a signature space in the new Central Library that may be rented. Events will enhance the welcoming, breathtaking and versatile nature of this space. Special events can be held by corporate and non-profit organizations. Social engagements such as Stampede parties, weddings, anniversaries, and birthday parties will not be permitted. It will be available for use outside of Library operational hours and subject to Room Use Guidelines. Pilot events, held during November and December, will aid in identifying and developing processes for space usage, including load in/load out for space users. A one-year term, part-time position will be hired to assist with events, giving time to determine interest in the space as well as the support required. As always – the Library will continue to prioritize public, free events that align with our mission and values to ensure that Library spaces remain as accessible and activated as possible.

Many Library locations held their *Library Boss for a Day* celebrations this month, the grand prize for the Ultimate Summer Challenge. Central Library's Boss for a Day, Asher, thought the Library's priority should be to help people find books. Louise Riley's Boss for a Day met with Bill and requested more chairs, magnets, another light cube, and more messy arts and crafts programs.



Overall circulation numbers increased in the month of September by 2%. Strong use of digital items were key factors, with strong growth in items circulated in OverDrive, Freegal, and Kanopy in particular. While 2% is a relatively a small increase, it does represent a departure from the steady decline in overall circulation that we have been seeing for some years, mostly resulting from the decrease in use and availability of CDs and DVDs.

While the ongoing renovation at Village Square contributed to an unusual dip in monthly visits to the Library, other numbers look solid, including robust growth in outreach and programming, modest gains in new members, and continued growth in room bookings.

*Story Truck* programming began this month with the launch of Story Truck South. Our first Story Truck team members have been taking the Story Truck to day homes in the North East and three Calgary Housing locations. Another Story Truck will arrive in early December and will be based out of the Library's Operations Centre on 42 Avenue SW, where it can conveniently serve other day homes in other parts of the city.



To date, *Library Month at your Day Home* (LMYDH) visits have been very successful. For example, at Margaret's day home where one of the little boys, Benjamin, was brought to Margaret's day home early to participate in the program. Benjamin generally comes to the day home later in the day, but because of the LMYDH program, his mom brought him early. Margaret also mentioned that all the children have now turned to reading books instead of playing with toys in their spare time.

This year, we were delighted to partner with Honens to bring the love of piano music to the community. Morin Music Studio offered free *Drop-In Piano Lessons* to 32 patrons of all ages, we hosted *Piano Appreciation 101* with the esteemed pianist and professor, Charles Foreman and, finally, we provided an *Instrument Petting Zoo* and *Drop In My First Music Lessons* at the *Honens Open Air Concert* in Central Memorial Park to over 800 attendees.

On Friday, September 21, we hosted *Spectral Illuminations III* in partnership with Emmedia and as a part of Beakerhead, a festival of art and its intersection with science and technology. Thought-provoking and beautiful projection art installations filled Memorial Park spaces, including the Library's main entrance. All these varied and dynamic installations were inspired by the history of Memorial Park Library.

On Thursday, September 27, Memorial Park Library also hosted an important event to unveil the plaque designating Memorial Park Library and surrounding park as a national historic site.



## OTHER

Numerous tours and events at the new Central Library have taken place. Early in October we hosted the Canadian Urban Libraries Council for a two-day meeting at the new facility. The 40-plus CEOs who attended were greatly impressed with the building and with Calgary despite the early season snowfall. Attached to this meeting was the first site visit by a cohort of young up-and-coming managers who are participating in a year-long program of management training

across several sites in major libraries in Canada and the United States. Our entire Executive Team members participated in the training effort and it was nice to receive this e-mail from the programs lead lecturer.

*"I had the great fortune, twice in my career, to work with teams that were about as perfect as possible — high functioning, supportive and productive. I was blown away by your team and by their support for each other as well as their enthusiasm, confidence and energy. It is remarkable to see such a transition. You have every right to be extremely proud."*

*"Thank you to everyone with whom we met. I have been to about twelve different PLLP site visits. This was the best. We want to expose participants to different organizational cultures as an attempt to free them of institutional blinders. The CPL site visit was extraordinary."*

On Friday, November 9 the annual volunteer recognition event will be held at the Central Library. The event, which usually happens in the spring, was postponed to take advantage of the new library. This year, there will be special recognitions for Janet Hutchinson and Pat Moore. They are both winding down their leadership of the Library Board and the Library Foundation Board. We are pleased that their considerable accomplishments and service will be recognized at this event.

Bill Ptacek  
CEO

Date								Library Space								Access to Technology											
Year 2018								Visits								Total technology sessions											
Month September								Sep	2018	502,112	-11%	YTD	2018	5,120,818	-1%	YTD	Sep	2018	300,631	-1%	YTD	2018	2,623,777	-2%			
									2017	562,033			2017	5,148,704				2017	302,258			2017	2,682,237				
New Members								Room bookings								...computer sessions											
Sep	2018	12,050	13%	YTD	2018	95,564	10%	Sep	2018	817	66%	YTD	2018	5,869	41%	Sep	2018	69,483	-4%	YTD	2018	639,622	-1%				
	2017	10,630			2017	86,997			2017	492			2017	4,169			2017	72,030			2017	644,666					
Active Members								Collections								...chromebook sessions											
Sep	2018	670,651						Sep	2018	18,423	-31%	YTD	2018	224,109	8%	Sep	2018	47,401	10%	YTD	2018	474,541	1%				
	2017	10,630	2017	26,712	2017	207,499	2017		42,981	2017			471,031														
Programs & Outreach								Physical collection size								...print, copy & scan jobs											
Sep	2018	1,409	9%	YTD	2018	12,889	14%	Sep	2018	1,411,653	-2%	Sep	2018	453,862	-4%	YTD	2018	4,297,178	15%	Website, Catalogue & Social Media Followers							
	2017	1,294			2017	1,440,120			2017	471,894			2017	3,728,656			Website sessions										
...in the community								Expenditure on physical items								Catalogue sessions											
Sep	2018	259	5%	YTD	2018	3,466	3%	Sep	2018	695,088	13%	YTD	2018	6,844,894	13%	Sep	2018	634,923	-6%	YTD	2018	5,766,335	-6%				
	2017	246			2017	3,356			2017	612,868			2017	6,050,487			2017	678,983			2017	6,133,597					
...for adults, seniors or all ages								Total expenditure								Social media followers											
Sep	2018	542	-3%	YTD	2018	5,327	11%	Sep	2018	695,088	13%	YTD	2018	6,844,894	13%	Sep	2018	44,870	22%	Facebook, Twitter, Instagram & LinkedIn							
	2017	559			2017	4,818			2017	612,868			2017	6,050,487			2017	36,770									
...for kids & teens								Circulation								Holds											
Sep	2018	1,136	16%	YTD	2018	11,266	14%	Total Checkouts								Active holds								Members with active holds			
	2017	981			2017	9,859		Sep	2018	1,201,638	2%	YTD	2018	10,692,311	-3%	Sep	2018	257,350	10%	YTD	2018	48,989	10%				
Total number of programs									...physical items																		
Sep	2018	1,668	8%	YTD	2018	16,355	11%	Sep	2018	952,739	-3%	YTD	2018	8,572,528	-7%	Sep	2018	44,870	22%								
	2017	1,540			2017	14,677			2017	982,018			2017	9,207,919			2017	36,770									
Program participants								...digital items																			
Sep	2018	30,365	4%	YTD	2018	340,239	14%	Sep	2018	248,899	24%	YTD	2018	2,119,783	13%	Sep	2018	257,350	10%	YTD	2018	48,989	10%				
	2017	29,100			2017	297,299			2017	201,048			2017	1,869,738			2017	233,075			2017	44,674					

Date

Year 2018  
Month September

Monthly Community Library Results

September

Location	New Members		Visits		Circulation (Physical Items)		Computer Sessions		Chromebook Sessions		Wireless Sessions		Holds Filled (daily average)		Programs in the Library		Programs in the Community	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Bowness	166	200	7,580	7,931	11,435	12,002	1,466	1,535	135	318	492	618	97	93	32	38	2	2
Central	1,905	3,497	90,000	80,778	47,172	41,983	17,931	14,142	2,212	3,555	6,044	6,519	482	533	191	201	41	50
Country Hills	676	718	33,535	31,915	49,313	46,089	3,792	3,882	327	787	3,053	2,995	387	367	72	83	4	2
Crowfoot	939	912	41,861	41,734	83,441	79,050	4,285	4,292	434	558	4,382	5,009	732	728	106	127	15	2
Fish Creek	795	705	39,969	25,928	73,809	69,694	4,240	4,748	482	658	3,293	4,139	618	561	81	90	10	11
Forest Lawn	472	405	19,600	21,133	18,531	16,630	4,575	4,972	458	928	1,799	2,313	132	123	81	79	29	48
Giuffre Family	324	302	17,456	12,978	29,902	27,942	1,885	1,795	276	264	1,322	1,513	293	270	62	73	6	13
Judith Umbach	345	455	19,414	17,373	28,764	25,409	3,317	3,452	593	758	2,007	2,122	263	237	61	62	7	1
Louise Riley	378	381	26,348	24,290	36,699	34,469	3,786	3,571	760	953	2,153	2,087	406	387	53	64	9	17
Memorial Park	234	248	14,138	14,783	10,687	10,743		0	959	1,071	1,131	958	137	137	43	56	2	2
Nicholls Family	395	376	16,837	16,648	15,943	15,137	1,372	1,819	1,322	1,286	2,010	1,997	144	132	32	34	1	2
Nose Hill	390	385	34,423	34,430	51,803	50,330	3,364	3,540	546	806	2,585	2,715	437	415	54	66	3	7
Quarry Park	354	340	20,006	19,547	24,832	24,256	1,644	1,657	207	286	1,074	1,319	137	145	38	34	8	4
Rocky Ridge		93				7,749		0				807	1	9		25		0
Saddletowne	760	768	45,092	50,417	24,530	22,507	6,722	6,614	2,356	3,137	2,814	3,392	128	111	59	59	18	34
Sage Hill	176	164	5,415	5,829	7,611	8,549		2	295	494	276	378	16	42	42	41		4
Shawnessy	873	752	44,172	47,071	58,785	56,264	4,665	5,103	778	956	3,319	3,353	542	513	88	101	18	17
Signal Hill	560	554	36,195	31,656	63,293	63,456	3,152	2,823	275	329	2,110	2,055	554	565	77	80	3	4
Southwood	260	275	14,159	14,042	25,816	24,373	1,793	1,722	185	345	923	997	294	266	48	43	8	5
Village Square	628	520	35,833	3,629	25,886	21,006	4,041	3,814	1,813	1,877	2,194	2,115	160	134	74	53	20	34
	10,630	12,050	562,033	502,112	688,252	657,638	72,030	69,483	14,413	19,366	42,981	47,401	5,960	5,768	1,294	1,409	204	259

Report to the Calgary Public Library Board  
Audit and Finance Committee  
2018 October 16  
**Presentation of Annual Audit Service Plan**

## **EXECUTIVE SUMMARY**

This is a Report to the Audit and Finance Committee with respect to the External Auditor's proposed 2018 audit service plan.

## **PREVIOUS DIRECTION / POLICY**

The Audit and Finance Committee mandate includes the receipt of an external audit plan prior to the commencement of the annual external financial audit.

## **BACKGROUND**

Deloitte LLP, The Library's external auditor for the 2018 fiscal year has prepared an Audit Service Plan for Audit and Finance Committee review which is included as an Attachment to this report.

The Audit Service Plan describes the key features of Deloitte's plan, including audit scope and approach, planned communications with the Audit and Finance Committee, and an estimate of the fees. The document also covers an explanation of the audit, a summary of significant audit risks, a 2018 summary audit timeline, upcoming financial reporting standards, and the draft master service agreement.

The audit is designed to enable Deloitte to express an opinion on the December 31, 2018 financial statements of the Calgary Public Library.

The Audit Plan indicates an audit completion date of March 2019, including a meeting with the Audit and Finance Committee and the release of Audit Reports. This will enable the Library to provide timely audited financial statements to the Province of Alberta, thus facilitating the release of the Calgary Public Library's 2019 provincial library grant.

## **RISK ASSESSMENT**

Not applicable

## **ADMINISTRATION RECOMMENDATION(S)**

That the Audit Committee:

1. Receive this Report, including the Deloitte 2018 Service Audit Plan, for Information; and
2. Recommends that the Calgary Public Library receive this Report for Information.

Elrose J Klause, CMA  
Controller & Manager, Financial Services

## **ATTACHMENT(S)**

Deloitte – Calgary Public Library 2018 Audit Service Plan (separate attachment)



Report to the  
Audit & Finance Committee  
Calgary Public Library Board  
October 16, 2018  
**Quarterly Risk Update**

**I. EXECUTIVE SUMMARY**

The purpose of this report is to provide a quarterly monitoring and reporting of CPL's Major Risks as identified by the Strategic Level Risk Register. This update is for the quarter ended September 30, 2018.

**II. PREVIOUS DIRECTION/POLICY**

The Audit and Finance Committee mandate includes a quarterly review of risk to the achievement of the Library's strategic plan, based on the highest risk factors as determined annually by the Audit and Finance Committee.

**II. BACKGROUND**

In early 2014 KPMG was engaged to assess the Integrated Risk Management process developed by the Calgary Public Library and to provide recommendations. One of the recommendations was to simplify the process by concentrating at the Strategic Level on the risk categories that present the greatest risk to the Library, and identifying the highest risk factors within each of those categories.

Following additional consultation with KPMG in November 2015, the Audit and Finance Committee previewed risk documents that addressed the deficiencies of earlier reports and highlighted issues for the Board's attention. Two types of risk report are being used to ensure the Board is fully aware of risk trends and emerging risks.

An annual report presents analysis dedicated to pre- and post-mitigation for the Library's most significant risks, and presents possible emerging risk areas identified by the Library. Quarterly reports will provide an update on actual risk impact for the significant measures at the time of reporting.

This report falls into the latter category. With each report, the Board will be able to consider if the mitigation measures in place for each of the higher risk items are adequate, or need to be increased.

Based on discussions at the 2017 annual review the following categories are those the Board considers as presenting the highest risk to the Library achieving its strategic objectives. There were no changes proposed during the 2018 annual review.

- Relevance
- Finance
- Operations
- New Central Library
- Security



These categories now include the two measures recommended by the City Auditor's Office upon completion of a New Central Library Readiness Audit report, which was presented to The City's Audit Committee earlier this year.

### **III. INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Using qualitative and quantitative analysis the significant risks in the risk categories of the Strategic Level risk register have been analyzed to ensure that the level of risk remains acceptable for the purposes of achieving Strategic outcomes. The analysis is drawn from many sources including Board reports and motions, the incident reporting system, analysis of health and safety data through human resources and the health and safety committee, financial monitoring, and other sources. Each member of the Executive Leadership Team has contributed to ensuring the success of this process.

### **IV. ASSESSMENT**

Verbal reports will be given at the meeting. There will be discussion on the service innovation measure, which may need to be modified.

### **V. RISK ASSESSMENT**

The Library builds risk assessment into new initiatives and ongoing services. Identification of risk allows better decision making and creates the opportunity for early risk mitigation. Some risks are easily identifiable and thus easily mitigated. However, the assessment of some risks can be very subjective. Unlike other disciplines there are few rules or measures to guide either the Library's administration or board. Ongoing monitoring and analysis of new developments will always be required.

### **VI. RECOMMENDATIONS**

That the Audit & Finance Committee of the Calgary Public Library Board receive the September 2018 Quarterly Risk Update for discussion and information.

Elrose J Klause, CPA CMA  
Controller and Director, Financial Services

#### **Attachments**

1. Quarter 3 Risk Matrix Impact Scales

Calgary Public Library  
Quarter 3 Risk Matrix Impact Scales  
September 30, 2018

Area		Level of Risk	Insignificant	Low/Minor	Moderate	High/Major	Catastrophic	Mitigation
		Level of Response	None Required	Enhance Monitoring	Change to Policy, Practice or Plan	Change to Operating Model	Change to Strategic Plan	(at September 30, 2018)
1 Relevance	a	Active members/capita [quarterly count]	50% 2018 Q1: 52.3% 2018 Q2: 53.2% 2018 Q3: 54.5%	40%	35%	30%	25%	<ul style="list-style-type: none"><li>Retention of inactive members project initiated</li><li>Improved communication to patrons, reminding them of all the Library has to offer</li><li><b>Initiated Love Your Library Day to attract new members</b></li></ul>
	b	Customer Satisfaction [average rating in annual survey]	4.5/5 2016 Dec: 4.8/5 2017 Dec: 4.5/5	4.25/5	4/5	3.5/5	2.5/5	<ul style="list-style-type: none"><li><b>Regular surveys of Library customers – next scheduled for December 2018</b></li></ul>
	c	Community Partner Involvement in Programs [% of in-library programs with partner involvement- quarterly count]	50% or higher	21-35%	11-20% 2018 Q1: 19% 2018 Q2: 20% 2018 Q3: 20%	1-10%	0%	<ul style="list-style-type: none"><li>Develop successful relationships as a means to create opportunities to partner with others (i.e., Partnership with CBE is creating opportunities to partner with SAIT and CCSD</li><li>Executive leadership energy directed to building and fostering new strategic partnerships</li><li><b>NCL partnerships begin in 4<sup>th</sup> quarter</b></li></ul>
	d	Service Innovation - # of active projects that Service Design is working on to transform library services and ensure the Library remains relevant to our users [quarterly count]	35-50 2018 Q2: 48 2018 Q3: 43		51-65 or 20-34 2018 Q1: 54		over 65 or under 20	<ul style="list-style-type: none"><li>In considering the range for each area of the risk register, it is important to consider both the risk of too few projects (which means we are not utilizing our full capacity to explore and complete innovations that will both transform library services and ensure we remain relevant) and too many projects (which means we may not have the capacity to successfully complete the work and achieve the Library’s standards for quality).</li></ul>
	e	Availability of Volunteers [% of need filled] [quarterly count]	100% or more	80% to 99% 2018 Q1: 97.0% 2018 Q2: 98.0% 2018 Q3: 97.0%	60% to 79%	50% to 59%	Less than 50%	<ul style="list-style-type: none"><li></li></ul>

Area		Level of Risk	Insignificant	Low/Minor	Moderate	High/Major	Catastrophic	Mitigation
		Level of Response	None Required	Enhance Monitoring	Change to Policy, Practice or Plan	Change to Operating Model	Change to Strategic Plan	(at September 30, 2018)
2 Finance	a	Fraud [quarterly report]	No instance of fraud 2018 Q1: No instances to date 2018 Q2: No instances to date 2018 Q3: No instances to date	Cumulative fraud of less than \$25k annually	Cumulative fraud of \$25k to \$50k annually	Cumulative fraud of more than \$50k annually	Cumulative fraud of more than \$1 million annually	<ul style="list-style-type: none"> <li>Adherence to policies / procedure</li> <li>Well document procedures, including: <ul style="list-style-type: none"> <li>Segregation of duties</li> <li>Purchasing controls</li> <li>Approvals by supervisor (one up)</li> </ul> </li> <li>External auditors</li> </ul>
	b	Budgeted Operating Funding [annual board approval]	Equal to prior year's funding 2017: Increase of \$2,748,000 2018: Increase of \$4,719,000	1 to 2% less than prior year	2 to 4% less than prior year	5 to 10% less than prior year	More than 10% less than prior year	<ul style="list-style-type: none"> <li>Transparency and openness with government and other funders</li> <li>Effective, efficient delivery of current services and programs</li> <li>Ongoing dialogue with funders</li> </ul>
	c	Allocation of resources [annual report]	Adherence to Asset Management Plan (AMP)	Adherence to AMP with minor timing differences 2017: Capital spending continues to adhere to the Asset Management Plan with minor timing differences 2018: Capital spending continues to adhere to the Asset Management Plan with minor timing differences	Actual costs related to AMP 10% less than budgeted	Actual costs related to AMP from 11% to 20% less than budgeted	Facilities are structurally unsafe – one or more cannot be remediated by asset management plan reserves	<ul style="list-style-type: none"> <li>Monthly oversight by the Library's Senior Management Team</li> <li>Quarterly oversight by the Library's Audit &amp; Finance Committee</li> </ul>
	d	Forecast Operating Expenditures exceed known sources of funding (including unrestricted reserves) by [quarterly report]	0% or projected surplus 2018 Q1: Operating forecast at the end of quarter 1 is \$21,000. Forecast expenditures do not exceed known sources of funding. 2018 Q2: Operating forecast at the end of quarter 2 is \$4,000. Forecast expenditures do not exceed known sources of funding. 2018 Q3: Operating forecast at the end of quarter 3 is \$467,000. Forecast expenditures do not exceed known sources of funding.	2% or less	3% or less	5% or less	More than 5%	<ul style="list-style-type: none"> <li><b>New forecast measure used starting Quarter 1, 2018</b></li> <li>Daily oversight through purchasing and payment controls, including one up approvals</li> <li>Monthly oversight by the Library's Senior Management Team</li> <li>Quarterly oversight by the Library's Audit &amp; Finance Committee</li> </ul>
	e	Capital expenditures exceed budgeted revenues/reserves by [quarterly report]	0% 2018 Q1: Capital expenditures less than sources of funding 2018 Q2: Capital expenditures less than sources of funding 2018 Q3: Capital expenditures less than sources of funding	5%	10%	20%	50%	<ul style="list-style-type: none"> <li>Daily oversight through purchasing and payment controls, including one up approvals</li> <li>Monthly oversight by the Library's Senior Management Team</li> <li>Quarterly oversight by the Library's Audit &amp; Finance Committee</li> </ul>

Area		Level of Risk	Insignificant	Low/Minor	Moderate	High/Major	Catastrophic	Mitigation
		Level of Response	None Required	Enhance Monitoring	Change to Policy, Practice or Plan	Change to Operating Model	Change to Strategic Plan	(at September 30, 2018)
3 Operations	a	Building visits [quarterly report of year-over-year change]	Less than 5% decrease 2017 Q2: Increase of 2% over Q2 2016 2018 Q2: No change from 2017 Q2 2018 Q3: No change from 2017 Q3	6-10% decrease	11-20% decrease	21-50% decrease	Over 50% decrease	<ul style="list-style-type: none"><li></li></ul>
	b	Website and catalogue sessions combined [quarterly report of year-over-year change]	Less than 5% decrease 2017 Q2: Increase of 5% over Q2 2016 2018 Q2: Decrease of 3% over 2017 Q2 2018 Q3: Decrease of 4% over 2017 Q3	6-10% decrease	11-20% decrease	21-50% decrease	Over 50% decrease	
	c	Facility availability [quarterly count]	All facilities open during all regular open hours in period 2018 Q1: 0 instances of closures of one day or less 2018 Q3: 0 instances of closures of one day or less	Any closure for up to 1 open day in one or more locations 2018 Q2: 3 instances of closures of one day or less	Any closure for up to 1 week in one or more locations	Any closure in one or more locations lasting more than one week	Any closure in one or more locations, with the result that strategic deliverables are no longer achievable	
	d	Relationships with partners in joint facilities [quarterly report]	Operating Styles of Partners diminish the synergies of co-location 2018 Q1: No instances 2018 Q2: No instances 2018 Q3: No instances	Values and goals of Partners become incompatible with those of the Library	Actions of Partners impede the ability to effectively operate the Facility jointly	Actions of Partners prevent the Library from delivering at least some normal programs and/or services	Actions of Partners cause the Facility to become unusable or unavailable	<ul style="list-style-type: none"><li>Joint Operating Committees are in place at multi-use sites to prevent issues from escalating</li><li>Regular meetings initiated between Project Engineer at Calgary Transit (Nicholls Family Library), and the Library's Service Delivery Manager.</li><li>Requesting two weeks advance notice from partners for planned closures of the facility.</li></ul>
	e	Collection meeting community needs [physical collection - turnover rate/year]	Turnover rate of 8 to 10 2016: 8.7 2017: 8.5	Turnover rate of 6 to 8	Turnover rate of 4 to 6	Turnover rate of 2 to 4 or 11-13	Turnover rate of less than 2 or greater than 14 (lower than 2 means collections are on the shelf 46 weeks per year/ higher than 14 means the shelves means the shelves are bare – collection is checked out 42 weeks of the year)	<ul style="list-style-type: none"><li>Collection purchases are made in response to member preferences, monitoring use of existing collection, and in response to market place trends</li></ul>

Area		Level of Risk	Insignificant	Low/Minor	Moderate	High/Major	Catastrophic	Mitigation
		Level of Response	None Required	Enhance Monitoring	Change to Policy, Practice or Plan	Change to Operating Model	Change to Strategic Plan	(at September 30, 2018)
	f	Staff engagement level [Overall score on annual survey]	More than 80%	Less than 80% 2016 May: 75% 2017 October: 78%	Less than 70%	Less than 60%	Less than 50%	<ul style="list-style-type: none"><li>Online and paper-based communication tools are used to distribute information, in addition to frequent face-to-face meetings</li><li>Sampling of the workforce takes place at regular intervals and issues raised are dealt with at that time.</li><li>An online suggestion system allows staff to suggest change whenever it occurs to them</li><li><b>Staff surveys conducted and scored by external evaluators - Next survey scheduled for February 2019</b></li></ul>
4 New Central Library	a	Construction & Commission [Reputational risk is present for the Library if the project is delayed or over budget. This measure is taken based on the CMLC Risk Register presented at NCL Steering Committee Meetings]	Minor delay in thresholds and/or project on budget 2018 Q1: No emerging issues 2018 Q2: No emerging issues 2018 Q3: No emerging issues	Minor delay in thresholds and/or project 1 to 2% over budget	Minor delay in thresholds and/or project 2 to 4% over budget	Significant delay in thresholds and/or project 5 to 10% over budget	Significant delay in thresholds and /or project more than 10% over budget	<ul style="list-style-type: none"><li>The Library is an active participant in monthly steering committee meetings where construction &amp; commissioning progress is discussed</li></ul>
	b	Operational Readiness [% of task on the NCL Project Transition Plan overdue]	0-10% 2018 Q1: 0.4% 2018 Q2: 0.77% 2018 Q3: 2.68%	Greater than 10 – 20%	Greater than 20 – 40%	Greater than 40 – 60%	Greater than 60 – 100%	<ul style="list-style-type: none"><li>Move planning consultant in place</li><li>Internal readiness committee initiated with representatives from CMLC and the City of Calgary</li><li>Library cross-departmental transition plan has been developed, and key move-in tasks have been shared with CMLC and COC</li><li></li></ul>

Area		Level of Risk	Insignificant	Low/Minor	Moderate	High/Major	Catastrophic	Mitigation
		Level of Response	None Required	Enhance Monitoring	Change to Policy, Practice or Plan	Change to Operating Model	Change to Strategic Plan	(at September 30, 2018)
	c	Delivery of service/programs in the NCL [% of services/ programs within the Priority 1 Plan for Innovation that are being piloted or launched prior to opening of the NCL]	55-100% 2018 Q1: 63% 2018 Q2: 67% 2018 Q3: 67%	50-54%	30-49%	20-29%	0-19%	<ul style="list-style-type: none"> <li>NCL Plan for Innovation updated monthly</li> <li>Implementation Plan updated <b>regularly</b></li> <li>Trialing innovative projects, such as the Create Lab, Campus Calgary</li> <li>Collaborative Work Teams</li> <li>Joint Service Design and Service Delivery project management teams</li> <li>Biweekly check-ins on project status</li> <li>Regular service design updates to the transition team to flag issues and ensure alignment</li> <li>In addition to the 67% of Priority 1 projects currently being piloted or launched, another 25% of Priority 1 projects are actively being worked on. These projects require access to NCL spaces in order to move them into the pilot / launch status, which means they will not be reflected in the overall risk register number until Q3 / Q4. The overall result is that the library is currently in a position to deliver on approximately 92% of the projects listed as Priority 1 in the NCL Plan for Innovation.</li> </ul>
5 Security	a	Incidents at Community Libraries [quarterly count of number of instances per 10,000 visits]	0 - 0.5 incidents / 10,000 visits	0.51-1.5 incidents/10,000 visits 2017 Q3: 0.59 2017 Q4: 0.63 2018 Q1: 0.77 2018 Q2: 0.79 2018 Q3: 0.65	1.51-4 incidents/10,000 visits	Greater than 4.01 incidents/10,000 visits	Incidents are of such a nature and number that strategic deliverables are no longer achievable	<ul style="list-style-type: none"> <li>Focused staff training on <i>Safety and Security</i> and <i>Working with Vulnerable Populations</i></li> <li>Revised and updated <i>Problem Situation Guide</i> and <i>Emergency Response Plan</i></li> <li>New industry standard incident reporting software being implemented</li> <li>Stricter application of the Library's <i>Code of Conduct</i></li> </ul>
	b	Incidents at Central Library [quarterly count of number of instances per 10,000 visits]	0-0.5 incidents/10,000 visits	0.51-1.5 incidents/10,000 visits	1.51-4 incidents/10,000 visits 2017 Q3: 1.99 2017 Q4: 3.23 2018 Q1: 3.14 2018 Q2: 2.30 2018 Q3: 2.35	Greater than 4.01 incidents/10,000 visits	Incidents are of such a nature and number that strategic deliverables are no longer achievable	<ul style="list-style-type: none"> <li>Employment of a City of Calgary Security Advisor, whose sole focus is the Library system</li> <li>Developing closer relationships with Calgary Police Service and other law enforcement agencies</li> <li>Extensive work implementing Crime Prevention through Environmental Design elements, many of which were recommended by CPS</li> <li>Improvements to performance of security contractor, including more effective</li> </ul>

Area		Level of Risk	Insignificant	Low/Minor	Moderate	High/Major	Catastrophic	Mitigation
		Level of Response	None Required	Enhance Monitoring	Change to Policy, Practice or Plan	Change to Operating Model	Change to Strategic Plan	(at September 30, 2018)
								<div>deployment of guards in multiple locations</div> <ul style="list-style-type: none"><li>Concentrated efforts to bring new and diverse demographics to Central Library through extensive programming and community events</li><li>Naloxone training complete and intranasal doses are available to security personnel</li><li>Safety and security professional learning sessions delivered for staff</li><li>Safety and security and active assailant procedures added to emergency response plan, presented to managers, and now being rolled out to staff meetings across the system</li><li>Change in security provider to G4S</li><li>Increase in security at Nicholls after retail vendor closure</li><li>Coordinated approach to security around Shawnessy with CPS, shared facility partners, etc.</li><li>Met with the new Community Resource Officer (CRO) for Centre City</li></ul>

Report to the  
Calgary Public Library Board  
Audit & Finance Committee  
Oct 16, 2018

**Controller's Report for the month ended September 30, 2018**

The unaudited financial statements for The Calgary Public Library Board for the month ended September 30, 2018 are appended to this report for information. The statements are being presented in the modified accrual format only, which is the same basis that has been used historically by the Library. While they do reflect the balance sheet asset write down of all assets that have been transferred, disposed of or written off, conversion to full accrual will only occur at year end, when restatement of some of the collection expenditures and recognition of depreciation as an expense occurs. This method of accounting will change effective the 2019 budget year when the Board will receive full accrual reporting.

**A. Executive Summary**

The interim financial statements of the Calgary Public Library Board are comprised of:

- Key Financial Indicators
- Financial Operating Funds Dashboard
- 2015 – 2018 Capital Program Dashboard
- Statement of Financial Position
- Statement of Financial Activities - Operating Fund (with comparison to budget and forecast to year end)
- 2018 Capital Spending Profile Report

The quarter ended with a favourable budget variance. Additional revenues and matching expenses are forecast due to insurance proceeds, and more significantly, increased restricted grants from The Foundation. The increased revenue is forecast at \$841,808. Expenses are forecast to be \$374,475 which includes a \$289,000 transfer from operating to fund capital purchases. We are currently projecting a favourable variance for year end. Detailed explanations of the revenue and expense areas that made up that variance will be summarized in sections C and D and in the Statement of Financial Activities - Operating Fund.

**B. Statement of Financial Position**

Working capital is favourable.

**C. Revenues**

Revenues are \$1,042,728 favourable at the end of the third quarter.

**Line 4 – City of Calgary - \$33,431F at September 30, 2018 and \$33,431F at June 30, 2018**

The City revenue is favorable due to various small insurance claims



**Line 9 – Federal Government - \$12,171U at September 30, 2018 and \$4,895U at June 30, 2018**

Federal Government revenue is slightly unfavorable due to a decrease in matching expenses for the Federal Government settlement services program.

**Line 12 – Fines - \$28,048U at September 30, 2018 and \$22,139U at June 30, 2018**

Fines revenue is also slightly unfavorable for the third quarter. Fines have been decreasing yearly and the trend is expected to continue. The decrease is reflected in the forecast section of the Statement of Financial Activities – Operating Fund in the third quarter.

**Line 17 – Investment and other revenue - \$67,868F at September 30, 2018 and \$28,514F at June 30, 2018**

The favorable variance is mainly due to higher Investment income and increased union staff salary recoveries. Interest rates are higher than the same period last year. The increase in the investment income is reflected in the forecast.

**Line 20 – Grants and sponsorships - \$991,366F at September 30, 2018 and \$430,722F at June 30, 2018**

Grants and sponsorships is favorable due to additional restricted funds from the Foundation exceeding the original budget. The matching expenses are reflected in the various operating expense categories.

**D. Expenditures**

Expenditures are \$1,084,760 favorable for the third quarter end.

**Line 27 – Salaries and employee benefits - \$444,011F at September 30, 2018 and \$202,404F at June 30, 2018**

There is a favorable variance primarily due to vacant positions that have not been filled as at the end of the third quarter and related savings from the employee benefits expenses. The decrease is reflected in the forecast section of the Statement of Financial Activities – Operating Fund. Part of this variance is due to unfilled cleaning staff positions which are funding the over expenditure in contracted cleaning expenses.

**Line 30 – Collections - \$87,506F at September 30, 2018 and \$286,411U at June 30, 2018**

At this point in the year this variance is due to timing differences. The variance is not projected to continue through the balance of the year.

**Line 46 – General operating - \$691,348F at September 30, 2018 and \$398,124F at June 30, 2018**

The favorable variance results from timing differences. Additional expenses matching the additional restricted funds from the Foundation are reflected in the Statement of Financial Activities – Operating Fund Forecast.

**Line 52 – Building and Equipment - \$142,960U at September 30, 2018 and \$41,218U at June 30, 2018**

The unfavorable forecast includes increased contract cleaning expenses. Savings from Facilities cleaning vacancies will offset the unfavorable variances. Also included are expenses paid for by unbudgeted additional grants from the Calgary Public Library Foundation.

**E. RECOMMENDATION**

That the Audit & Finance Committee recommend that the Calgary Public Library Board receive the Controller's Report and the Calgary Public Library Board's financial statements for the period ended September 30, 2018.

Elrose J Klause, CPA CMA  
Controller, Financial Services



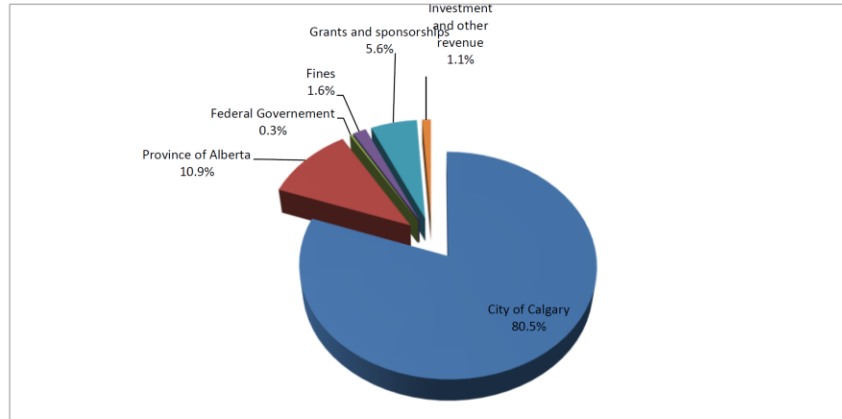
Calgary Public Library Board  
For the Period Ended September 30, 2018

**September 2018 Key Financial Indicators**

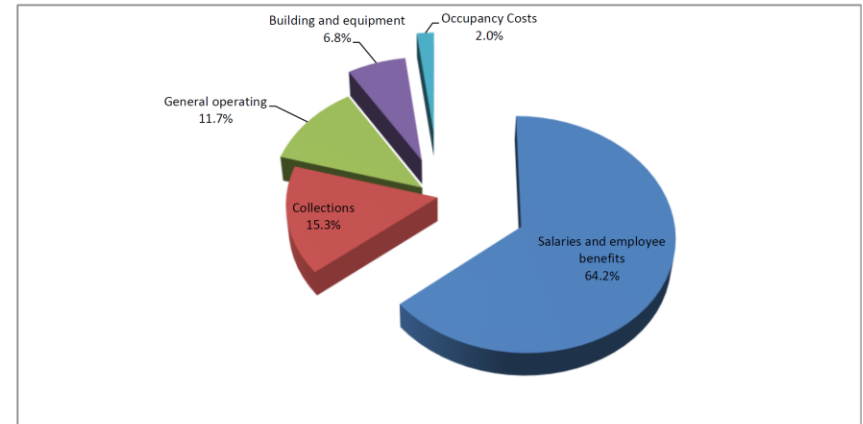
<b>Financial Snapshot</b>				
	<b>Budget YTD</b>	<b>Actual YTD</b>	<b>Variance YTD</b>	<b>Year End Forecast</b>
<b>Operating Revenue</b>	46,109,109	47,151,836	1,042,728	63,146,245
<b>Operating Expenditures</b>	46,097,859	45,013,099	1,084,760	62,551,143
<b>Excess / Deficit Operating Fund</b> (Before loans repaid and contribution to reserves and Other contributions)	11,249	2,138,737	2,127,488	595,102
<b>Unrestricted Accumulated Surplus</b>	386,230	386,230	-	386,230
<b>Transfers between capital and operating funds</b>	(168,750)	(168,750)	-	(514,000)
<b>Closing Operating Fund Balance</b>	228,729	2,356,217		467,332
<b>Capital Funds Balance</b>		1,234,810		

## Financial Dashboard

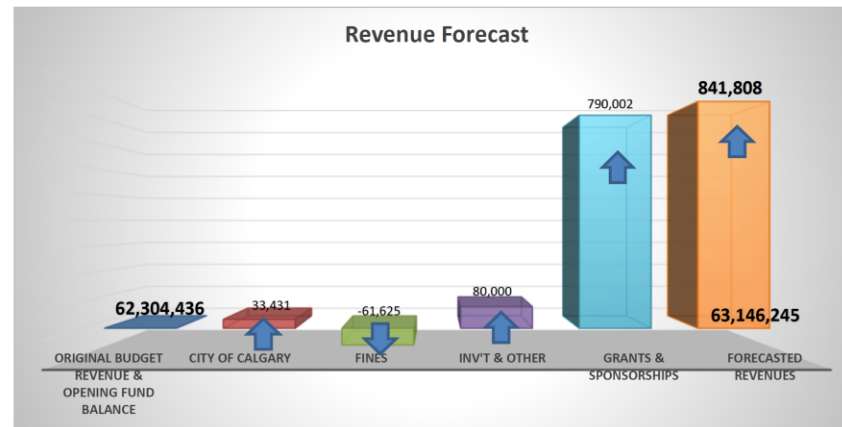
Revenues % by Category (Actual at the end of Sept. 2018)



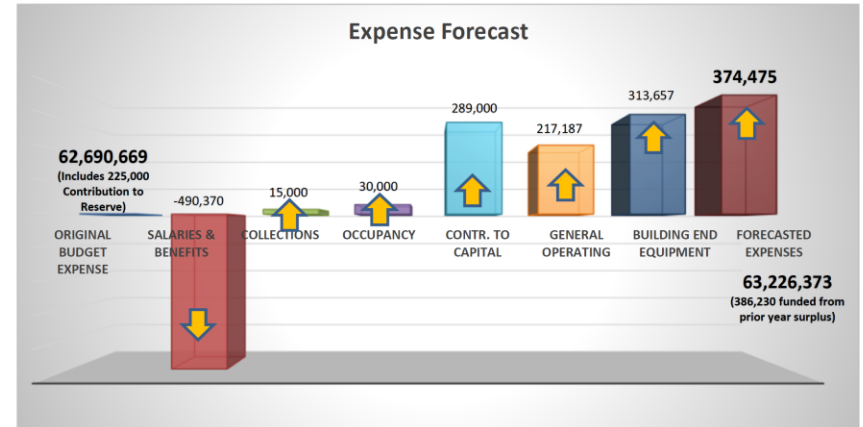
Expenses % by Category (Actual at the end of Sept. 2018)



Revenue Forecast



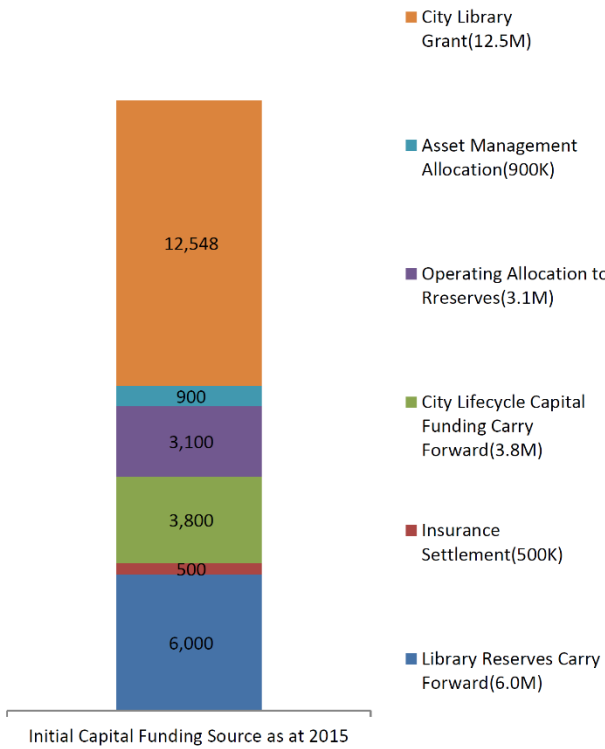
Expense Forecast



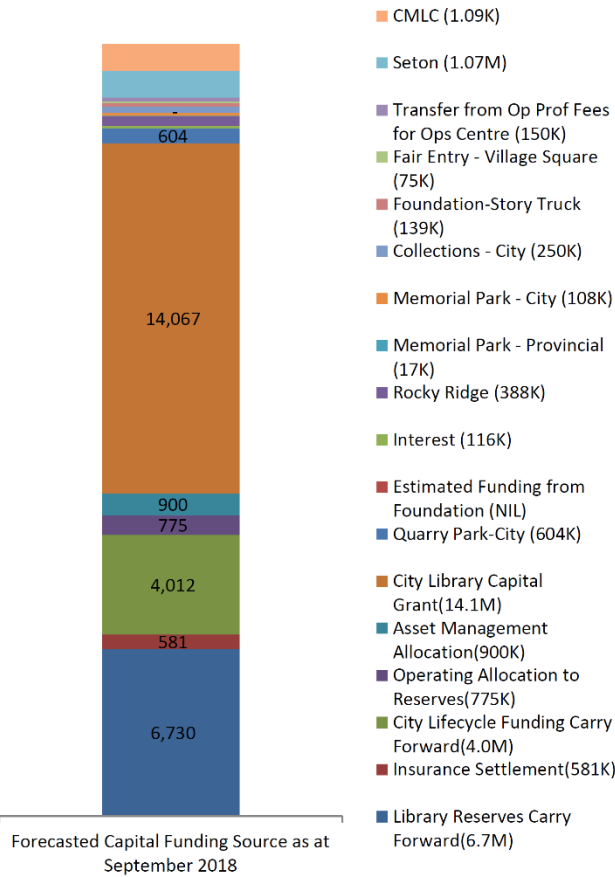
Updated for the month ended Sept. 2018

2015 - 2018 4 Year Capital Program Dashboard

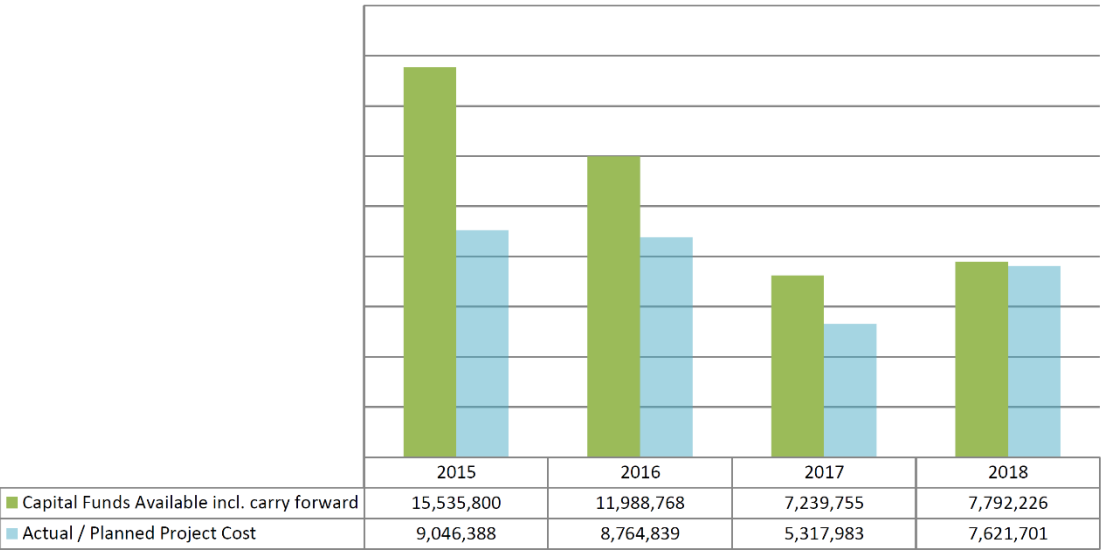
Initial Funding Source \$26.8M



Forecast Funding Source \$31.1M

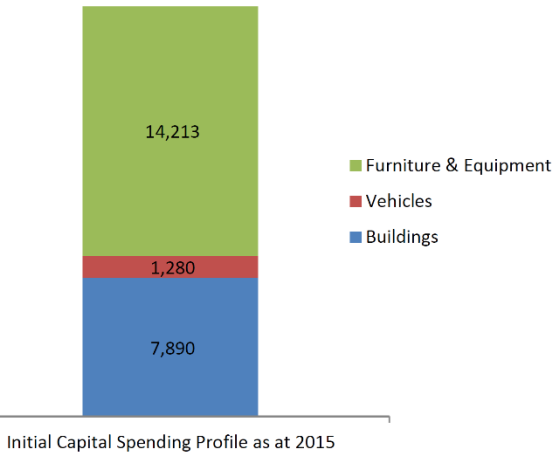


Forecasted Capital Funds Remaining

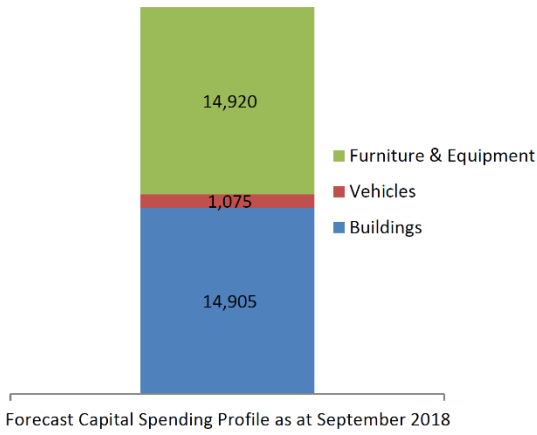


	2015	2016	2017	2018
Forecasted Funds Remaining	6,489,413	3,223,930	1,921,772	170,525

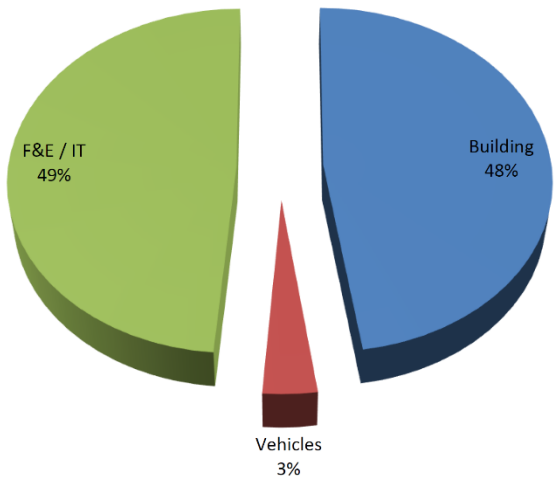
Initial Spending Profile \$23.4M



Forecast Spending Profile \$30.9M



4 Year Capital Spending Categories



**THE CALGARY PUBLIC LIBRARY BOARD**  
**Statement of Financial Position**  
**As at September 30, 2018**

	<b>2018 TOTAL \$</b>	<b>2017 TOTAL \$</b>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	6,910,032	5,713,546
Accounts receivable	981,354	1,512,902
Prepaid expenses	1,528,304	2,001,162
Interfund balances	-	-
	<b>9,419,690</b>	<b>9,227,610</b>
<b>PHYSICAL ASSETS</b>		
Capital assets	65,967,446	63,963,048
Inventory	17,033	36,802
	<b>65,984,479</b>	<b>63,999,849</b>
	<b>75,404,170</b>	<b>73,227,459</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	5,845,696	7,267,711
<b>LIBRARY POSITION</b>		
Equity in capital assets	65,967,446	63,963,047
Fund balances	3,591,028	1,996,701
	<b>75,404,170</b>	<b>73,227,459</b>
<b>Working Capital</b>	<b>3,573,994</b>	<b>1,959,899</b>

**THE CALGARY PUBLIC LIBRARY BOARD**  
**Statement of Financial Activities - Operating Fund**  
**For the Period Ended September 30, 2018**

	Current YTD \$	Budget YTD \$	Budget Variance YTD \$	Total BUDGET \$	Total Forecast \$	Increase/ (Decrease) \$	Comments (Favorable: F / Unfavorable: U)
<b>REVENUES</b>							
4 City of Calgary	37,970,721	37,937,290	33,431	51,374,720	51,408,151	33,431	F - City insurance claims
8 Province of Alberta	5,141,399	5,151,117	(9,718)	6,864,917	6,864,917	0	
9 Federal Government	128,197	140,368	(12,171)	187,062	187,062	-	
12 Fines	772,767	800,815	(28,048)	1,081,625	1,020,000	(61,625)	U - Decreasing trend of fines
17 Investment and other revenue	501,297	433,429	67,868	601,287	681,287	80,000	F - Higher interest rate; Increased salary recovery from CUPE
20 Grants and sponsorships						-	
Grants and sponsorships - restricted	2,261,556	1,270,190	991,366	1,616,464	2,406,466	790,002	F - Increased restricted grants from the Foundation
Grants and sponsorships - unrestricted	375,899	375,899	-	578,361	578,361	-	
	2,637,454	1,646,089	991,366	2,194,825	2,984,827	790,002	
21 Total revenues	47,151,836	46,109,109	1,042,728	62,304,436	63,146,245	841,808	F
<b>EXPENDITURES</b>							
27 Salaries and employee benefits	28,892,945	29,336,956	444,011	39,234,459	38,744,089	(490,370)	F - 570K Savings from cleaning staff, vacancy, pension and delay of new hires; 80K increased spending from restricted grants
30 Collections	6,881,410	6,968,916	87,506	8,543,442	8,558,442	15,000	U - Increased restricted grants from the Foundation; Planned accelerated expenditures for new libraries
46 General operating	5,281,558	5,972,906	691,348	8,895,706	9,112,894	217,188	U - Increased restricted grants from the Foundation; vehicle repair; Increased photocopier usage
52 Building and equipment	3,052,956	2,909,995	(142,960)	4,543,279	4,856,937	313,657	U - Increased contract cleaners, not including Operation Centre; Increased restricted grants from the Foundation
65 Occupancy Costs	904,230	909,087	4,856	1,248,782	1,278,782	30,000	U - Higher Rocky Ridge & Sage Hill occupancy costs
66 Total expenditures	45,013,099	46,097,859	1,084,760	62,465,668	62,551,143	85,475	U
REVENUES IN EXCESS OF (LESS THAN) EXPENDITURES BEFORE THE FOLLOWING:	2,138,737	11,249	2,127,488	(161,231)	595,102	756,333	
Transfers between capital and operating funds	(168,750)	(168,750)	-	(225,000)	(514,000)	(289,000)	U - Increased restricted grant from the Foundation (RFF 7 Story Truck Program Expansion 139K Capital); Transfer 150K from professional fees to Capital for Op Centre project
CHANGE IN FUND BALANCES AND CAPITAL RESERVES	1,969,987	(157,501)	2,127,488	(386,230)	81,102	467,332	
OPENING FUND BALANCE	386,230	386,230		386,230	386,230	-	
ALLOCATION OF PRIOR YEAR SURPLUS	-			-	-	-	
CLOSING FUND BALANCES	2,356,217	228,729		0	467,332		



Capital Expenditure Forecast			30-Sep-18			
Asset Class	Program Name	Program Detail	Forecast	Executed YTD	Committed	Expenditures Year to Date
Buildings Sub-Total			3,199,406	1,520,486	911,332	2,431,818
Vehicles Sub-Total			245,770	175,021	69,975	244,996
Furniture & Equipment Sub-Total			4,176,525	1,680,910	1,732,954	3,413,864
Furniture & Equipment Only			1,522,362	340,288	918,713	1,259,001
IT Only			2,654,164	1,340,622	814,241	2,154,864
Grand Total Planned Expenditures			7,621,701	3,376,417	2,714,261	6,090,678

Cash Required	Carry Forward from prior year		
	Assumed Completion Rate	1.00	
	Cash Required	7,621,701	
	Projects to Carry Forward to next year	-	
Cash Available	Opening Balance Capital Reserve	1,880,625	1,880,625
	Carry Forward Library Reserves		
	Insurance Settlement	-	
	Previous Carry Forward Lifecycle Funding	786,311	784,744
	Allocation from Operating (Op Centre)	150,000	150,000
	Asset Management Allocation	225,000	
	Lifecycle Funding	2,237,000	859,437
	Quarry Park City Funding (604K)		
	Rocky Ridge City Funding (535K)	155,151	169,715
	Seton City Funding (2.2M)	1,074,344	102,635
	NCL Equipment City Funding- CMLC (1.5M)	1,088,819	915,499
	Memorial Park Funding - Provincial Grant	-	
	Memorial Park Funding - City Lifecycle Funding (240K)	218,975	108,180
	City Funding - To fund Collections (250K)	(250,000)	(250,000)
	Interest earned & forecasted	12,000	11,766
	Unconfirmed funding for Memorial exterior from the Foundation		
	Story Truck Funding from Foundation (139K)	139,000	64,252
	Fair entry recovery - Village Square (75K)	75,000	18,271
Total Funds Available		7,792,226	4,815,123
Surplus of Cash Available over Required		170,525	

Report to the Calgary Public Library Board  
Audit and Finance Committee  
2018 October 16  
**Full Accrual Budget Revision for 2018 Budget**

## **EXECUTIVE SUMMARY**

This is a Report to the Audit and Finance Committee requesting the approved 2018 budget be restated to reflect full accrual accounting.

## **PREVIOUS DIRECTION / POLICY**

The Audit and Finance Committee mandate includes the approval of an annual operating budget to reflect the revenues and other funds that are anticipated during the budget year, and how these funds will be deployed to meet the strategic goals of the organization for the year being approved. Significant accounting standard changes occurred in 2009 reflecting tangible capital assets, but, except for depreciation and the non-asset portion of the collection budget line, these affected the Statement of Financial Position more than the Statement of Operations. Consequently, the budget remained unchanged from its historical allocations to allow budget owners and the board a transparent view of planned purchases for the year on a cash only basis.

## **BACKGROUND**

Up to and including 2018 the Calgary Public Library operating budget was created on a modified accrual basis. It does not include the impact of tangible capital asset changes that have been in effect since 2009.

Prior to 2009 the library used fund accounting to separate operating and capital transactions. Anything funded by Capital was an asset and recorded on the balance sheet, with an equal amount being captured in an equity account. Assets were major purchases for IT equipment and software, buildings and furniture, and vehicles. Books were not considered an asset. Asset values remained on the Balance Sheet until disposal or beyond. However, all assets were fully expensed in the year of purchase removing the need to allocate the cost of an asset over its expected life.

Since 2009 our audited financial statements reflect the accounting changes mandated by the Public Sector Accounting Standards Board (PSAB), but the budget is still prepared as it was before the changes came into effect. Reports during the year also do not reflect the impact of these changes. The budget does not include a line for the noncash expense of depreciation. The budget does not exclude the part of the collection that has been allocated to books. Books are considered an asset by our auditors because of their strict interpretation of their useful life exceeding one year, regardless of the low individual purchase price. Discussions to change this are ongoing, and a new case will be prepared during 2019 to attempt to reverse their decision.

The anomaly of budgeting this way is apparent at year end only, when our audited financial statements are presented. Adding to this anomaly is the changing nature of IT purchasing, and of funding building repairs from capital, even when they do not meet the definition of an asset. Software purchases (an asset) are being replaced by software maintenance agreements

(software as a service). An annual agreement is not an asset even if it is still being funded by capital funds. These added expenses appear on the Statement of Operations even though they were not included in the operating budget because operating revenues were not adequate to fund their purchase.

In both instances, there is a gap between what is budgeted and what is expensed. To explain the anomaly, we have a lengthy note in the financial statements reconciling the budget and the actual results. Even with this note the results provide confusion for many users. The Audit and Finance Committee has asked for our budget to be prepared in a manner consistent with our year end reports, while providing assurance that cash flow is still sufficient for asset and non-asset purchases.

## **CONCLUSION**

The budget can be restated to full accrual. Consistent with the Audit & Finance Committee's request it was also listed in the recommendations in the financial services operational review that was recently completed. Attachment 1 shows the 2018 budget as approved, and the 2018 budget as restated using full accrual accounting. Revenues are unchanged. Salaries, general operating and occupancy costs are also unchanged. Collections have been decreased to remove the amount allocated to the purchase of books. However, to maintain that portion of the collection an amount of \$4,206,500 has been allocated to fund the purchase of the books and the same amount has been shown to reflect the actual purchase. Building and equipment has been increased to allow for the IT and building expenses that are funded by capital allocations from restricted surplus and the City's transfers for capital.

As well as showing the source and use of funding for the purchase of books, the other category also includes the drawdown of 2017 year end restricted and unrestricted reserve amounts, the full life cycle funding available from the City, and the restricted amount the city provides with their operating grant to fund future years asset management updates.

Had the board approved the budget on a full accrual basis there would have been a budgeted deficiency of revenues over expenses of \$5,385,131. Of that \$6,900,000 is for amortization, which is a non-cash expense, funded by the asset portion of accumulated surplus. The committee has previously directed that showing a deficit caused by non-cash items is preferable to excluding them from the budget process. Consequently, to allow our 2018 audited financial statements to reflect a full accrual budget we are asking that the revised budget be approved.

There will be legitimate variances against the budget after the final 2018 results are posted, as the revisions do not reflect changes since the budget was originally approved, such as the increased funding received from the Foundation which is used to fund donor directed work or purchases.

## **RISK ASSESSMENT**

Not applicable. The recommendation is a change to presentation and measurement. It does not change our cash position, which is adequate to fund cash expenses.

**ADMINISTRATION RECOMMENDATION(S)**

That the Calgary Public Library's Audit and Finance Committee:

1. Receive this Report, including the 2018 current and proposed operating budget, for Information;  
and
2. Recommend that the Calgary Public Library Board approve the 2018 Operating Budget amendment as presented in Attachment 1.

Elrose J Klause, CMA  
Controller & Manager, Financial Services

**ATTACHMENT(S)**

Attachment 1: 2018 Current and Proposed Operating Budget

Report to the Calgary Public Library Audit and Finance Committee  
2018 October 16  
Full Accrual Budget Revision for 2018 Budget

Attachment 1

**STATEMENT OF OPERATIONS**

	2018 Budget As Previously Approved	2018 Budget Approval Requested
<b>REVENUES</b>		
City of Calgary	51,375,000	51,375,000
City of Calgary insurance proceeds	-	-
Province of Alberta	6,865,000	6,865,000
Federal Government	187,000	187,000
Fines and Fees	1,082,000	1,082,000
Investment and other revenue	601,000	601,000
Grants and sponsorships	2,194,000	2,194,000
<b>Total revenues</b>	<b>62,304,000</b>	<b>62,304,000</b>
<b>EXPENSES</b>		
Salaries and employee benefits	39,234,000	39,234,000
Collections	8,543,000	4,336,500
Building and equipment	4,543,000	7,073,631
General operating	8,896,000	8,896,000
Amortization	-	6,900,000
Occupancy Costs	1,249,000	1,249,000
<b>Total expenditures</b>	<b>62,465,000</b>	<b>67,689,131</b>
<b>DEFICIENCY OF REVENUES OVER EXPENSES - BEFORE OTHER</b>	<b>(161,000)</b>	<b>(5,385,131)</b>
<b>OTHER</b>		
Drawdown of restricted reserve		1,700,000
Drawdown of unrestricted reserve	386,000	386,000
Transfer to asset management capital	(225,000)	(225,000)
Transfer to fund books capital		(4,206,500)
Drawdown for purchase of books capital		4,206,500
Write off of tangible capital assets	-	-
Government transfers for capital (Schedule 2)		3,023,000 **
funding operating		
funding capital		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>-</b>	<b>(501,131)</b>
<b>ACCUMULATED SURPLUS, beginning of year</b>		<b>55,297,972</b>
<b>ACCUMULATED SURPLUS, end of year</b>	<b>-</b>	<b>54,796,841</b>

\*\* Split btw operating and capital to match asset/expense allocations

Report to the  
Calgary Public Library Board  
**Strategy and Community Committee Meeting**  
**Tuesday, October 2, 2018**  
(based on draft unapproved minutes)

**In Attendance:**

**Board**

Mr. Rob Macaulay, Chair  
Ms. Janet Hutchinson  
Mr. Andrew Rodych

**Regrets:**

Ms. Shereen Samuels

**Administration**

Mr. Bill Ptacek, CEO  
Ms. Jackie Flowers, Director, Service Design  
Mr. Mark Asberg, Director, Service Delivery  
Mr. Paul Lane, Director, Corporate Services  
Ms. Sarah Meilleur, Director, Service Delivery  
Ms. Elrose Klause, Controller

**I. Meeting Opening**

We acknowledge the traditional territories and oral practices of the Blackfoot people, the Nakoda people of the Stoney Nation, the Beaver people of the Tsuut'ina Nation, and the Métis Nation of Alberta, Region Three. This Library is one of 20 libraries across our city built on this traditional land.

**II. Review of Agenda**

The Agenda was approved with no changes.

**III. Approval of Minutes**

MOVED by Mr. Rodych, that the minutes of the September 4, 2018 meeting be approved as presented.

Carried Unanimously

**IV. Business Arising and Review of Action Items**

There was no business arising.

**V. Board Retreat Planning**

The Committee made the following suggestions for the Board Retreat:

- The best date would be in early March, no later than March 15.
- The location should be central and new.
- The Retreat should last one day or less.
- There should be no more than 2 or 3 topics to provide time for good governance discussion. The in-camera session should last a full hour.
- Topics should be very different from items covered at a general Board meeting, and could include:
  - Recommendations of the White Goose Flying report

- The impact of the Library's civic engagement and connectedness
- Diversity and inclusion
- Best new board practices. Adam Legge's book "Making Remarkable" was mentioned as an excellent reference.

Action items arising	Person Responsible	Deadline
Investigate options for Board Retreat date, venue and facilitator	Administration Liaison with S&C Committee	Early in the new Committee's term

#### **VI. Scorecard Development for the New Strategic Plan**

*Mr. Paul Lane, Director, Corporate Services*

Mr. Lane distributed the third draft of the Scorecard. He highlighted the 9 measures, and pointed out changes in wording, and appearance. The Committee discussed the following points:

- Targets will be discussed at the first meeting, with importance placed on the measures' effectiveness.
- Strategic targets must have budgetary and staffing support.
- Rather than a metric, a poll or panel might provide valuable input at some point.
- A semi-annual survey could focus on general satisfaction and specific programming goals.
- The Scorecard should align with The City's strategic thinking and also with the Library's Risk Register.

Action items arising	Person Responsible	Deadline
A draft of proposed measures will come forward at the next meeting	Mr. Lane	Next S&C Meeting.

#### **VII. The New Seton Library**

*Mr. Mark Asberg, Director, Service Delivery*

Mr. Asberg gave a presentation with pictures of the new Seton Library. Two years of engagement and outreach have already fueled awareness and anticipation among community associations, daycares, and other groups in the area. This engagement will accelerate now with the hiring of two Librarians for Seton.

#### **VIII. New Central Library Operational Readiness**

*Ms. Sarah Meilleur, Director, Service Delivery*

Ms. Meilleur highlighted points from her report related to staff readiness and training, promotional and event management strategies, building security, and moving strategies. Mr. Ptacek commended Ms. Meilleur for overseeing such a comprehensive operational readiness plan.

#### **IX. Other Business**

It was noted that the Library will be open at noon on Remembrance Day.

**X. Workplan**

Mr. Macaulay asked all Administration and Board to submit ideas and topics to place on the Committee's new term workplan.

**XI. Adjournment**

The meeting adjourned at 9:25 am.

Transcribed by Barb Roberts

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Mr. Robert Macaulay  
Chair

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Mr. Bill Ptacek  
CEO





Report to the  
Calgary Public Library Board  
**Governance Committee Meeting**  
**Wednesday, October 10, 2018**  
(based on draft unapproved minutes)

**In Attendance:**

**Board**

Ms. Shereen Samuels  
Ms. Janet Hutchinson  
Mr. Avnish Mehta

**Administration**

Mr. Bill Ptacek, CEO  
Mr. Mark Asberg, Director, Service Delivery

**Regrets:**

Ms. Debra Giles

**I. Treaty 7 Opening**

Ms. Samuels respectfully acknowledged that the Committee is meeting today at a place called Moh'kinsstis, a Blackfoot word that means elbow. The word describes the landscape of what is now known as Calgary, an area where the Elbow River meets the Bow River.

It is in the spirit of respect and truth that we honor and acknowledge Moh'kinsstis, and recognize the traditional territories and oral practices of the Blackfoot people, the Nakoda people of the Stoney Nation, the Beaver people of the Tsuut'ina Nation, and the Métis Nation of Alberta, Region Three. This Library is one of 20 libraries across our city built on this traditional land. Finally, we acknowledge all people who make their homes in the Treaty 7 territory of Southern Alberta.

**II. Review of Agenda**

MOVED by Mr. Mehta that the Agenda be approved as presented.

Carried Unanimously

**III. Approval of Minutes**

AMENDED minutes moved by Ms. Hutchinson, that the minutes of September 12, 2018, Governance Committee meeting be approved as amended:

- ***Under Section V Planning the November 2018 Organizational Meeting, "the Committee agreed that expressions of interest in the Board Chair and Vice-Chair positions should be sent to the Admin Liaison to Governance Committee"***

Carried Unanimously

**IV. Business Arising from Minutes**

There was no business arising

**V. Results of call out for Interests in 2018-19 Board Roles**

Results were distributed by Mr. Asberg.

Position	Current Interest	Revised Interest
Chair	Avnish Mehta	Avnish Mehta
Vice Chair	Shereen Samuels	Shereen Samuels
Audit & Finance	Judy Gray Andrew Rodych (chair)	Judy Gray Andrew Rodych (chair) Rob Macaulay Avnish Mehta Shereen Samuels <i>New Board Member (recommendation)</i>
Governance	Debra Giles (3) Janet Hutchinson Avnish Mehta Rob Macaulay Shereen Samuels	Debra Giles (3) Janet Hutchinson Shereen Samuels
Strategy & Community	Debra Giles (2) Janet Hutchinson Avnish Mehta Rob Macaulay Andrew Rodych Shereen Samuels	Debra Giles (2) Janet Hutchinson Avnish Mehta Rob Macaulay Andrew Rodych <i>New Board Member (recommendation)</i>
Foundation	Debra Giles (1) Judy Gray Janet Hutchinson Avnish Mehta	Debra Giles (1) Judy Gray Avnish Mehta Janet Hutchinson <i>(caveat there can only be 2)</i>

There will be a new board member appointed by Council for the 2018-2019 Board year. Ms. Hutchinson recommended they start with S&C or A&F to assist them in learning about the organization.

Board members discussed their individual interests in positions and committees. Mr. Asberg reminded the committee that in accordance with the bylaws, any Board member may nominate any Board member to the Chair and Vice Chair positions'; as such, there will still be the opportunity for further nominations for Chair and Vice Chair after the new Board member is appointed. This new organizational process is a pilot program and open to changes next year.

## VI. Update from the Recruitment Process

Ms. Hutchinson stated there was no update, but that she will ask the recruiting firm if they might recommend any potential Library Foundation Board members identified in the recruitment process.

Action Item	Owner	Deadline
To send recruitment criteria to Chair, of Governance Committee, Foundation and offer assistance in developing a criteria and skills matrix.	Ms. Janet Hutchinson	November 2018

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## VII. Identifying Bylaws and Policies for Strategic Alignment Review

The committee recommended the following policies be reviewed:

Policy Title	Section
Board	Code of Conduct Board Orientation and Education
Donations and Related Matters	Monetary Monetary In-Kind Naming
Finance	Risk Management
Human Resources	Conditions of Employment Staff Orientation and Training Grievance Procedure
Library Materials	Materials and Electronic Resources Selection Resources for Patrons with Special Needs Resource Sharing and Interlibrary Loans
Library Premises Use and Safety	Library Membership (residency) Use of Library Materials Use of Library Premises Fees
Board Governance Bylaw	4.11 Minutes (specifically relating to minutes of in camera sessions) 3 Board Structure (discuss the advisability of creating a Past Chair role)

It was suggested that a Strategic Alignment Review could form part of the discussion at the annual Board Retreat. The Governance Committee will conduct preliminary work and submit draft recommendations of policies and bylaws to the Board at various intervals. A presentation at the retreat or earlier would provide information on the principles and approach used to conduct the review.

Ms. Hutchinson mentioned the possibility that other City Councillors as always may be appointed to serve on the Board for 2018-2019.

## VIII. Committee Workplan – as of September 13, 2018

### Board Composition

Item #1 removed  
Item #2 moved to Bylaws and Policies discussion

### Board Relations

Items #1 - #6 remains on the workplan  
#3 New Board Member Orientation - need to identify new Board Buddy and process for identification. Nominations committee should carry out the process. Ms. Hutchinson recommended Ms. Samuels be assigned to new Board member  
Remove #4 Clarification of Vice Chair Role removed

	Items #5 remain
Board Recruitment	Item #1A-F remains Item #2 removed
CEO Annual Review	Item #1 - #2 remains Item #3 removed and replaced by 360° Review Add to Timing: review new media metrics in January 2019
Board Self-Evaluation	Items #1-#5 remains. To be carried out again but with no reference to this year's process.
Bylaw, Policies, Process	Item #1 remains Items #2 - #4 Complete & remove
Issues at Request of Committee	Item #1 completed and remove

**IX. Other Business**

There was no other business.

**X. Adjournment**

MOVED by Ms. Hutchinson, that the meeting be adjourned at 6:50 pm.

Transcribed by Dee Adekugbe

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Ms. Shereen Samuels  
Chair

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Mr. Bill Ptacek  
CEO

## Naming Policy

### Naming

Recognizing that the long-term resourcing of the Library through philanthropy is vital to the services it provides to Calgarians, the Board supports the ongoing practice of entering into naming rights agreements with donors where such relationships are mutually beneficial and are consistent with the guidelines set in this policy.

Under the conditions of this policy, the Calgary Public Library Foundation will pursue such agreements on behalf of the Library.

The Library will not enter into a naming rights agreement for the entirety of a Library facility with a for-profit corporation or commercial enterprise.

In judging the suitability of a naming rights proposal, the following will be considered:

- The significance of the proposed financial contribution in relation to the project
- The urgency of the need for the project, or of funding for the project
- The reputation and integrity of the donor whose name is proposed
- The acceptability of the donor from the perspective of current community standards
- The history of the donor's support of libraries and literacy
- The donor's compatibility with, understanding of, and support for the Library's mission and mandate

All naming rights agreements will be for a fixed term taking into account the local philanthropic climate and leading philanthropic practices.

Naming agreements valued at less than \$1 million require the approval of the Chief Executive Officer. Naming agreements valued at \$1 million or more require the approval of the Board.

When the Board has approved the naming of a library facility, it will provide relevant information to the City.

The Library will not relinquish to the naming rights holder any aspect of the Library's right to manage and control any of the Library's assets, facilities, programs, services, staff, or volunteers.

The name only, and not the logo, of a donor will be used on any signage identifying Library facilities. This is in order to protect the integrity of the Board and the Library's brand, limit confusion over the nature of facilities, and avoid the perception of advertising. Logos may be used on recognition or dedication plaques, provided they are tasteful and appropriately sized.

To maintain the value of naming rights, the Library, in moving forward, will recognize the extraordinary contributions of Board Members, staff, volunteers, and community leaders in unique recognition programs that do not involve the naming of buildings, their elements, or other tangible assets.

Category	Donations and Related Matters
Statutory	No
Approval History	2015
Approval	Janet Hutchinson