

CALGARY PUBLIC LIBRARY

Board Meeting

5:30 PM, Wednesday, January 27, 2021

Online via Microsoft Teams



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Treaty 7 Virtual Opening

To begin our meeting today, we acknowledge Moh'kinsstis, the lands where the Elbow and Bow Rivers meet. In the spirit of Truth and Reconciliation, we recognize the ancestral territories, cultures, and oral practices of the Blackfoot people, the Iyârhe Nakoda Nation, the Beaver people of the Tsuut'ina Nation, and the Métis Nation of Alberta, Region 3. Calgary Public Library serves the community on this traditional land and we honor all people who share, celebrate, and steward the Treaty 7 territory of Southern Alberta. This Land Acknowledgement reminds us of the histories that precede us, highlights our responsibilities going forward, and helps bring us together on a shared journey of Truth and Reconciliation.

Unapproved Minutes

Calgary Public Library Board
Online via Microsoft Teams
Wednesday, November 25, 2020
5:30 pm

In Attendance:

Board:	Administration:
<ol style="list-style-type: none">1. Mr. Avnish Mehta (Chair)2. Ms. Haritha Devulapally3. Ms. Sandy Gill4. Ms. Crystal Manyfingers5. Ms. Jocelyn Phu6. Mr. Andrew Rodych7. Ms. Shereen Samuels8. Ms. Sheeba Vijayan	<ol style="list-style-type: none">1. Mr. Mark Asberg, CEO2. Ms. Tracy Johnson, CEO, Calgary Foundation3. Ms. Mary Kapusta, Director, Communications4. Mr. Paul Lane, Director, Corporate Services5. Ms. Sarah Meilleur, Director, Service Delivery6. Ms. Heather Robertson, Director, Service Design
Regret:	Guest:
<ol style="list-style-type: none">9. Councillor Druh Farrell10. Councillor Evan Woolley	<ol style="list-style-type: none">1. Ms. Terrill Budd, CUPE Local 11692. Ms. Elsa Gee, CUPE Local 1169

I. Treaty 7 Opening

Ms. Manyfingers respectfully opened the meeting by acknowledging Moh'kinsstis, the lands where the Elbow and Bow Rivers meet. In the spirit of Truth and Reconciliation, we recognize the ancestral territories, cultures, and oral practices of the Blackfoot people, the Iyârhe Nakoda Nation, the Beaver people of the Tsuut'ina Nation, and the Métis Nation of Alberta, Region 3. Calgary Public Library serves the community on this traditional land and we honor all people who share, celebrate, and steward the Treaty 7 territory of Southern Alberta. This Land Acknowledgement reminds us of the histories that precede us, highlights our responsibilities going forward, and helps bring us together on a shared journey of Truth and Reconciliation.

II. Chair's Opening Remarks

Mr. Mehta welcomed all attendees to the first formal meeting of the 2020-2021 Calgary Public Library Board year.

III. Review of Agenda

MOVED by Ms. Devulapally and seconded by Ms. Gill that the Calgary Public Library Board approve the agenda for the November 25, 2020 meeting.

Carried unanimously

IV. Consent Agenda

MOVED by Ms. Gill and seconded by Ms. Devulapally that the Calgary Public Library Board approve the minutes of the September 30, 2020 meeting.

Carried unanimously

MOVED by Mr. Rodych and seconded by Ms. Manyfingers that the Calgary Public Library Board approve the minutes of the November 18, 2020 organizational meeting.

Carried unanimously

V. Business Arising

A. Business Arising from the Minutes

None.

B. Advocacy Updates

Ms. Phu shared the most recent news from the Alberta Library Trustees' Association, which will hold their next meeting on November 26, 2020. The new ALTA board continues to look ahead at how libraries can safely and best serve Alberta communities given the current global and domestic challenges they face, particularly in light of the new public health measures announced by the Government of Alberta on November 24, 2020.

Ms. Phu advised that the ALTA fee schedule had been re-structured to better reflect the economic environment in which member organizations are currently operating.

C. 2020-2021 Board and Committee Meetings Schedule

Mr. Mehta drew the Board's attention to the newly proposed 2020-2021 Board and Committee Meetings Schedule. Mr. Asberg advised that calendar invitations will be forthcoming and that committees will be invited to ratify their own calendars at each of the meetings scheduled in January 2021.

VI. Chair's Report

Mr. Mehta expressed appreciation to all returning members of the Board for their contributions to Calgary Public Library and welcomed Ms. Manyfingers and Ms. Vijayan to their first formal meeting of the Board.

Mr. Mehta expressed gratitude to Calgary Public Library administration on their successes in operating safely and effectively during the pandemic to date.

VII. Operational Report (November 2020)

Mr. Asberg presented his November 2020 report to the Board. He highlighted the Library's continued advocacy work as it relates to the City of Calgary budget as well as the Library's immediate response to the new Covid-19 measures announced by the Government of Alberta on November 23, 2020. Mr. Asberg also commended the continuing work of staff at all levels of the organization to provide a safe and welcoming library experience through enhanced virtual programming, positive relationship-building with the public and clear, credible communication.

MOVED by Ms. Gill and seconded by Ms. Devulapally to receive the Operational Report as presented.

Carried unanimously

VIII. Governance Committee

A. Report of the October 7, 2020 Governance Committee Meeting

Mr. Rodych presented the minutes of the October 7, 2020 Governance Committee meeting.

MOVED by Ms. Gill and seconded by Ms. Devulapally to receive the Governance Committee report as presented.

Carried unanimously

B. Board Policy Revisions

Mr. Rodych reviewed proposed changes to several Board policies as presented in an Executive Summary to the Board.

Revisions were made to: *Library Membership; Suspension and Revocation of Library Privileges; Public Access Network; and Liability Insurance for Board Members.*

Policies that were most recently reviewed and found not to be in need of revision included: *Confidentiality of User Records; Signing Authority; Annual Audit; Debt; Investing; Risk Management; and Insurance.*

MOVED by Ms. Phu and seconded by Mr. Rodych to accept the Governance Committee recommendations as presented.

Carried unanimously

IX. Strategy & Community Committee

A. Report of the October 14, 2020 Strategy & Community Committee Meeting

Ms. Devulapally presented the minutes of the October 14, 2020 Strategy & Community

Committee meeting.

MOVED by Ms. Gill and seconded by Ms. Manyfingers to receive the Strategy & Community Committee report as presented.

Carried unanimously

X. Audit & Finance Committee Report

A. Report of the October 20, 2020 Audit & Finance Committee Meeting

Mr. Rodych presented the minutes of the October 20, 2020 Audit & Finance Committee meeting, which included the approval of the 2020 Audit Plan as presented by Deloitte Canada. Mr. Rodych reminded the Board that this approval was made conditionally with no more than a 10 per cent variance from the quoted price to allow for additional fees that may be incurred as a result of conditions created by the global pandemic. In the event that fees begin to exceed 10 per cent of the quoted cost, the Board will be consulted for additional approvals.

MOVED by Mr. Rodych and seconded by Ms. Manyfingers to receive the Audit & Finance Committee report as presented.

Carried unanimously

Mr. Rodych reported that the Audit and Finance Committee's last meeting included a review the Quarterly Risk Register. Mr. Rodych asked Ms. Meilleur to offer commentary on the heightened ratio of incidents to total visits at Central Library and the community libraries. Ms. Meilleur reminded the Board of the additional context that had been provided in the Audit & Finance Committee meeting minutes, including numerous mitigation strategies put in place by the Library.

MOVED by Mr. Rodych and seconded by Ms. Samuels to receive the Quarterly Risk Register as presented.

Carried unanimously

Mr. Rodych presented the Quarterly Financial Review for the Board's consideration. Mr. Rodych advised that the forecasted year end cash position is positive with ratio reporting remaining relatively consistent with previous years. Mr. Rodych expressed confidence in the internal controls that have been in place at Calgary Public Library to prevent fraud or other misuse of funds.

MOTION by Mr. Rodych and seconded by Phu to receive the Quarterly Financial Review as presented.

Carried unanimously

XI. Calgary Public Library Foundation Update

A. Calgary Public Library Foundation Update

Ms. Johnson presented highlights from her report, including recent staffing changes and the continued success of the online Library Store. Ms. Johnson also advised that recent focused efforts on fundraising for the My First Bookshelf and Wellness Desk program pilots have been successful in drawing new monthly donors.

MOVED by Ms. Gill and seconded by Ms. Manyfingers to receive the Calgary Public Library Foundation report as presented.

Carried unanimously

XII. Other Business

None.

XIII. In Camera

None.

XIV. Adjournment

MOVED by Mr. Rodych that the meeting be adjourned at 6:50 pm.

Transcribed by Ms. Amanda Robertson.

Mr. Avnish Mehta, Chair

Operational Report January 2021

Government Relations

On December 8, 2020, the Alberta Government announced enhanced public health measures to stem the growing spread of COVID-19 in our communities. Included in those measures was the requirement that all libraries in the province cease providing public access to physical facilities after December 12. On December 9, Public Libraries Services Branch confirmed that the new provincial restrictions did not prevent libraries from offering curbside services during their temporary closure. With this information in hand, the Library switched to a temporary service model on December 13, including system-wide curbside and virtual services that continue to be enhanced and expanded.

The Library is closely monitoring the situation, staying in close contact with the Province and the City of Calgary. As public health guidance allows, we will maximize the positive impact we can have in our community.

Calgary City Council completed budget deliberations on November 26. The Library's operating funding provided by the City for 2021 was not reduced from 2020 base levels. Continued and stable investment in public libraries is an important recognition of the important role the Library plays in the lives of so many in our communities, particularly in times when the work to promote economic recovery and resilience is more urgent than ever.

At the same time, the Library remains a strong civic partner, eager to respond constructively, work collaboratively, and steward resources responsibly in a period of fiscal restraint. As evidence of this commitment, the Library's operating grant from the City was decreased by \$1.8 million in July 2019 on an ongoing basis and an agreement was struck in June 2020 for a one-time reduction of \$3 million in the Library's operating grant amid the COVID-19 pandemic.

The City is continuing its work to address evolving fiscal realities. The Solutions for Achieving Value and Excellence Program (SAVE) has a goal for finding in excess of \$50 million in savings for the 2022 fiscal year, once again presenting the Library with opportunities to be an engaged and responsive civic partner, while clearly communicating the case for the value the Library brings to the community as a non-negotiable pillar of the City's social infrastructure.

The new year brought a few changes to the provincial cabinet, including the appointment of the Honourable Ric McIver as Interim Minister of Municipal Affairs, a portfolio which includes the provincial public libraries file. Public Library Services Branch is briefing the Minister on the role and status of public libraries across the province.

Operational Highlights

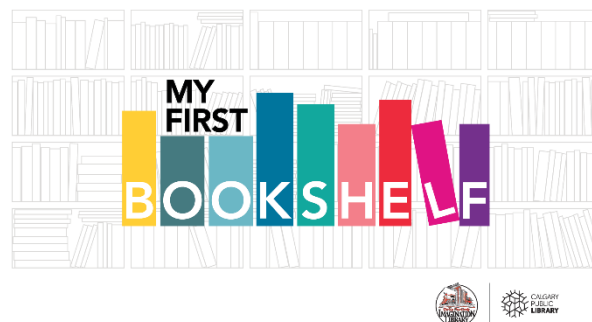
When it closed its facilities to public access on December 13, the Library drew on the lessons learned and capacity created throughout the pandemic to immediately launch a new service model, including:

- Curbside service, with return chutes open
- Virtual programming, events, and outreach
- Contactless deposit collections with community partners
- Digital Library via calgarylibrary.ca

Today's operating model offers a strong contrast to the closure of Library facilities in spring 2019. With curbside holds service running, return chutes open, and new items continuing to arrive in the Collections Department, the Library's delivery system continues to operate at full capacity, with daily routes ensuring that materials handling, holds, circulation, delivery of deposit collections to community partners, collections maintenance work, and related high-quality, contactless public service is possible across the system.

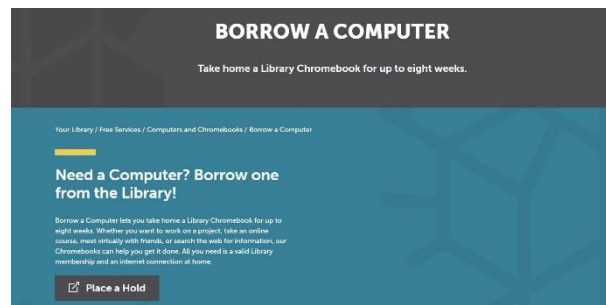
Curbside holds service is seeing strong uptake, with the busiest four locations being Signal Hill, Crowfoot, Nose Hill, and Louise Riley. While use of this service is robust, it is also much more time and staff intensive than normal holds pick up service when libraries are open to the public and the process is largely self-serve on the part of patrons. As the new year marches on, the Library continues to monitor usage numbers closely, so that staffing can be deployed appropriately to meet demand from the community.

The launch of My First Bookshelf, I partnership with Dolly Parton's Imagination Library, was particularly well timed, as it provides yet another way the Library is providing crucial access to books for children under the age of five during the pandemic, and beyond. With the activation of the online registration platform, the program has been steadily growing week by week, and we are approaching 350 applications. Thanks to Calgary Public Library Foundation and the generosity of donors, the Library is expanding the pilot to 2,000 children. To identify areas of the city where expansion would have the most impact, the Library will deploy targeted community engagement and participant recruitment, connecting directly with families and community leaders, while ensuring that there are enrollment opportunities in all four quadrants of the city.



Two additions to the Library's curbside services portfolio are key to promoting digital equity in our communities. First, the Library piloted curbside printing at three locations in December and launched it across the system on January 13. Curbside printing helps bridge the digital divide during the pandemic in our community, ensuring that those who need to print documents for

personal, employment, or business reasons can do so, despite the closure of Library facilities in which printing is one of the most popular services in all locations. Second, the Library's new Borrow a Computer program launched in mid-January and 200 Chromebooks are now available for patrons to borrow through the contactless holds system, with up to 200 additional laptops to be added in the near future. The Library has reached out to key partners to ensure that the availability of these devices is made known to community members facing barriers in this difficult environment (e.g. students with insufficient access to computing equipment to meet their education needs).



In the last half of 2020, the Library developed formidable capacity to provide and produce high quality content for its digital platforms, create and deliver hundreds of online programs and live events with partners, and even offer impactful virtual outreach in the community. Here are just some recent highlights of that work:

- At nearly 3.4 million, Overdrive eBook and audiobook checkouts increased almost 1 million over checkouts in 2019, a dramatic 41% increase. eBooks and audiobooks were the largest contributor of online success for the library in 2020. According to data being gathered by OverDrive, Calgary Public Library was one of 10 library systems in the OverDrive global network that achieved over 3 million checkouts.
- In December, the Library ran an advertising campaign across print, exterior billboards, radio, and digital platforms to drive traffic to Library at Home. The mini campaign generated over 5 million impressions, with skill-based learning being the most popular and effective ad topic.
- Mayor Nenshi continued his holiday tradition with a virtual Mayor's Holiday Storytime that was shared across Library platforms.
- The Library is closely monitoring program attendance to gauge success and plan for the future. Some interesting numbers from the most recent report include the fact that there are over 130 unique programs simultaneously open for registration, over a third of which are waitlisted. More than half of all programs currently offered already have over 50% registration.
- Here are just a few examples of impactful virtual Library events with subject matter that resonates in present times:
 - *Supported by Foundation donors Barb and Ron Krell and Lily and Bill Lister, Antisemitism: 76 years After the Holocaust* features renowned professor and historian Deborah Lipstadt in honour of International Holocaust Remembrance Day. Deborah is known for being sued for libel by a Holocaust denier and whose

story was depicted in the 2016 film *Denial*. She will speak about Holocaust denial, antisemitism, and her ongoing experiences in combating them.

- A new four-part series called *AI Connect*, in partnership with the Department of Computer Science at the University of Calgary launched in January, focusing on artificial intelligence, how we use it to make decisions across a wide range of domains, and how it is impacting systems in which it is deployed.
- In Q4 of 2020, the Library delivered nearly 700 virtual programs for all ages, from early literacy offerings to job training and language learning support. This number will continue to grow in 2021.
- Outreach is being re-invented, so that the Library can visit community partners and classrooms using virtual meeting technology. Interest in the Librarian on Call service from educators is increasing steadily, in part because of the support of school board partners, but also because of a new section of the website promoting the service and allowing educators to book virtual office hours. Librarian on Call has engaged hundreds of students and dozens of educators. As part of the outreach experiences being created, the Library also piloted live-streamed tours of Central Library for grade 8 students using new video and recording equipment to support distance learning.



In addition to work across the system re-inventing services and programs for today and the future, the Library continues to look ahead into 2021 to map out priorities to advance the Library's strategic direction. As reported recently to the Strategy and Community Committee, the Library took a more design-informed approach to identifying annual strategic initiatives this year. This approach included engaging more team members in the effort, including an all-staff survey and a focused long-form questionnaire completed by a cross-disciplinary group of employees. These efforts foster engagement, while simultaneously taking full advantage of the incredible talent that exists across the Library system. A leadership planning session leveraged the broad-based input to synthesize directions for the coming year.

The result of these efforts will be a series of *How might we...* statements that will form the basis for innovation and iteration in the field of discovery and action described by each statement.

How might we (action) + (user) + (need / insight)?

Example:

How might we empower and support parents and caregivers to promote early literacy at home?

From past planning efforts, we have learned that developing highly refined or specific tactics so early in the year can be a barrier to success; as the context of the Library changes, our communities evolve, and we think through different ways to realize opportunities, it is often the case that a list of intended results created in January can become outdated or lose relevance. *How might we...* statements open a field of discourse in which Service Design can work with other departments in brainstorming the most fruitful course of action for the Library in its dynamic environment to respond to the community need identified in each statement.

At this point, the *How might we...* statements that describe new areas of focus for 2021 are in final review and will be assessed for inclusion in this year's plans along with work carried over from 2020 strategic initiatives. The Board can look forward to more information on 2021 plans in February.

Unapproved Minutes
Governance Committee Meeting
Calgary Public Library Board
Online via Microsoft Teams
Wednesday, January 6, 2021
5:30 pm

In Attendance:

Board	Administration
Ms. Sandy Gill (Chair) Ms. Haritha Devulapally Ms. Jocelyn Phu Ms. Shereen Samuels Regrets: Ms. Crystal Manyfingers Mr. Avnish Mehta	Mr. Mark Asberg, <i>CEO</i> Ms. Heather Robertson, <i>Director, Service Design</i> Regrets: None

I. Treaty 7 Opening

Ms. Samuels respectfully opened the meeting with the Treaty 7 land acknowledgement.

II. Election of Chair

Ms. Samuels called for nominations from the floor for the position of Chair, Governance Committee. Ms. Gill was declared Chair by acclamation.

Carried unanimously

III. Review of Agenda

MOVED by Ms. Gill that the agenda be approved as presented.

Carried unanimously

IV. Approval of Minutes

MOVED by Ms. Phu that the minutes of the October 7, 2020 Governance Committee meeting be approved as presented.

Carried unanimously

V. Business Arising from Minutes

None.

VI. Review of Governance Committee Mandate

Ms. Samuels advised the committee that the mandate had been reviewed in 2020.

MOVED by Ms. Devulapally that the Governance Committee Mandate be approved as presented.

Carried unanimously

VII. 2020-2021 Workplan

Ms. Samuels advised the committee that a Diversity & Inclusion policy was proposed in 2020, but that it had not yet been developed. The committee agreed to hold a discussion of this and other policies in February 2021 to provide an opportunity to include this in the 2021 Board Retreat agenda.

The committee requested that the workplan be re-formatted to clarify the workload throughout the year.

Task	Responsible	Deadline
Review timeline for proposed agenda items prior to the February committee meeting	Ms. Gill; Administration	January 2021
Add a policy review discussion to the February meeting agenda	Administration	February 2021
Re-format the workplan to a more concise layout in line with the Strategy & Community Committee workplan.	Administration	January 2021
Amend the Board Self Evaluation results review to "January".	Administration	January 2021

MOVED by Ms. Devulapally that the 2020-2021 Workplan be approved subject to agreed revisions.

Carried unanimously

VIII. 2020 Board Self Evaluation Results

The committee reviewed the results of the 2020 board self-evaluation and found that responses were overwhelmingly positive, with nearly all responses measured as “Always” or “Usually” and no responses of “Seldom” or “Never” being used to trigger requests for additional information. The committee discussed whether more insights were needed regarding board retention and culture rather than perceived performance.

The committee reviewed all qualitative feedback and observed several responses indicating a need for more connection opportunities to foster a culture of communication between board members while operating in a virtual meeting environment. Ms. Gill volunteered to work with administration to create a proposal to the board for how best to meet this need.

The committee noted two pieces of qualitative feedback that they did not believe merited additional action. First, whether it was possible to reduce the amount of reporting from administration. Ms. Samuels advised that reporting is periodically increased and decreased in a cyclical pattern. The committee agreed that each committee may determine what is necessary in order to accomplish each mandate. Second was a suggestion that the board spend time in 2021 revisiting topics that may have been missed in 2020 due to emergent issues. The committee agreed that administration had provided a significant amount of detail throughout the year and that any missed information would not materially assist the board and committees in providing guidance going forward.

The committee agreed to discuss the matter again in Q2 2021 to allow Library administration to work on the survey design over the summer for review and approval in Q4 2021. The committee requested that administration also provide a trend analysis over a period of two to three years to better identify areas needing improvement.

Task	Responsible	Deadline
Build a trend analysis report to identify areas in need of improvement.	Administration	Q2 2021
Add survey review to Q2 and Q4 in the workplan.	Administration	January 2021
Propose a solution to the need for more connection opportunities between board members during the pandemic.	Ms. Gill; Administration	January 20, 2021 (Board package deadline)

IX. Organizational Meeting Review

Mr. Mehta, after being selected as Board Chair at the Organizational meeting on November 25, 2020, advised administration of some suggestions for improving the efficiency of the meeting going forward. Mark Asberg shared these suggestions with the committee on behalf of Mr. Mehta.

First, that the first Foundation meeting and the Organizational meeting be reversed in order to introduce the new Board representative at the first Foundation meeting of the year. This has been completed and a new schedule was distributed in December 2020.

Second, that each committee identify the ideal number of members and the skills required to complete committee work for the following year. He suggested implementing this by creating a

standing item in each committee's workplan for the end of the board year to complete a skills matrix for what will be needed to complete the workplan for the following year. This information will then be presented to all members during the call for nominations.

Third, that the call for nominations before the Organizational Meeting be used to present a proposed slate of candidates for ratification.

Task	Responsible	Deadline
Revise each committee workplan to include a standing item in October for setting the priorities, composition, and skills matrix for the following year.	Administration	January 2021
Use the results of the annual call for nominations collected beforehand to create a proposed slate to be ratified at the Organizational meeting.	Administration	October 2021

X. Other business

None.

XI. Adjournment

MOVED by Ms. Gill that the meeting be adjourned at 7:27 pm.

Transcribed by Ms. Amanda Robertson

Ms. Sandy Gill, Chair
(Signed)

Organizational Meeting Procedural Changes January 27, 2021

The Governance Committee recommends the following changes to improve the efficiency of the annual Calgary Public Library Board organizational meeting:

- That the first Foundation meeting and the Organizational meeting be reversed on the schedule to allow the new Board representative to be introduced at the first Foundation meeting of the year.
 - This has been completed and a new schedule was distributed in December 2020.
- That each committee identify the ideal number of members and the skills required to complete committee work for the following year. The Governance committee recommends adding a standing item in each committee's workplan to complete a skills matrix for what will be needed to complete the workplan for the following year. This information will then be presented to all members during the call for nominations.
- That the results of the call for nominations before the Organizational meeting be used to present a proposed slate of candidates for ratification.

Unapproved Minutes

Strategy and Community Committee

Online via Microsoft Teams

Tuesday, January 12, 2021

5:30 pm

In Attendance:

Board	Administration
Ms. Crystal Manyfingers (Chair) Ms. Jocelyn Phu Mr. Andrew Rodych Ms. Sheeba Vijayan Regrets: Ms. Shereen Samuels	Mr. Mark Asberg, <i>CEO</i> Ms. Mary Kapusta, <i>Director, Communications</i> Mr. Paul Lane, <i>Director, Corporate Services</i> Ms. Sarah Meilleur, <i>Director, Service Delivery</i> Ms. Heather Robertson, <i>Director, Service Design</i> Guests: Mr. Trevor Myers, <i>Business Analyst</i>

I. Meeting Opening

Mr. Rodych respectfully opened the meeting with a Treaty 7 land acknowledgement.

II. Election of Chair

Mr. Rodych called for nominations from the floor for the position of Chair, Strategy & Community Committee. Ms. Manyfingers was declared Chair by acclamation.

Carried unanimously

III. Review of Agenda

MOVED by Mr. Rodych that the agenda for January 12, 2021 be approved as presented.

Carried unanimously

IV. Approval of Minutes

MOVED by Ms. Phu that the minutes of the October 14, 2020 meeting be approved as presented.

Carried unanimously

V. Business Arising

None.

VI. Strategic Scorecard Review for Q4 2020

Mr. Myers presented the Q4 2020 Strategic Scorecard update, which had undergone significant reformatting since the Q3 2020 update.

Mr. Myers introduced new committee members to the measures included in the report and advised that targets used were pre-pandemic values, so the results provided in the scorecard summary detail the impact of the pandemic as compared to Administration's expectations.

Mr. Myers began with How Much metrics as measured in Q4 2020. Circulation, measuring 104% for this period, includes initial check-outs of electronic materials and physical books as well as renewals. Initial check-outs of physical materials have been lower during pandemic-related closures, but a higher number of electronic check-outs as well as a newly automated renewal system are credited for this increase in overall circulation.

Virtual learning decreased in Q4 but still achieved 84% of its target goal. A Q4 decline is inconsistent with typical annual use patterns, but virtual learning has grown 11% during this atypical year.

Computer, wireless, and printing use continued to increase in Q4. Physical distancing requirements reduced public access to computers and Chromebooks. The decrease in computer use compared to 2019 is 61%, which is nearly identical to the decrease in overall visits for the same period. Curbside printing was initially offered as a pilot program at three locations in 2020 before being launched system-wide on January 13, allowing patrons to send jobs wirelessly from home.

Virtual programming continues to drive member engagement. Many traditional programs have transitioned to online models and are finding success through this medium. Library staff hosted over 650 virtual programs in Q4 as well as several outdoor family story times and atypical virtual outreaches during the reporting period.

Under How Well, which measured member sentiment in Q3 and Q4 2020, both Library Satisfaction and Program Satisfaction scores have changed little from the previous reporting period. The slight decline in Program Satisfaction may be attributed to a modification to the question in a request for feedback on virtual Library services and applications.

Computer and Room Utilization measures were excluded from this report as periodic operational changes made it too difficult to accurately calculate those scores.

Holdings Per Capita increased slightly in Q4, due in part to the purchasing of additional electronic resources to meet the increase patron demand. This will be the last report in which Holdings Per Capita is measured as the constantly evolving nature of digital publishing and license ownership makes it challenging to capture an accurate and representative measure.

Two new measures were added to the How Well category to replace Patron Engagement. Dwell Time captures the average length of patron visits and is weighted by the number of visits to each location. Increases in Dwell Time are expected to equate to increased engagement with in-person services. Repeat Visits captures the percentage of patrons who visit a library location

three or more times within a three-month period. A higher percentage of visitors in this category will indicate a higher engagement with physical spaces and services. Each measure may evolve in future reporting periods.

The data reported for the Better Off category of measures is drawn from surveys conducted with Library patrons in June and November. Each survey was administered to 400 randomly selected patrons and results represent the average of both 2020 surveys. All four measures (Personal Growth, Improved Outlook, Belonging, Inclusion) show a decline over 2019, which was attributed to service interruptions throughout 2020.

MOVED by Ms. Phu that the Strategic Scorecard Update for Q4 2020 be received as presented.

Carried unanimously

VII. Strategic Initiative Planning for 2021

Ms. Kapusta reviewed changes to Library Administration's process for determining strategic initiatives in 2021. This year's process drew from enhanced staff engagement and incorporated design thinking concepts led by the Service Design department. A design thinking approach has adapted the strategic planning work to focus on needs rather than specific tactics. This is expected to provide project teams with more flexibility in meeting the identified community needs.

The process included a system-wide survey as well as a more targeted, long-form questionnaire provided to a select group of staff trained in design thinking. The system-wide survey indicated that staff overall felt their day-to-day work is connected to and progressing towards the Strategic Plan, but the Library has room for improvement in culture and effective internal communication. Staff were also asked to identify emergent issues in the community and provided valuable insights to inform decision-making.

Next steps will be for the executive leadership team to refine the initiatives before sharing them with the Board.

MOVED by Ms. Manyfingers that the 2021 Strategic Initiative Planning report be received as presented for recommendation to the Calgary Public Library Board.

Carried unanimously

VIII. Board Retreat Discussion and Planning

Mr. Rodych provided context for new committee members by advising that the board retreat has historically been a full day with a development theme, connection exercises, a keynote speaker, strategic planning, and other discussions.

Committee members agreed that the scheduled date of Saturday, March 13, 2021 and proposed alternate dates of April 10, 2021 and May 15, 2021 be proposed to the Board for approval along with confirmation of a virtual format at the January 27, 2021 meeting. An ad hoc retreat planning committee was initiated, comprising of Ms. Manyfingers, Ms. Phu, and Ms. Vijayan and ideas and suggestions for topics will be sought from all board members.

Task	Responsible	Deadline
Form an ad hoc committee and meet to discuss the board retreat proposal.	Ms. Manyfingers, Ms. Phu, Ms. Vijayan, and Administration	January 26, 2021
Contact all board members to collect suggestions for themes, speakers, agenda items, and other matters to be considered by the board retreat planning committee.	Administration	January 18, 2021

IX. Fostering Connections between Board Members and Community Libraries

Ms. Meilleur presented the proposed slate of board member and community library partnerships, or “Board Buddies”. Ms. Phu and Ms. Manyfingers exchanged assignments, with Ms. Phu being partnered with Central Library and Ms. Manyfingers being partnered with the Forest Lawn, Saddletowne, and Village Square cluster of libraries.

Task	Responsible	Deadline
Update the proposed “Board Buddies” partnerships to assign Ms. Manyfingers to the Forest Lawn, Saddletowne, and Village Square cluster as well as Ms. Phu to the Central Library.	Administration	January 20, 2021

MOVED by Ms. Phu that the Fostering Connections between Board Members and Community Libraries report be received subject to agreed amendments for recommendation to the Calgary Public Library Board.

Carried unanimously

X. 2021 Workplan Review

The committee reviewed the 2021 workplan and noted that spotlight reports have not yet been assigned timelines, but those would be set after 2021 strategic initiatives are finalized by Administration.

MOVED by Mr. Rodych to approve the 2021 Strategy & Community Workplan.

Carried unanimously

XI. Other Business

None.

XII. Adjournment

MOVED by Ms. Phu that the meeting be adjourned at 7:00 pm.

Transcribed by Ms. Amanda Robertson

Ms. Crystal Manyfingers
Chair

Report to the Calgary Public Library Board
Strategy & Community Committee
January 12, 2021
2021 Strategic Planning Process

I. PURPOSE

To provide the Calgary Public Library Board with an update on increased staff engagement to support 2021 Strategic Initiative planning to advance the 2019 – 2022 Strategic Plan.

II. BACKGROUND

Calgary Public Library increased employee engagement as part of its 2021 planning to frame the challenges and innovations of 2020 as opportunities for future growth. This level of engagement also demonstrates the Library's intention to nurture a sense of belonging amongst all employees.

In previous years, inter-departmental managers and senior leadership would identify operational priorities that would become strategic initiatives to advance the overall Strategic Plan. These would then be finalized and reported back to all staff.

While effective, a review of the process used in previous years has suggested that this approach was limited in two important ways:

1. The principles of design thinking were not sufficiently integrated into the process. In particular, the process was overly focussed on creating a list of well-defined action items, an approach that limits the opportunity for flexibility, nimbleness, iteration, and learning in the design and implementation stages. A more fruitful course of action is to concentrate on identifying areas of potential growth and innovation which still clearly identify the path forward without limiting the possibilities for creativity, innovation, and partnership in a dynamic environment.
2. While broader staff engagement did take place in the annual planning process in previous years, it generally took the form of informal discussions at team meetings and did not offer the opportunity for participation by all employees. The organization values the input and involvement of all team members because it leads to better identification of areas for growth and innovation, stronger solutions for the future, and a more engaged and effective team with a shared investment in the Strategic Plan. The Employee Engagement Action Team (EEAT), formed in September 2020, comprised of a group of employees representing diverse levels and areas of the organization, including both CUPE and MASSA, front of house and back of house, and varied tenures with the organization provides critical feedback and develops tactics to ensure a sense of belonging across all staff. Part of this feedback process highlighted a desire to have a greater connection to leadership decisions and strategic planning.

In response to these opportunities to enrich the planning process, the Executive Leadership Team (ELT) increased design thinking elements and employee engagement for the 2021 planning cycle to develop an operational approach and strategic initiatives for 2021 that propel Calgary Public Library forward in line with its Strategic Plan, while managing the challenges of COVID-19.

III. PROCESS

In November, ELT approved a new approach to 2021 Strategic Planning that would meet the following criteria:

- Provide all Library employees an opportunity to give feedback
- Reinforce a connection between employees and the 2019 – 2022 Strategic Plan
- Evaluate the effectiveness and awareness of the 2019 – 2022 Strategic Plan amongst employees
- Understand the opportunities and ongoing challenges of COVID-19
- Integrate Design Thinking into the planning process

A small project team was assembled to support this work:

Mary Kapusta, Director, Communications (Project Lead)
Myke Atkinson, Service Design Lead
Jacqueline Puff, Corporate Service Research Analyst
Kate Schutz, Service Design Lead

The planning process has four main components that support an engaged process with design thinking elements.

General Staff Survey (December 8 – 23)

A brief survey was sent to all staff to gain insight into the challenges and opportunities of 2020 and what areas of the overall Strategic Plan may resonate more deeply with staff. The survey provided a high-level overview of the Strategic Plan's core strategies and priorities. Questions captured which priorities have the most positive impact on the patron experience and collective work culture, emerging community needs, and whether employees feel their work is connected to the Strategic Plan.

The survey was conducted between December 8 – 23, 2020. The population size was 761 staff members. For a 95% confidence level, this requires a response rate of 256 respondents. The survey finished with 245 completed surveys, so the confidence level is between 94% to 95%. If replicated, the results of this survey would be accurate 18-19 times out of 20.

Strategic Plan Questionnaire (December 7 – 23)

A long form questionnaire was circulated to planning session participants, Visitor Experience Team (VET), and EEAT members to understanding learnings and opportunities during COVID, gauge operational pressure points, and highlight areas for investment and innovation.

The response rate was 57%, with 36 respondents to the Long Format Questionnaire. This content is currently under review and will inform the Leadership Planning Session.

Design Approach Workshop (December 2 and 15)

A two-hour workshop facilitated by Service Design with planning session participants, VET, and EEAT members introduced design thinking to a wider audience. This workshop prepared participants to complete the long form questionnaire.

Objectives:

- To foster a designer mindset where staff learn to identify problems and opportunities, NOT solutions / tactics.
- To put the empathy phase into practice (and to stop before ideation / brainstorming).
- To remain future-focused while being informed by previous experience

Leadership Planning Session (January 12)

Half-day workshop with inter-departmental leadership to review survey data and to establish areas of priority for work in 2021.

Objectives:

To put the define phase into practice by:

- understanding the main themes and trends uncovered in staff surveying
- defining operational realities that have been previously committed to / carried over from 2020
- remain future-focused while being informed by previous experience
- condensing and prioritizing areas of opportunity identified by staff
- defining and prioritizing *twelve* How Might We statements from which 2021 Strategic Initiatives will emerge:
 - One community need and one organizational need identified for each of the six pillars of the Strategic Plan

IV. PROCESS

The Leadership Planning Session is scheduled to take place on January 12, 2020 and will be facilitated by Service Design.

The support and work of Service Design is notable as it will continue to influence future planning approaches and create a wider understanding of design principles and their value in the organization. ELT will review the effectiveness of this approach and it may be enhanced and / or expanded for 2022.

V. RECOMMENDATION

That the Strategy and Community Committee recommend that the Calgary Public Library Board receive this report, *2021 Strategic Planning Process*, for information.

Submitted by:

Mary Kapusta
Director, Communications

**Report to the
Calgary Public Library Board
Strategy & Community Committee
January 12, 2021**

Fostering Connections between Board Members and Community Libraries

While respecting the boundary between Library governance and operations, the Board has indicated a desire for more clearly-defined opportunities to contribute to the achievement of the Library's strategic initiatives, as well as a clearer understanding about the community relationships that the Library has, and is pursuing, and how Board members can add value. To those ends, defining a framework and developing connections between individual Board members and specific community libraries has the potential to deliver value in the following ways:

1. Board members can demonstrate interest in and ongoing support for library team members and their work.
2. Board members will have increased opportunities to interact with patrons and, more generally, to demonstrate the value of the Library to Calgarians.
3. Board members can observe the Library in action, improving their ability to provide feedback and guidance on Library strategies at the governance level.
4. Service Delivery Managers and Board members will leverage Board members' existing connections and community profile in order to contribute to the success of library work that depends on local relationships.

The following four points provide a framework for how the relationship between community libraries and individual Board members can bring value to the Library and the Board.

1. The Service Delivery Manager and the Board member will meet and tour the library once annually with an eye to providing the Board member with updates on recent, ongoing or upcoming service, programming, community outreach and facility initiatives.
2. Attendance at 1-2 high profile events in the community library annually will provide opportunities for Board members to interact with patrons, to observe the Library in action, and to demonstrate support for the Library's work. These high profile events will generally be identified by Service Delivery Managers, who will then offer invitations to Board members through the CEO's office, but Board members are also welcome to approach Service Delivery Managers should there be a particular event that interests them. Examples of high profile events include:
 - community library anniversary celebrations
 - launches of new services or programs
 - grand openings, post-renovation celebrations or donor recognitions
 - large-scale events in the community in which the library is participating.
3. As opportunities are identified, Service Delivery Managers and Board members will leverage Board members' existing connections and community profile in order to contribute to the success of library work that depends on local relationships (as opposed to system-wide partnerships stewarded by Library administration). While the library has

a strong suite of developed services, in-house programs and outreach activities, Board Members might facilitate introductions between community libraries and key figures in local community organizations in which a Board member may be involved and to which the Library's suite of services and programs may be of value (e.g. Bow Valley Colleges, Immigrant Services Calgary, Action Dignity, community associations, etc.).

4. In order to continue learning about the advantages and opportunities arising from pairing Board members and community libraries, each Board member will share their experiences, ideas, and activities at Board meetings in the "Advocacy Updates" agenda item. These updates will include mention of:
 - valuable experiences they have had as a result of their being linked to individual community libraries;
 - opportunities identified and advanced through the community library/Board member linkage; and/or
 - suggestions for refining or advancing this framework.

Sarah Meilleur
Director, Service Delivery

Board-Community Library Connections Proposed January 12, 2021

Organized by Management Cluster¹

2020-2021 Community Library/Board Connections				
Service Delivery Leadership	Community Libraries	Board Member ² 2018-2019	Board Member 2019-2020	Proposed 2020-2021
Allison Streit	Nose Hill	Isaac Elias	Haritha Devulapally	Haritha Devulapally
	Signal Hill			
Jean Ludlam	Bowness	Debra Giles	Sandy Gill	Sheeba Vijayan
	Crowfoot			
	Rocky Ridge			
Donna Bedry	Giuffre Family	Janet Hutchinson	Janet Hutchinson	Sandy Gill
	Louise Riley			
	Memorial Park			
Sara House & Mary Graham	Central	Robert Macaulay	Robert Macaulay	Jocelyn Phu
Allison Thomson	Central Support			
	Nicholls Family			
Barb Gillard	Fish Creek	Avnish Mehta	Shereen Samuels	Shereen Samuels
	Quarry Park			
	Southwood			
Shannon Slater & Brin Bugo	Forest Lawn	Jocelyn Phu	Jocelyn Phu	Crystal Manyfingers
	Saddletowne			
	Village Square			
Evette Berry	Seton	Andrew Rodych	Andrew Rodych	Andrew Rodych
	Shawnessy			
Chelsea Murray	Country Hills	Shereen Samuels	Avnish Mehta	Avnish Mehta
	Judith Umbach			
	Sage Hill			

¹ Organizing these connections according to management cluster streamlines the process, allows for a deeper dive into the Library's impact in a specific area of the city, and increases understanding of the important interdependencies that exist among libraries within individual clusters.

² City Councillor Board members maintain ongoing connections with the Libraries located within their respective wards.

Unapproved Minutes
Audit and Finance Committee Meeting
Calgary Public Library Board
Online via Microsoft Teams
Tuesday, January 19, 2021
5:30 pm

In Attendance:

<u>Board</u> Mr. Andrew Rodych (<i>Chair</i>) Ms. Haritha Devulapally Ms. Sandy Gill Ms. Sheeba Vijayan <u>Regrets</u> None	<u>Administration</u> Mr. Mark Asberg, <i>CEO</i> Ms. Katrina Ducs, <i>Financial Services & Procurement Lead</i> Mr. Chae Jun, <i>Controller</i> Mr. Paul Lane, <i>Director, Corporate Services</i> Ms. Sarah Meilleur, <i>Director, Service Delivery</i> Mr. Trevor Myers, <i>Business Analyst</i>
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I. Treaty 7 Opening

Mr. Rodych respectfully opened the meeting with a Treaty 7 land acknowledgement.

II. Election of Chair

On behalf of the committee, Mr. Asberg called for nominations from the floor for the position of Chair, Audit & Finance Committee. Mr. Rodych was declared Chair by acclamation.

Carried unanimously

III. Review of Agenda

MOVED by Ms. Devulapally that the January 19, 2021 Audit and Finance Committee meeting agenda be approved as circulated.

Carried unanimously

IV. Approval of Minutes

MOVED by Ms. Gill that the minutes of the October 20, 2020 meeting be approved as circulated.

Carried unanimously

V. Business Arising

None.

VI. Review of Audit & Finance Committee Mandate

Mr. Rodych reminded the committee that the mandate was most recently updated in 2020 in granting the ability to authorize the audit plan at the committee level. No changes were proposed for 2021.

MOVED by Mr. Rodych that the Audit & Finance Committee Mandate be approved as presented.

Carried unanimously

VII. 2021 Workplan Review

Based on discussions at the October 20, 2020 meeting, an annual insurance review was added to the workplan schedule for March of each year.

MOVED by Ms. Gill that the 2021 Workplan be approved as presented.

Carried unanimously

VIII. Risk Register Review

Mr. Myers presented the Q4 2020 Risk Register, highlighting the metrics showing a heightened risk of preventing the Library from meeting the objectives of its strategic plan.

Some of the risk profiles are impacted by the lack of 2020 census data. Because the register is calculated using 2019 population data, some of the risk measures will be expected to increase when a higher population is reported after the next census.

Building visits were down considerably due to location closures in December as ordered by the Province of Alberta in response to the global pandemic. Website visits were also down significantly compared to previous years. Drivers of website traffic such as program registration continue to be negatively impacted by reduced in-person services.

Circulation increased in Q4 2020, though was still lower than previous years and therefore missed targets set before the pandemic. The strong number in Q4 is partially attributed to a newly introduced auto-renewal process increasing the number of overall renewals.

Incidents at the Central Library showed an increase compared to the same period in 2019. As in Q3, this measure was impacted by a greater than usual number of incidents occurring outside the building. Excluding exterior incidents, the value decreases from 9.3 incidents per 10,000 visits to only 5.67. There has been an increase at all library locations of verbally abusive and threatening comments, consistent with the experience of other public service workers during the pandemic.

Ms. Meilleur provided additional context regarding the pandemic and other contributing factors. At community libraries, incidents consist primarily of verbally abusive or threatening behaviour as well as anger about being asked to wear masks, or keep them on, while in the library. This is in line with experiences at other customer-focused venues, such as retail and public service.

At Central Library, Ms. Meilleur advised that many of the incidents are still occurring outside of the building and outside of regular library hours as was reported in Q3 2020. These exterior incidents are more commonly related to drug use and indecency. When the initial closures occurred in March, administration worked with CMLC and CEMA to provide portable toilets as a temporary measure to provide an appropriate option to reduce incidents of indecency. Closures that began in December did not involve this mitigation tool and indecency reports have been higher as a result. Other institutions nearby have shared that they are experiencing higher numbers of attempted unauthorized entries to use toilet facilities and seek shelter.

Ms. Meilleur reminded the committee that with visitation numbers being down drastically, and the impacts of the pandemic continuing, mitigation strategies are limited by public health constraints. The Library continues to work collaboratively with multiple community partners to effect change within these public health measures.

MOVED by Ms. Devulapally that the Q4 2020 Risk Register be recommended as presented to the Calgary Public Library Board.

Carried unanimously

IX. Year End Financial Review

Mr. Jun presented highlights from the Financial Review for the year ending December 31, 2020, beginning with the cash position forecast. The balance increased by \$2.8 million from \$6.4 million at the beginning of the year to \$9.2 million at year end despite revenue decreasing by \$4.3 million, primarily due to the decrease in funding from the City of Calgary as well as the fine-free policy introduced in 2020.

Expenses decreased overall by \$6 million, primarily due to salary and benefits expense reductions during temporary layoffs as well as unusually high position vacancies resulting from uncertainty experienced throughout 2020. There was an increase of \$1.46 million in expenditures, which is primarily attributed to e-resource procurement to meet increased demand during the pandemic.

2020 ended with a \$2 million increase in net financial assets from the beginning of the year.

Tangible Capital Assets decreased due to higher amortization (\$6.4 million) than the new additions (\$3 million).

MOVED by Mr. Rodych that the Audit and Finance Committee accept the Controller's Report and Financial Statements and Lifecycle Reports for the year ended December 31, 2020 for recommendation to the Calgary Public Library Board.

Carried unanimously

X. 2021 Budget Report

Mr. Jun presented an overview of the 2021 Budget Report. Mr. Jun advised that the 2021 budget is balanced based on funding commitments made by the City of Calgary in their 2019 – 2022 budget cycle and the Calgary Public Library Foundation.

The budget included all necessary contractual increases over 2020 values. Salaries continue to be the primary expense with all other expenses being carefully monitored through internal controls.

\$0.8 million from the 2020 cash surplus has been allocated for additional unfunded projects in 2021.

Administration expects a decrease in accumulated surplus of approximately \$2.5 million due to the decrease in tangible capital assets as the organization is amortizing more than is being added.

Lifecycle funding is \$6.7 million in 2021, most of which is from the City of Calgary. The net amount expected to remain at the end of 2021 is approximately \$2 million, which will then be carried forward into 2022.

MOVED by Ms. Devulapally that the 2021 Budget Report be recommended as presented to the Calgary Public Library Board.

Carried unanimously

XI. Creation of an Operating Reserve and Confirmation of Credit Facility

Mr. Jun presented a report requesting the creation of a \$3 million operating reserve as well as confirmation of the Library's \$4.5 million revolving credit facility provided by the Royal Bank of Canada.

Mr. Jun advised that the Library already has a capital reserve and is seeking to establish an operating reserve as well. This instrument would allow the Calgary Public Library Board to allocate funds from the annual operating budget unrestricted surplus to a reserve specifically intended for use in covering unplanned operating expenses.

Administration recommends the creation of the operating reserve in order to increase board oversight regarding the surplus.

MOVED by Ms. Gill that the \$4.5 million credit facility be recommended as presented to the Calgary Public Library Board.

Carried unanimously

MOVED by Mr. Rodych that the Creation of an Operating Reserve Report be recommended as presented to the Calgary Public Library Board.

Carried unanimously

XII. Other Business

None.

XIII. Adjournment

MOVED by Ms. Devulapally that the meeting be adjourned at 7:30 pm.

Transcribed by Ms. Amanda Robertson

Mr. Andrew Rodych,
Chair

**Report to the
Calgary Public Library Board
Audit and Finance Committee
January 19, 2021**

Risk Register Update for Q4 2020

I. ALIGNMENT

The Risk Register is a requirement of the City of Calgary and a governance best practice. The purpose of this report is to provide the Committee with updated results for the end of Q4 2020.

II. BACKGROUND

The Risk Register is intended to identify and quantify risks that would prevent Administration from achieving the goals of the Strategic Plan. Specifically, four risks have been identified:

Relevance – is the risk that community indifference negatively impacts ability to improve the quality of life in Calgary through Library services and programs.

Finance – is the risk that available funding is insufficient to address community needs or to allow the Library to adapt or grow as demand dictates.

Operations – is the risk that ineffective processes negatively impact the ability to successfully manage complexity and change.

Security – is the risk that real or perceived safety and security concerns negatively impact organizational capacity, reputation, and community support.

Each risk is quantified through several specific risk factors, which are mitigated to varying degrees. The recently assessed status of each risk factor is the detail of the risk register and is explained in the attached series of dashboards. The first page of the dashboard package summarizes all measures.

III. CURRENT RESULTS

There are currently 14 risk factors under active monitoring, 11 of which were updated for this report. Updated measures are indicated by bold typeface on the summary page at the front of the attached dashboards.

Of these 11 risk factors, 5 have been categorized in the low threat range, 2 under the medium threat range, and 4 under the high threat range.

Range	# of Measures	Notes
	5	
	2	Library Space per Capita, Community Libraries Incidents
	4	Circulation per Capita, Building Visits, Website visits, Central Library Incidents

All library locations were open between October 1st and December 12th and though building visits increased in October, they decreased once more as public health restrictions were reintroduced. Prior to the restrictions, many locations were regularly reaching capacity and experiencing queues for entry, indicating a strong desire for Library services.

Website visits are still significantly lower compared to the same quarter in previous years. Drivers of website traffic such as program registration continue to be negatively impacted by reduced in-person services.

Circulation was strong in Q4 2020, due in part to auto-renewal increasing the number of overall renewals. Despite that, circulation is still considerably lower than in previous years.

Incidents at the Central Library once more showed a marked increase compared to the same quarter last year. As in Q3, this measure was impacted by a greater than usual number of incidents occurring around the exterior of the library. If exterior incidents are excluded, this value decreases from 9.3 incidents per 10,000 visits to only 5.67. There has been an increase at all library locations of verbally abusive and threatening comments, consistent with the experience of City staff and symptomatic of the ongoing pandemic. Administration is navigating these challenges, supporting Library staff and forming strategic partnerships to address safety concerns.

IV. **CONCLUSION**

The effects of the ongoing pandemic and the reintroduction of provincial public health restrictions have had a large impact on many areas of Library operations. Progress towards strategic goals has been similarly affected and though the Library has adapted to meet the challenges of 2020, there is still an elevated risk across multiple performance indicators. Building visits are a main driver of engagement and the increased health restrictions and closure of locations had a significant effect on the use of many Library services. Calgary Public Library continues to evolve however, finding new ways to offer service that meet the needs of Calgarians during this unprecedented time.

V. **RECOMMENDATION**





























1. That the Audit and Finance Committee recommends this report, ***Risk Register Update for Q4 2020***, to the Calgary Public Library Board.

Trevor Myers,
Business Analyst, Corporate Services

att: Q4 2020 Risk Register

RISK REGISTER





























Q4 2020 SUMMARY

	Risk Factor	Current Value	Current Status	Target Status	Next Update
RELEVANCE: The risk that community indifference negatively impacts ability to improve the quality of life in Calgary	Active Memberships	55.5			Q1 2021
	Satisfaction Score	4.8			Q2 2021
	Volunteer Support	99			Q4 2020
	Circulation per Capita	9.49			Q4 2021
	Risk Factor	Current Value	Current Status	Forecast Status	Next Update
FINANCE: The risk that available funding is insufficient to address community needs or to allow the Library to adapt or grow as demand dictates	Net Financial Assets	\$5.08M			Q1 2021
	Fraud	\$0.00			Q1 2021
	Operating Cost per Use	\$1.26			Q1 2021
	Municipal Grant per Capita	\$39.14			Q3 2021
	Risk Factor	Current Value	Status	Forecast Status	Next Update
OPERATIONS: The risk that ineffective processes negatively impact the Library's ability to manage complexity and change	Building Visits	-60.4			Q1 2021
	Website Visits	-2.79			Q1 2021
	Library Space per Capita	0.45			Q4 2021
	Staff Engagement	NR			Q2 2020
	Risk Factor	Current Value	Status	Forecast Status	Next Update
SECURITY: The risk that real or perceived safety and security concerns negatively impact organizational capacity, reputation, and community support	Community Libraries Incidents	1.68			Q1 2021
	Central Library Incidents	9.28			Q1 2021

RISK REGISTER

RESIDUAL RISK FORECAST

MITIGATION STATUS

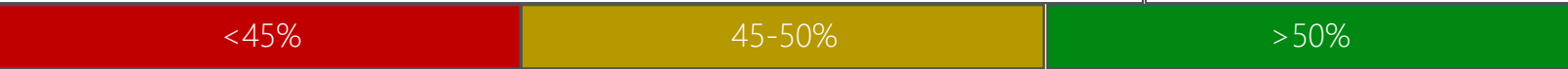
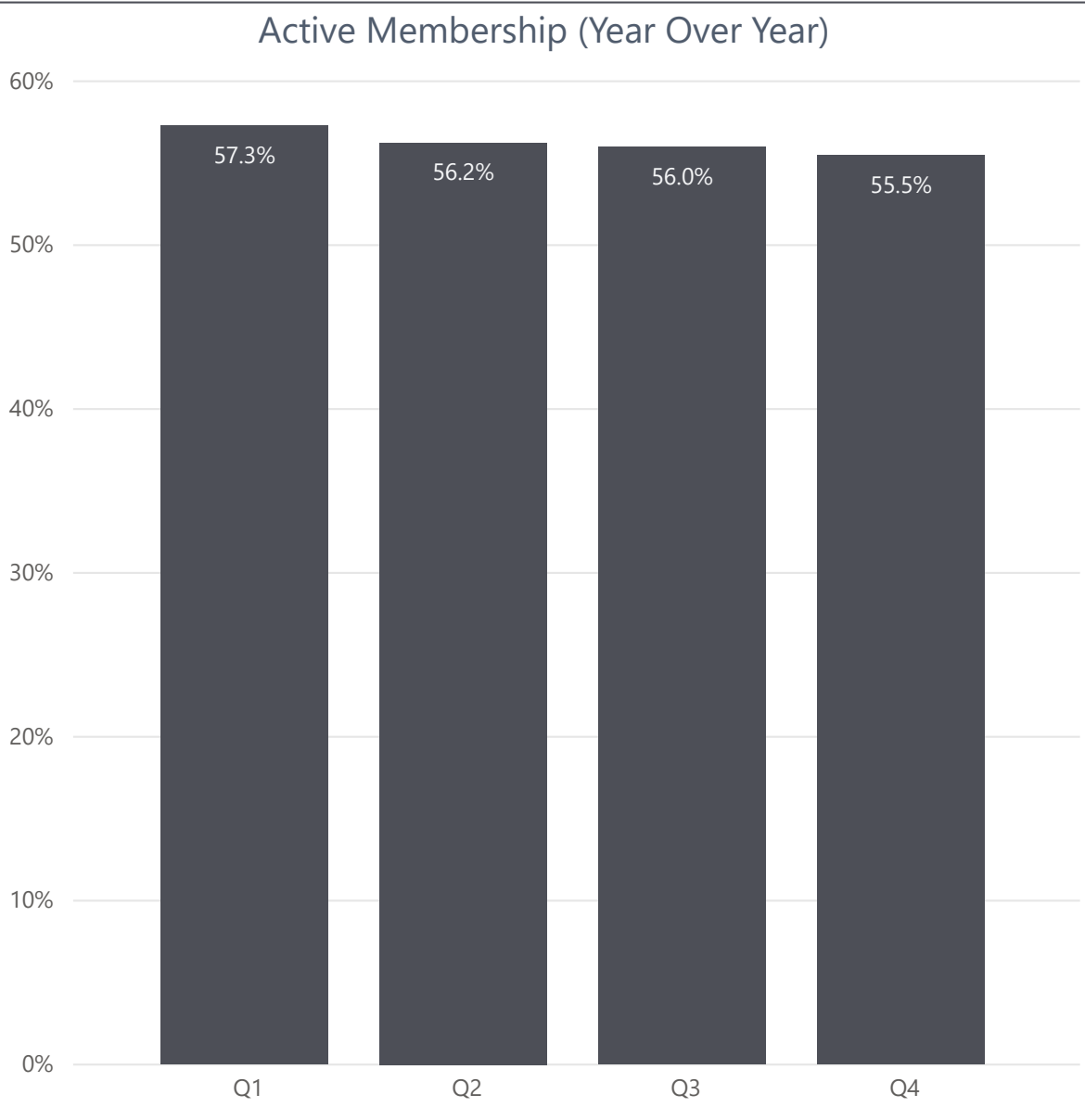
Risk Factor	No Mitigation Estimate	Post-Mitigation Target
Active Memberships		
Satisfaction		
Volunteer Support		
Circulation per Capita		
Net Financial Assets		
Fraud		
Operating Cost per Use		
Municipal Grant per Capita		
Building Visits		
Virtual Visits		
Library Space per Capita		
Staff Engagement		
Community Library Incidents		
Central Library Incidents		

This table presents Administration's estimate of the level of risk inherent in each factor in the absence of any mitigation (No-Mitigation) and the level of residual risk remaining (Post-Mitigation) after implementation of the mitigation strategies and actions that Administration considers prudent based on currently known conditions and assumptions.

Administration uses a 3 X 3 matrix consisting of High – Medium – Low assessments of Likelihood and Impact. To be High (Red) overall it is necessary that a High rating be combined with at least a Medium rating. Similarly, a Low (Green) overall result requires a Low rating be combined with no higher than Medium.

Year

2020



Q4 2020 Active Membership

55.5%✓

Goal: 50.00% (+ 10.96%)

Active Membership

Total active members divided by population of the service area. Reported quarterly.

The number of active library users is a direct indicator of the degree of relevance to the community. Relevance is a necessary condition to achieve the aims of the Strategic Plan.

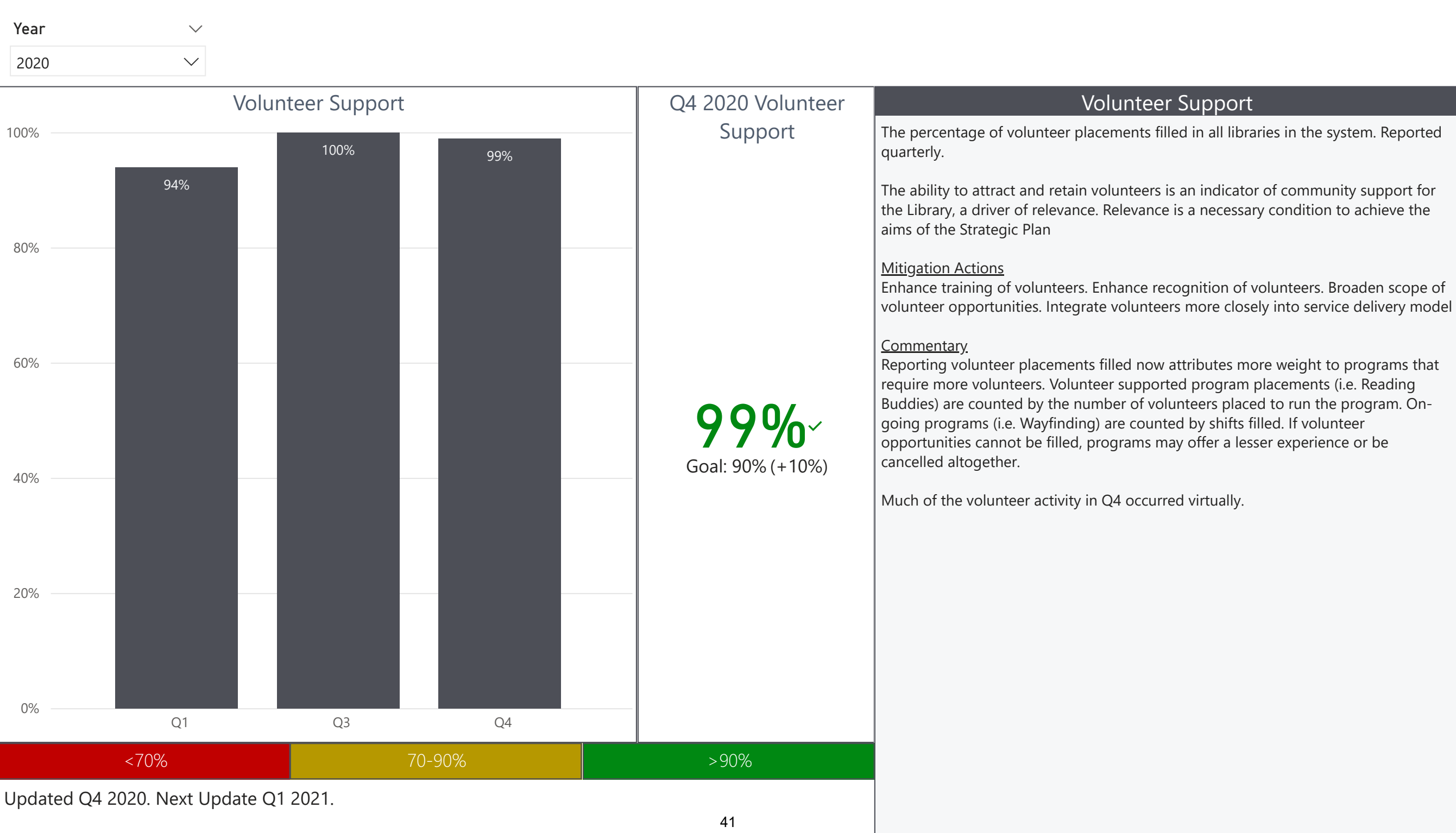
Mitigation Actions
Increase outreach to areas distant from a convenient library branch. Co-locate library branches with complementary services and amenities. Contact expiring members with easy renewal options. Increase the availability and quality of online offerings. Customer appreciation events and promotions. Reduce financial and procedural barriers to membership. Create gathering and meeting spaces to decrease social isolation.

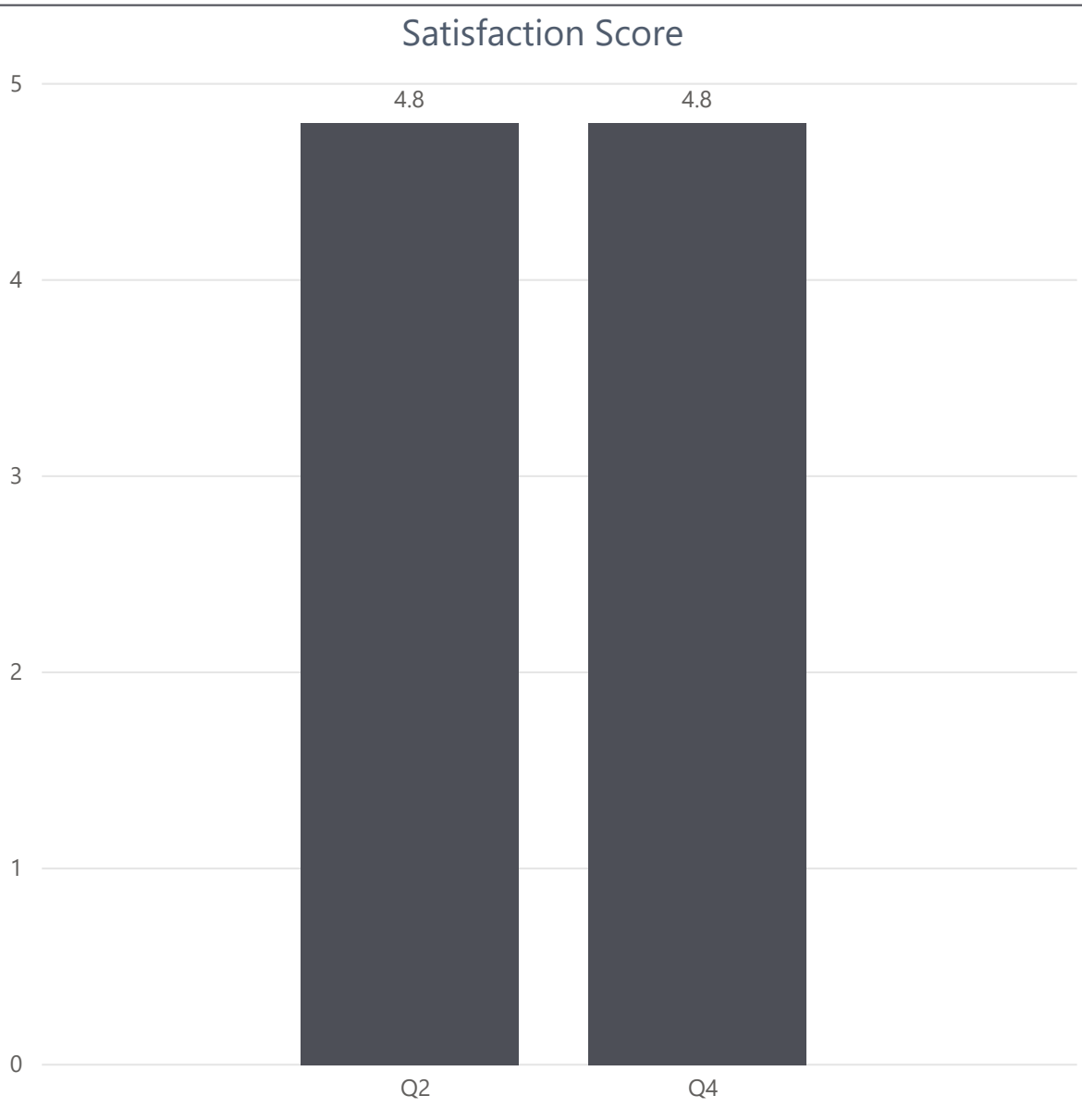
Commentary.
Latest Values:
713,333 active members
2019/2020 census population of 1,285,711 (*the 2020 city census was not conducted*)
20,008 new members registered during Q4

New membership peaked in October at 11,587, slightly more than the same month in 2019. New membership dropped along with visits in the following months as public health restrictions increased.

Calgary Public Library Members as a proportion of overall population is well above the national median of 39.2 (MBNCanada, 2018).

Updated Q4 2020. Next Update Q1 2021.



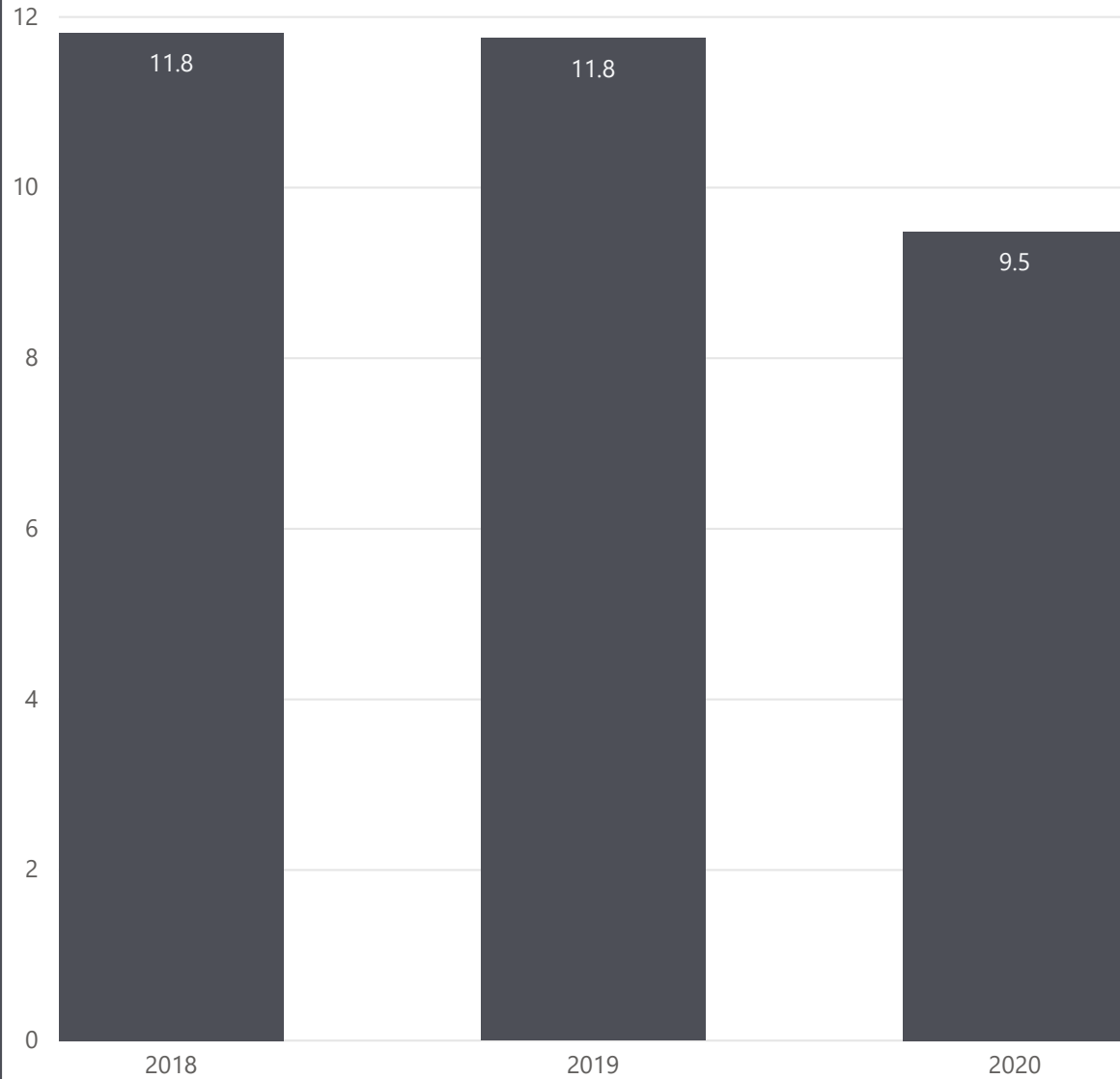
<div>Year<div>2020</div></div>								
<div><div>Satisfaction Score</div><table><tr><th>Quarter</th><th>Satisfaction Score</th></tr><tr><td>Q2</td><td>4.8</td></tr><tr><td>Q4</td><td>4.8</td></tr></table></div>	Quarter	Satisfaction Score	Q2	4.8	Q4	4.8	<div><div>Q4 2020 Satisfaction Score</div><div>4.80✓</div><div>Goal: 4.50 (+6.67%)</div></div>	<div><div>Satisfaction Score</div><div>Average rating of satisfaction with overall library service in a random sample of library users. Reported semi-annually in Q2 and Q4.</div><div>High levels of user satisfaction are a driver of discretionary decision-taking to use library services, and thereby increase relevance. Relevance is a necessary condition to achieve the aims of the Strategic Plan.</div><div><div>Mitigation Actions</div><div>Update appearance and amenities in all community libraries. Focus programs and services on areas of biggest impact and need. Improve merchandising and presentation of collections. Increase training in service excellence. Seek input from service professionals.</div></div><div><div>Commentary</div><div>Member satisfaction with the Library is generally quite high. Latest survey was conducted in November 2020. 400 respondents were asked for their overall satisfaction with their experience with Calgary Public Library.</div></div></div>
Quarter	Satisfaction Score							
Q2	4.8							
Q4	4.8							
<div><div><3.5</div><div>3.5-4.5</div><div>>4.5</div></div>								
Updated Q4 2020. Next Update Q2 2021.		42						

Year

2020



Circulation per Capita



Q4 2020 Circulation per Capita

9.49!
Goal: 12.50 (-24.11%)

Circulation per Capita

Total circulation divided by population of the service area. Reported annually in Q4.

Circulation is the primary driver of Library membership and use. The depth of lending is an indicator of the degree of user engagement with the Library. Member engagement is a necessary condition for achieving the aims of the Strategic Plan.

Mitigation Actions

Collection purchases are made in response to member preferences, monitoring the use of existing collection, and in response to marketplace trends.

Commentary

Latest values:

2020 circulation of 12,196,341

2019/2020 census population of 1,285,711 (*the 2020 city census was not conducted*)

The COVID-19 health crisis of 2020 had a significant impact on all library services, including circulation. Library visits are a driver of this category and with significantly fewer visits in 2020, the measure suffered. Libraries were closed to the public between the dates of March 11th and June 23rd. They closed once more on December 13th. Curbside hold pickup has been an option for members to secure physical materials since May.

Circulation per capita shifts with both circulation and population. In typical years, Calgary Public Library's circulation per capita is significantly higher than the national median of 8.62 (MBNCanada, 2018).

<10.0

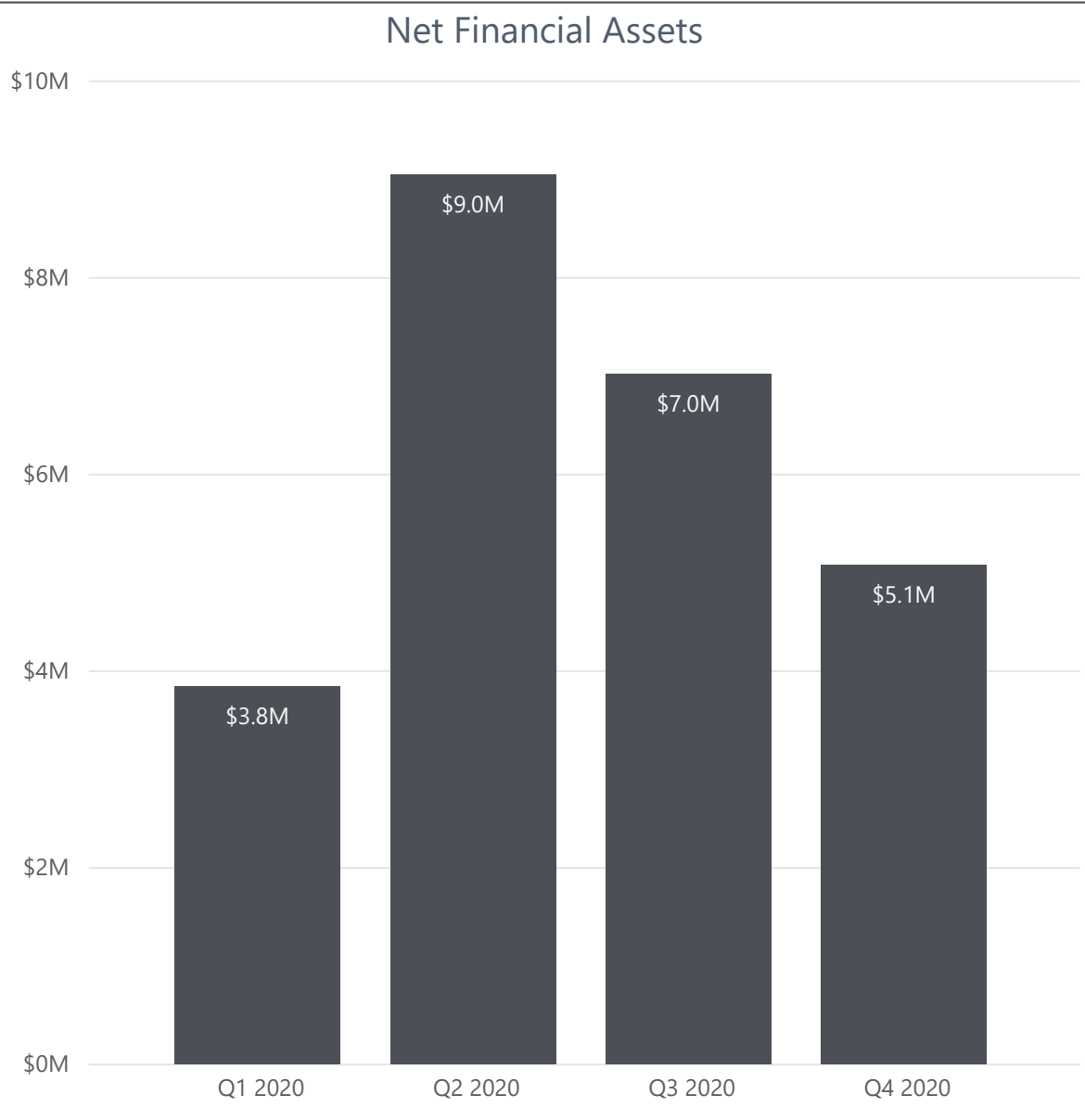
10.0-12.5

>12.5

Updated Q4 2020. Next Update Q4 2021.

Year

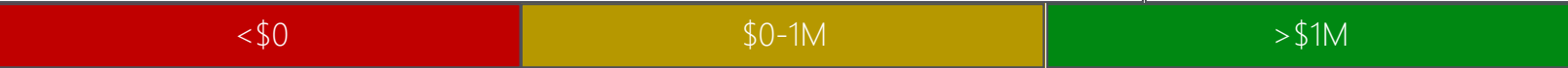
2020



Q4 2020 Net Financial Assets

\$5.08M ✓

Goal: \$1M (+408%)



Updated Q4 2020. Next Update Q1 2021.

Net Financial Assets

Net financial assets as determined by the Library’s customary accounting standards. Reported quarterly.

Sufficient net financial assets are an indicator of the Library’s resiliency, which is a necessary condition for stakeholders to maintain confidence in the Library and provide sufficient funding to achieve the aims of the Strategic Plan.

Mitigation Actions
Annual budget creation is preceded by reviews of past and known future budget pressures – no category of expense can roll forward unexamined. Monthly oversight of budget results by budget managers and ELT separately. Quarterly oversight by the Library Board’s Audit & Finance Committee.

Commentary.
The second half of the Provincial Operating Grant was received in late September, inflating cash holdings at the end of Q3. The City of Calgary disbursed Q3 funds in June instead of July, resulting in higher net financial assets than would normally be reported in Q3 and Q4.

With minimal reserve funds, the level of net financial assets closely follows the pattern of quarterly operating grant receipts because expenses are very consistent month to month.

Year

2020



Updated Q4 2020. Next Update Q1 2021.

Q4 2020 Fraud

\$0 ✓
Goal: \$0.00

Fraud

Cumulative value of fraudulent transactions identified. Reported quarterly.

Good stewardship is a necessary condition for stakeholders to maintain confidence in the Library and provide sufficient funding to achieve the aims of the Strategic Plan.

Mitigation Actions

Adherence to policies and procedures. Documented procedures including segregation of duties, purchasing controls, one up approval, and external auditing.

Commentary.

Risks are increasingly electronic and sophisticated.



Year

2020

Municipal Grant per Capita

\$40.54

\$40.80

\$39.14

Q3 2018

Q3 2019

Q3 2020

<\$39.00

\$39.00-42.00

>\$42.00

Updated Q3 2020. Next Update Q3 2021.

Q3 2020 Municipal Grant per Capita

\$39.14!

Goal: \$42.00 (-6.8%)

Municipal Grant per Capita

Municipal operating grant divided by population of the legal service area. Reported annually in Q3.

Consistent and adequate funding is a driver of success in achieving the aims of the Strategic Plan.

Mitigation Actions

Transparency and openness with government and other funders. Effective, efficient delivery of current services and programs.

Commentary.

Latest values are
2020 municipal grant of \$50,327,720
2019/2020 census population of 1,285,711 (*the 2020 city census was not conducted*)

By comparison, the Provincial grant (2020) is \$5.33 per capita.

The major source of funding, the municipal grant should grow at the rate of inflation plus population growth if the Library is to be consistently resourced.

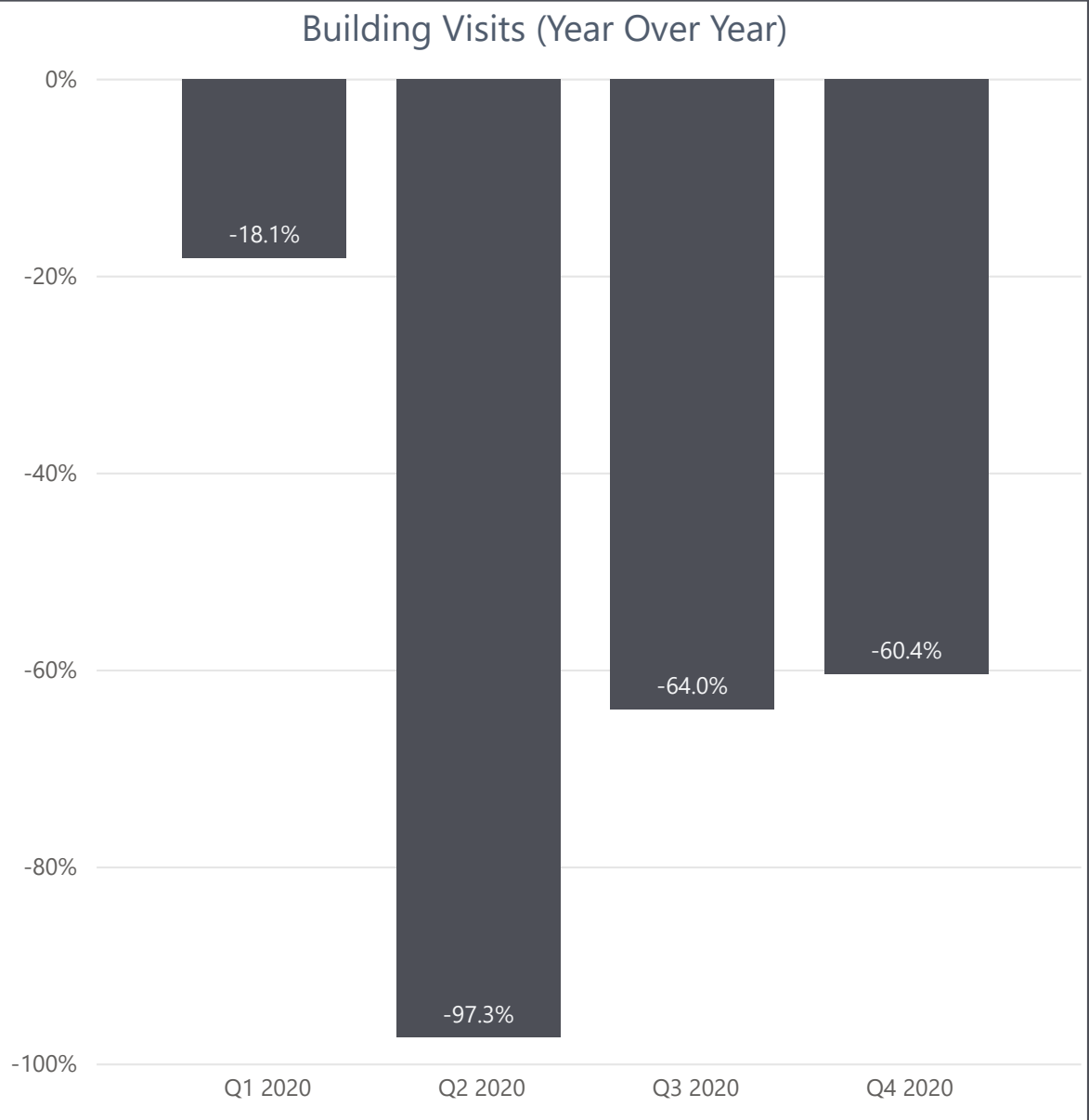
Since 2015, inflation in Calgary has been 6.55% and population growth has been 4.55%, where the grant per capita has increased 16.04%. At the same time, Calgary Public Library has added 3 library locations and opened the new (larger) Central Library.

A decrease in operating grant per capita indicates budget is not keeping pace with cost drivers.

47

Year

2020



Q4 2020 Building Visits

- 60.4% !

Goal: 5.0% (-1307.3%)



Updated Q4 2020. Next Update Q1 2021.

Building Visits

The year-over-year change in the number of physical visits to all libraries. Reported quarterly.

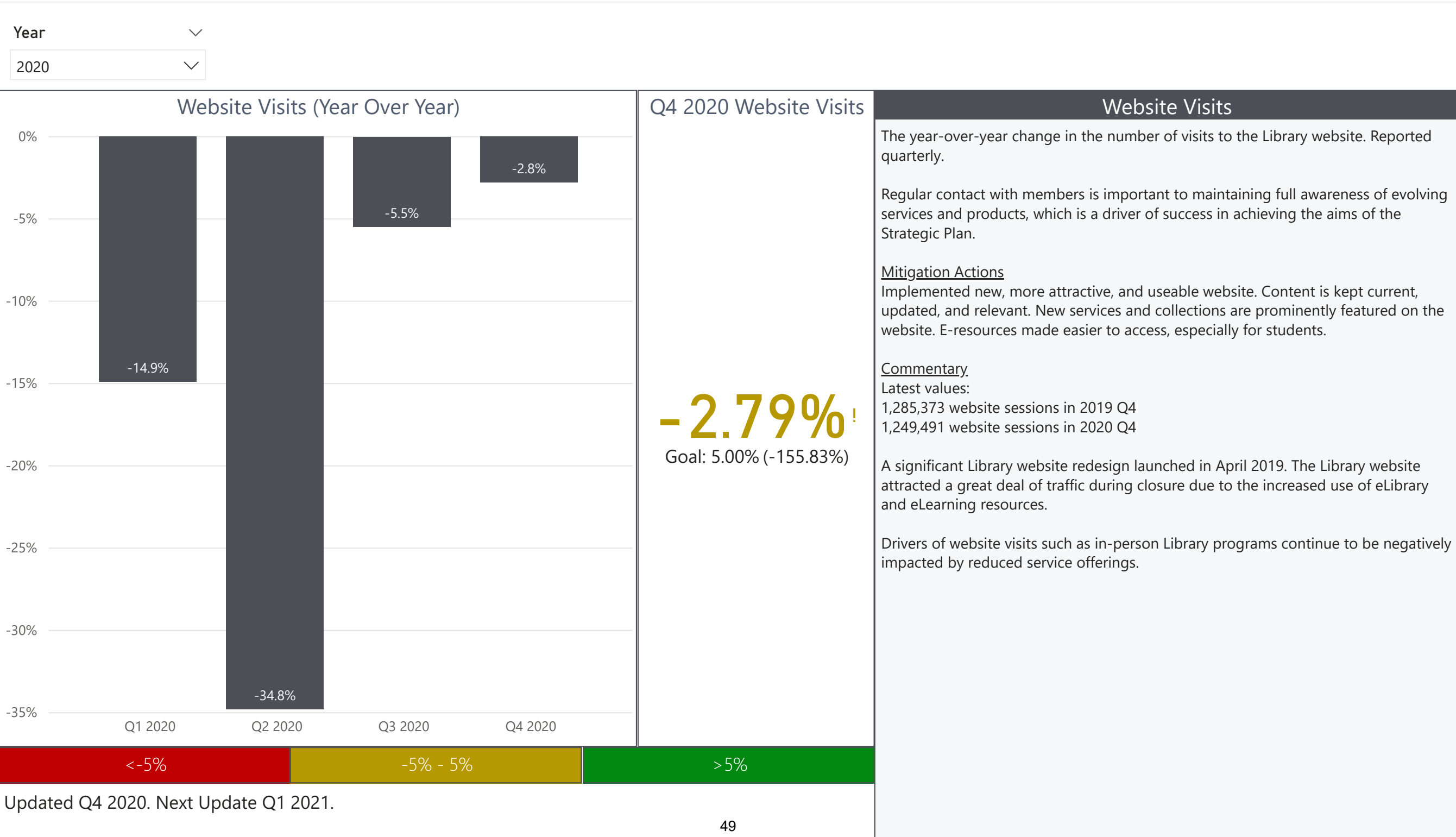
Regular contact with members is important to maintaining full awareness of evolving services and products, which is a driver of success in achieving the aims of the Strategic Plan.

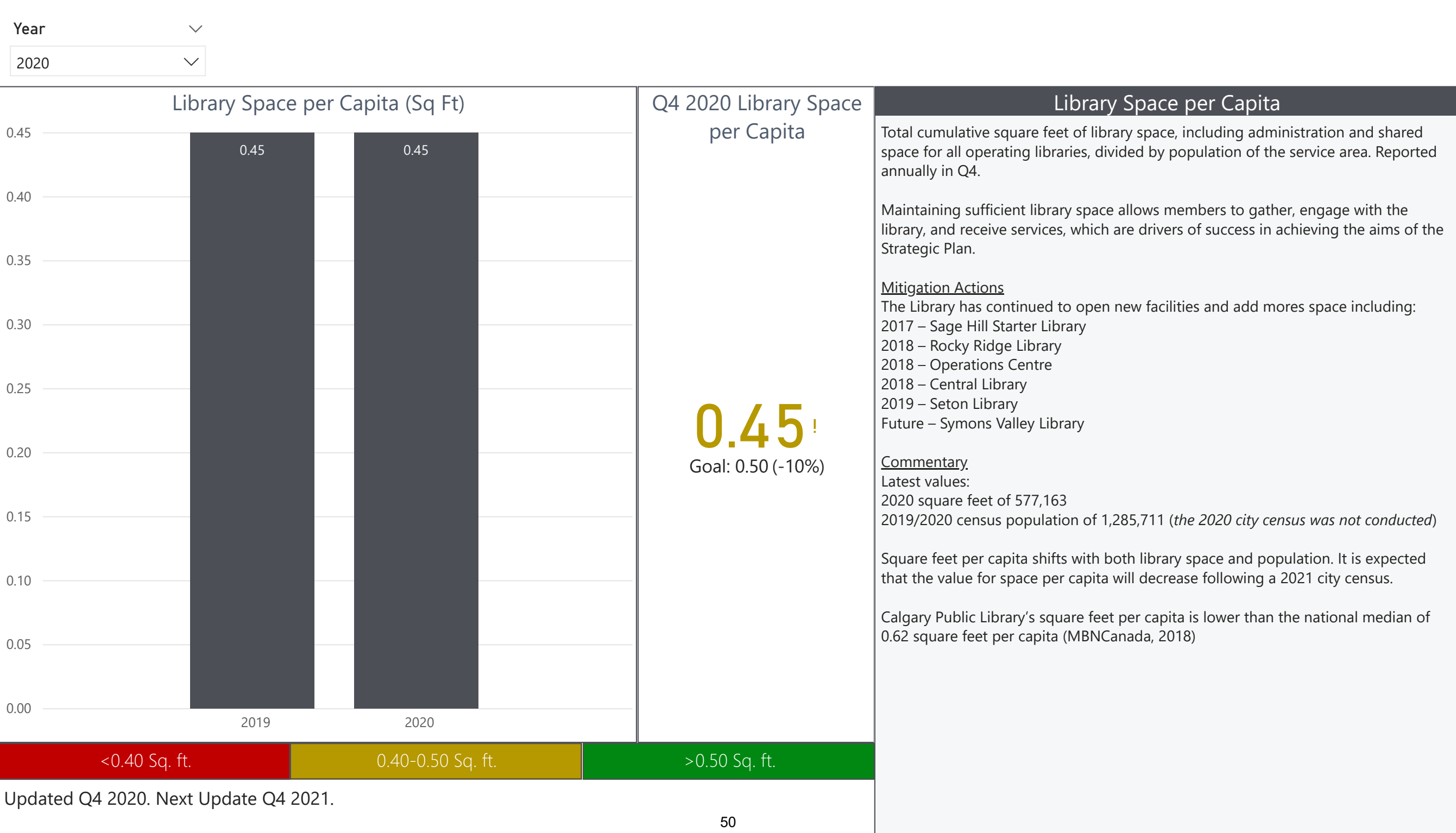
Mitigation Actions
Enhance look and feel of all libraries. Increase hours of service. Increase in-branch programming. Free room rentals. Add locations in maturing communities.

Commentary
Latest values:
1,852,745 visits in 2019 Q4
734,340 visits in 2020 Q4

All 21 libraries were open to the public between October 1st and December 12th, 2020. Metered entry was in place during this time to ensure sufficient physical distancing and many locations periodically experienced queues for entry.

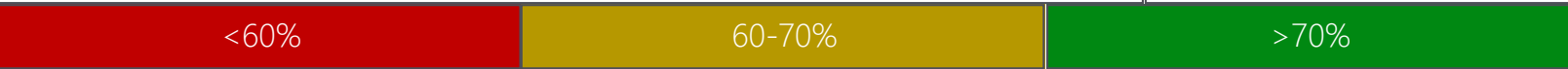
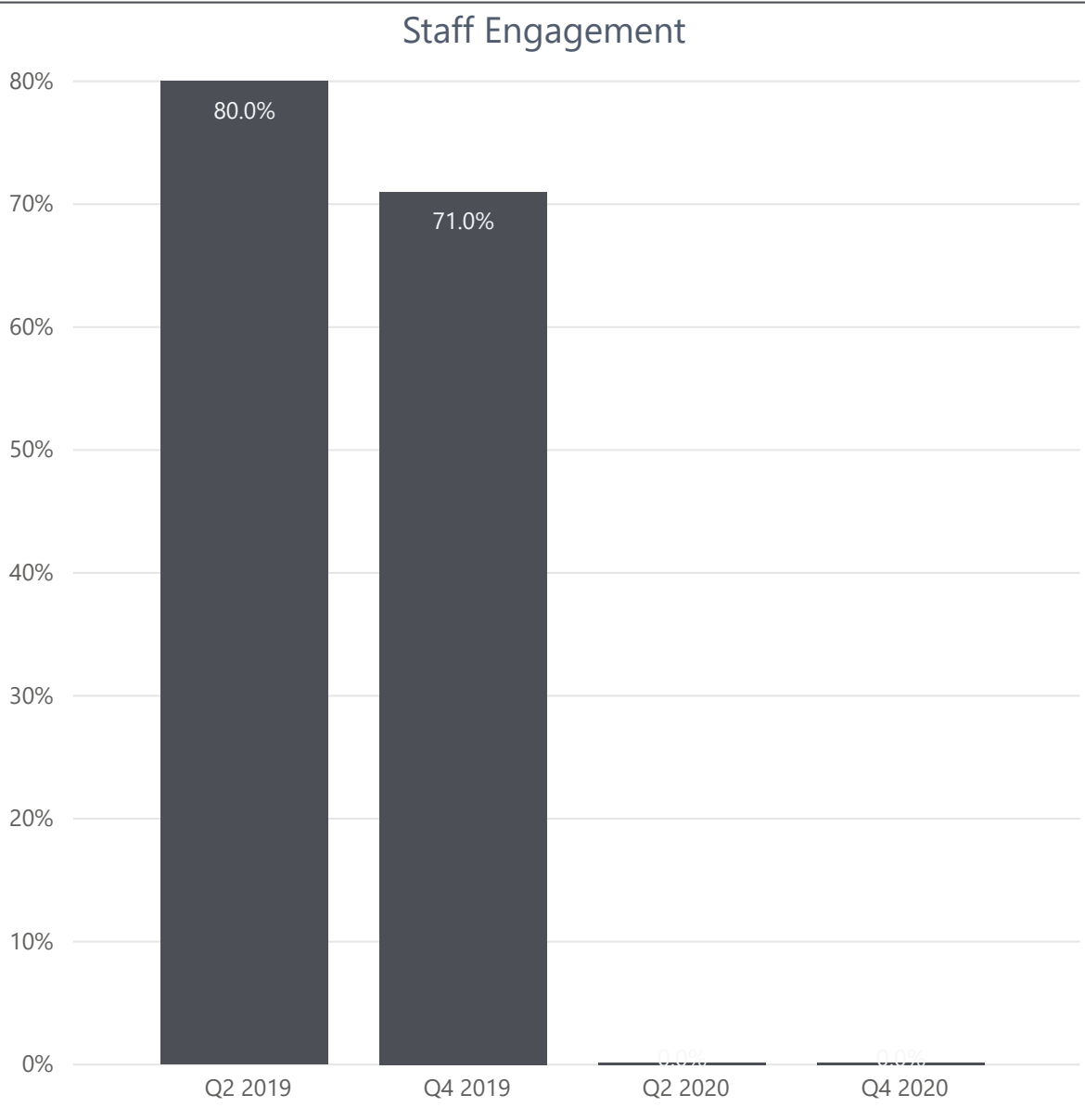
All libraries closed to the public on December 13th in accordance with provincial public health mandates.





Year

2020



Updated Q4 2020. Next Update Q2 2021.

Q4 2019 Staff Engagement

71%✓

Goal: 70.00% (+1.43%)

Staff Engagment

Average reported engagement score on anonymous surveys. Reported semi-annually in Q2 and Q4.

A highly engaged staff is correlated with better customer service and better organizational outcomes, and is a driver of success in achieving the aims of the Strategic Plan.

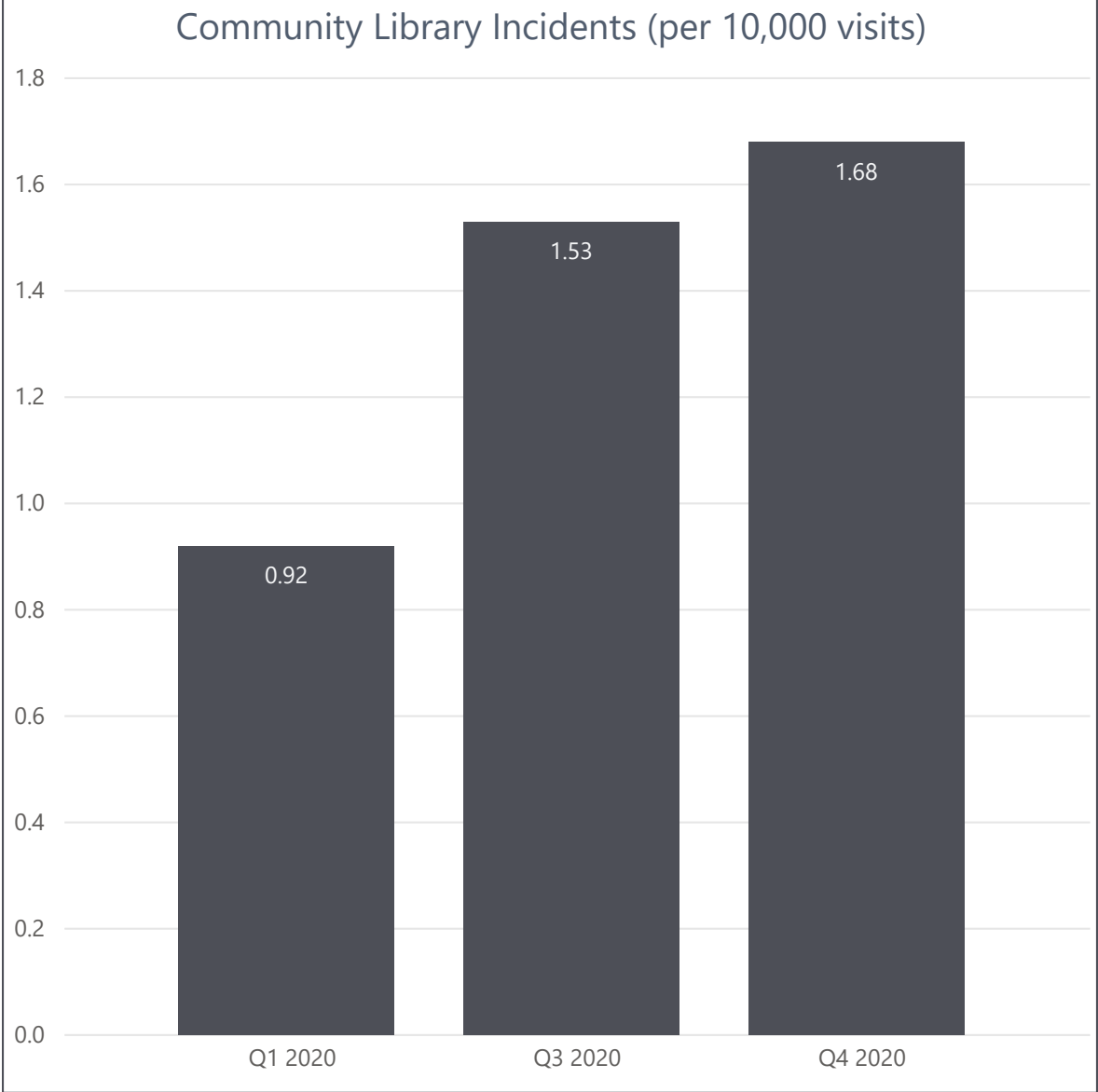
Mitigation Actions
Communication with staff is multi-channel; written, on-line, and face-to-face. Regular on-line townhalls are supported by all members of the leadership team. Staff recognition program features immediate appreciation and on-line, peer-to-peer recognition. Annual recognition awards are peer-nominated and presented during an all-staff event.

Commentary.
The survey tool used was changed in Q4 2019. As a result, this score is not comparable with the historical scores.

The Q2 2020 survey was not conducted as many library staff were temporarily laid off for this portion of the year. The Q4 2020 survey was not conducted as the company hired to conduct staff surveys is no longer in business.

Year

2020



Q4 2020 Community Library Incidents

1.68!
Goal: 1.50 (-12%)



Updated Q4 2020. Next Update Q1 2021.

Community Library Incidents

The number of security incidents occurring at community libraries normalized for visitor traffic. Reported quarterly.

Ensuring that library facilities are perceived as safe and welcoming spaces is a necessary condition to support achievement of the aims of the Strategic Plan.

Mitigation Actions

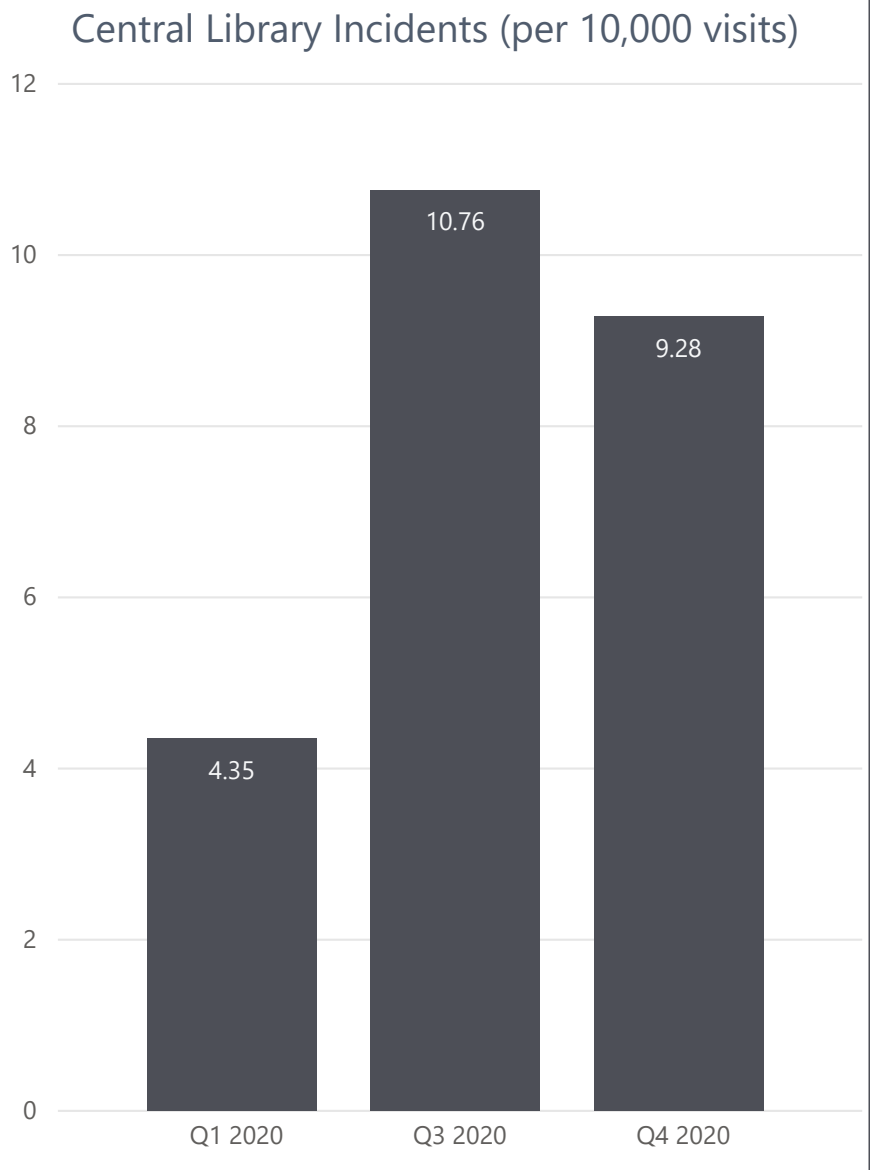
Ongoing staff training on safety and security.
Security Advisor from City of Calgary seconded to CPL and enhanced relationship with CPS and community partners.
Enhanced training and experience of the staff and procedures provided through the security contractor and increased security staffing where needed.
Improved security cameras deployed system-wide.
Programming and environmental design used to deter inappropriate behaviour.
Working collaboratively with our Employee and Family Assistance provider Shepell to provide staff with tools and techniques for both handling difficult customer behaviours and also coping techniques following incidents.

Commentary

Incidents are calculated based on visits and so this measure is negatively impacted by the 60% reduction in visits and the complete closure of libraries on December 13, 2020.

There has been a notable increase in 2020 in incidents involving verbally abusive and threatening behaviour from patrons to staff and security. This is consistent with the experience of City staff engaged in serving the public as well and is symptomatic of challenges the community is experiencing as we continue to navigate this global pandemic.

The Library continues to evaluate the crime, drug activity, and disorderly behavior in and around Central Memorial Park. The Library is also working collaboratively with CPS, City of Calgary, and the DOAP team, as well as other stakeholders, to ensure the library and park remain welcoming and safe for the community.



Updated Q4 2020. Next Update Q1 2021.

Q4 2020 Central Library Incidents

9.28!

Goal: 1.50 (-518.67%)

Central Library Incidents

The number of security incidents occurring at the Central Library normalized for visitor traffic. Reported quarterly.

Ensuring that library facilities are perceived as safe and welcoming spaces is a necessary condition to support achievement of the aims of the Strategic Plan.

Mitigation Actions

Ongoing staff training on safety and security.
Security Advisor from City of Calgary seconded to CPL and enhanced relationship with CPS and community partners.
Enhanced training and experience of the staff and procedures provided through the security contractor and increased security staffing where needed.
Programming and environmental design used to deter inappropriate behaviour.
Working collaboratively with our Employee and Family Assistance provider Shepell to provide staff with tools and techniques for both handling difficult customer behaviours and also coping techniques following incidents.
Security contractor provided additional workplace violence training to their staff to attempt to minimize conflict.
Continuing work with BOMA Public Safety Committee to share information between organizations on challenges facing the downtown core as they relate to vulnerable persons and behaviour.
Participation in the 9 Block Coordinated Safety and Security Pilot, a collaborative project spearheaded by the Mayor’s Office, working to address safety and security concerns around the Calgary Municipal Building. The 9 Block project has also hired ambassadors to create a more positive environment in the area around the Central Library.

Based on the mild weather in Q4, security patrols have been altered to monitor the exterior of Central Library for negative behaviour.

Security staff have begun taking Library offered Canadian Centre for Diversity and Inclusion (CCDI) courses on Diversity & Inclusion and Unconscious Bias. Remaining staff will complete this in Q1 2021.

Commentary.

Incidents are calculated based on visits and so this measure is negatively impacted by the 60% reduction in visits and the complete closure of libraries on December 13, 2020.

The marked increase in social disorder events occurring around the library exterior are the main reason for the high value in this figure (39% of incidents). If counting only incidents inside the library, the value of this measure drops to 5.67 for Q4 2020.

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Report to the
Calgary Public Library Board
Audit & Finance Committee
January 19, 2021

Controller's Report for the Year Ended December 31, 2020

The interim financial reports of The Calgary Public Library for the year ended December 31, 2020 are appended to this report for information. The reports have been prepared using the full accrual basis of accounting, which recognizes the financial effect of events that impact an entity in the accounting period, regardless of whether cash was received or spent.

Please note that amounts are subject to change based on year-end adjustments and the auditor's interpretation of how the Library has applied the accounting standard changes.

A. Executive Summary

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

- Financial Dashboard
- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Life Cycle Management Spending Profile

The Library ended the year with a deficiency of revenue over expenses of \$801,190 after amortization and government transfers for capital. Further explanations of the variances under revenue and expenses are summarized in sections C and D and in the Statement of Operations and Accumulated Surplus.

The Library ended the year with an accumulative net excess cash surplus of \$5.1M before amortization and government transfers for capital. It includes \$1.9M net excess cash surplus from the current year operation.

The City operating levy decreased by \$3.0M for the fiscal year due to the closure. The Library was able to absorb the cut through decreasing in salaries and benefits and various expenditures.

B. Statement of Financial Position

Net financial assets are favourable.

As a result of receiving all the funding from the Province and deferred expenditures during closure, the Library ended the year with a strong cash balance.

Receivables are made up of the recovery of capital funding from the City's Life Cycle account, GST and deposits. Payables relate to Salaries and Benefits accruals at year-end and amounts owing to vendors. Deferred revenues include the money received from the Foundation for various restricted grant programs.

C. Revenues

Included in the revenue is a reduction of \$3M from The City's operating levy. Revenues were \$4.3M unfavorable at year-end.

Line 5 – City of Calgary - \$2,950,620U at December 31, 2020 and \$2,961,505U at September 30, 2020

The City's operating levy payment was reduced \$3M due to the Library closure starting in March.

Line 9 – Province of Alberta - \$22,330F at December 31, 2020 and \$17,471F at September 30, 2020

The favorable variance is due to the Heritage Grant for the Memorial Park Library.

Line 13 – Fines - \$774,794U at December 31, 2020 and \$542,361U at September 30, 2020

The foregone fines revenue due to the Library closure is \$0.3M. The unfavorable variance reflects the impact of the fine-free library after relaunch, and therefore includes foregoing the remaining fines revenue entirely.

Line 14 – Rent - \$135,670U at December 31, 2020 and \$109,405U at September 30, 2020

The unfavorable variance is due the Library closure.

Line 19 – Interest and other revenues - \$70,774U at December 31, 2020 and \$84,153U at September 30, 2020

The unfavorable variance is due to the foregone printing and Performance Hall rental revenues during closure.

Line 22 – Grants and sponsorships - \$341,580U at December 31, 2020 and \$84,031F at September 30, 2020

The unfavorable variance is mainly due to The Foundation provided grant to the Library deferred to 2021. The unrecognized grant revenue and matching expenses relating to the restricted funding are reflected in the 2021 operating budget.

D. Expenses

Total expenses are \$6.0M favorable for the year-end due to the library closure and a slower pace than expected for staff returning to work after re-opening. In anticipation of the increase demand during closure, the Library increased e-resources, IT hardware and PPE purchases.

Line 29 – Salaries and employee benefits - \$6,648,014F at December 31, 2020 and \$6,002,787F at September 30, 2020

The favorable variance is primarily due to the closure since March 16 until July 20, 2020 in addition to vacant positions which remained unfilled. Staff have been returning to work at a slower pace than expected.

Line 32 – Collections - \$1,458,546U at December 31, 2020 and \$483,341U at September 30, 2020

The unfavorable variance is due to increased electronic resources purchases.

Line 48 – General operating - \$822,727F at December 31, 2020 and \$1,378,306F at September 30, 2020

This category includes many variances, but the largest under expenditure was in programming followed by professional fees and marketing due to the library closure.

Line 54 – Building and equipment - \$128,485U at December 31, 2020 and \$210,254F at September 30, 2020

Variances in this expense category is due to lifecycle funded expenses which was not included in the original budget and the Provincial grant funded project.

Line 73 – Occupancy Costs - \$39,067F at December 31, 2020 and \$72,870F at September 30, 2020

Lower operating costs than budgeted.

Line 74 - Amortization - \$44,733F at December 31, 2020 and \$30,778F at September 30, 2020

Lower amortization than budgeted.

E. RECOMMENDATION

That the Audit & Finance Committee recommend that the Calgary Public Library Board receive the Controller's Report and the Interim Calgary Public Library Board's financial reports for the period ended December 31, 2020.

Prepared by Chae Jun CPA, CGA, MBA

Controller

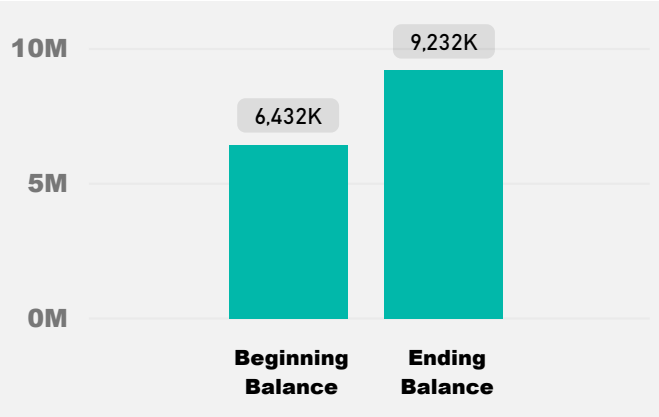
Commentary

- One-time City operating fund reduction due to COVID-19: \$3M.
- Fine-free library impact: \$775K reduction of revenue.
- Foregone rent, printing and Performance Hall rental revenues due to the pandemic is \$207K.
- \$342K unfavourable in grant revenue due to deferrals and fund returns, net of additional grant requested during 2020.

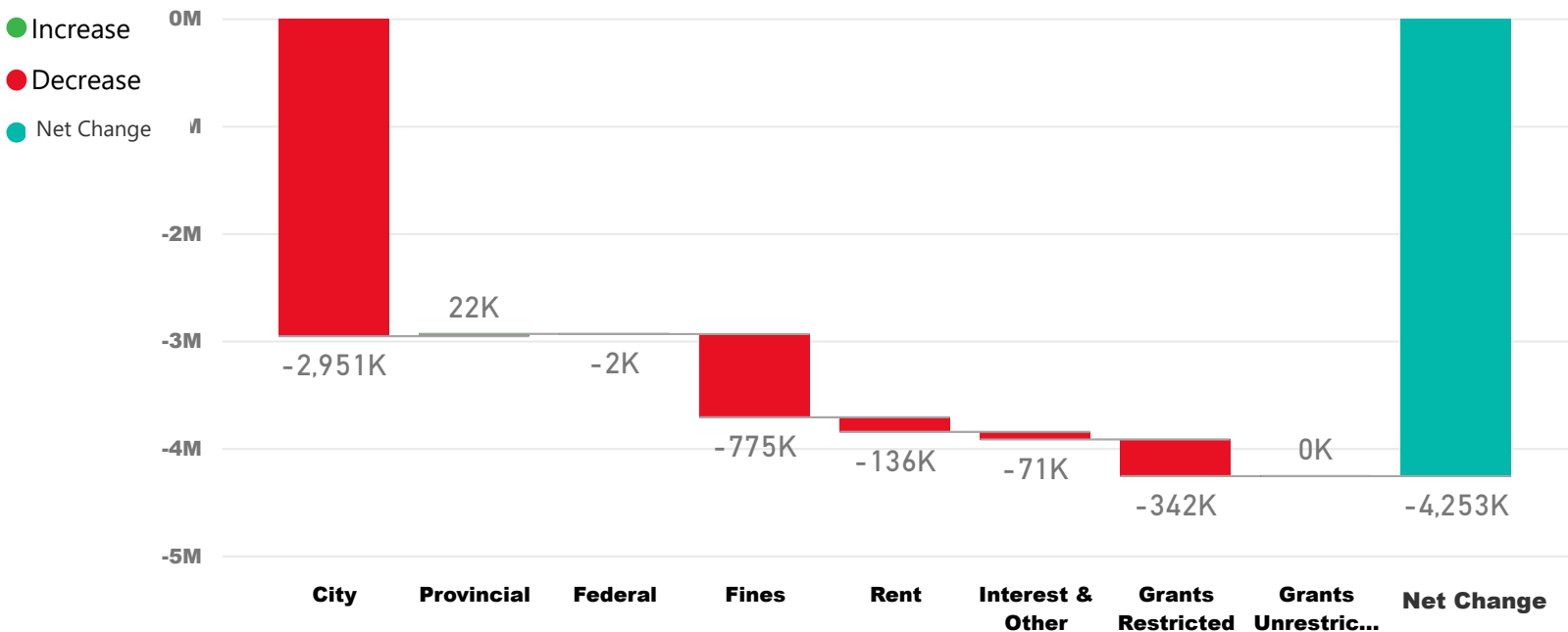
Actions

- All library locations were temporarily closed as of March 16, 2020 due to COVID-19 pandemic.
- On May 19, the Library launched the first phase of reopening with the curbside pick-up at limited locations. Library locations gradually reopened starting June 23.
- By July 20, all library locations reopened to the public, and staff gradually returned to work.
- All library locations were temporarily closed as of December 12, 2020 due to provincial public health restrictions.

2020 Cash Position



Revenue Variance, Projected Actual vs. Board-Approved Budget



Board-Approved Budget Revenues	Revenues, Projected Actual
64,282K	60,029K

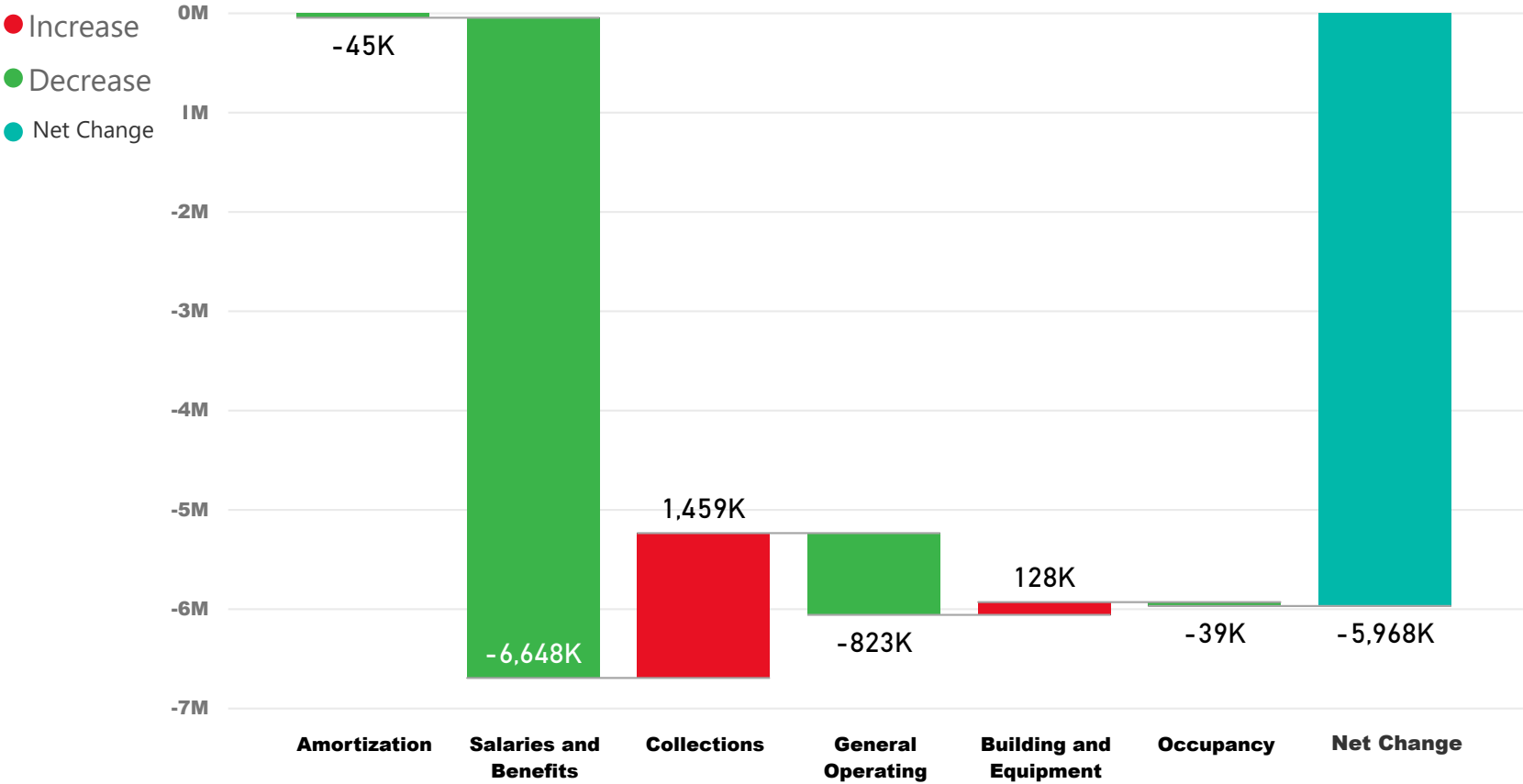
Commentary

- Total decrease of expenses: \$6M.
- Total lifecycle funded expenses: \$483K.

Actions

- \$6.6M decrease in salaries and benefits expense resulted from temporary library closure, gap savings and deferrals.
- Collection expense increased by \$1.46M in response to the COVID-19 and reopening operation.
- General Operating expenses \$823K favourable due to restricted grant reallocation, deferrals and COVID-19 impact on operation.
- Building & Equipment expenses increased due to lifecycle funded expenses, net of savings on utilities and contract cleaning during library closure.

Expense Variance, Projected Actual vs. Board-Approved Budget



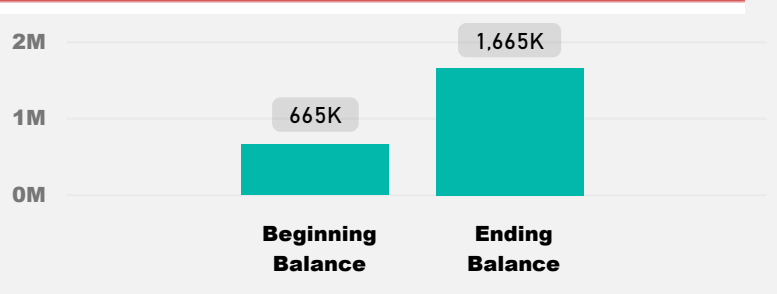
Board-Approved Budget Expenses
69,105K

Expenses, Projected Actual
63,138K

Lifecycle Funding Commentary

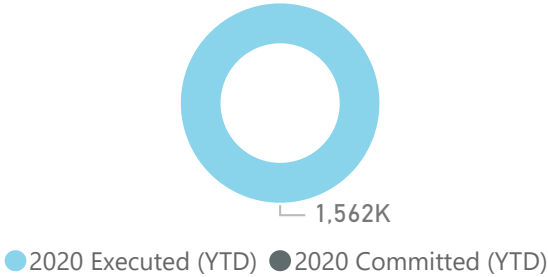
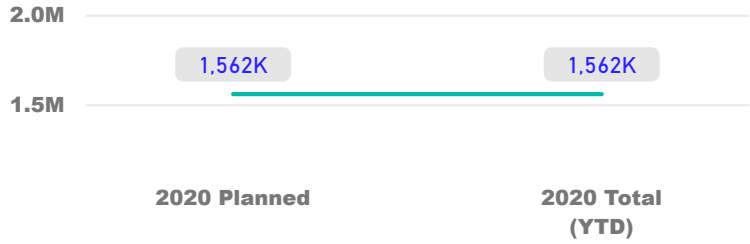
- Carry forward funds include \$225K asset management funds from PY.
- Current year actual lifecycle funds received from The City \$1.8M. \$222K received from CMLC for reimbursement of Enmax Central library project. \$225K asset management from the operating funds.
- Growth project funds is from Seton Collection purchases: \$303K.
- Additional grants received: \$63K.

2020 Lifecycle Cash Position

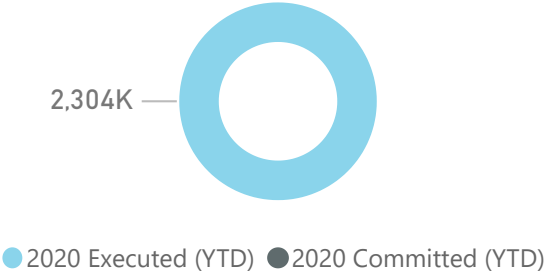
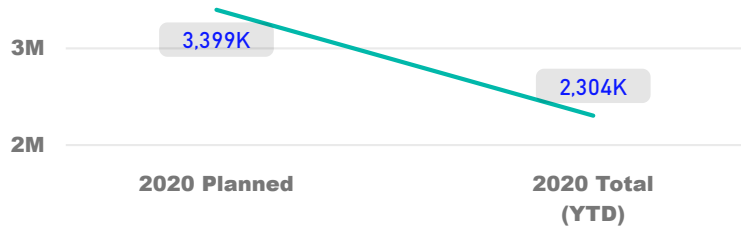


Funding Source

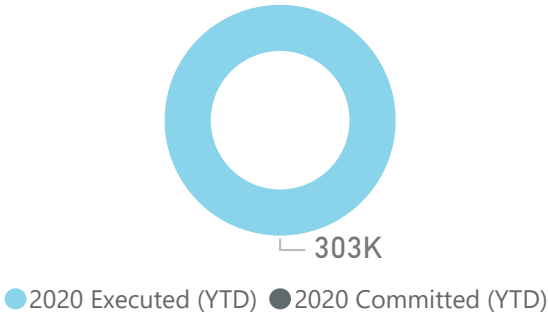
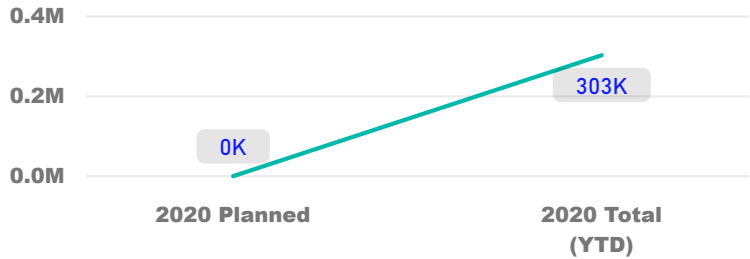
Carry Forward



Current Year Funds



Growth Projects Funds



Lifecycle Spending Commentary.

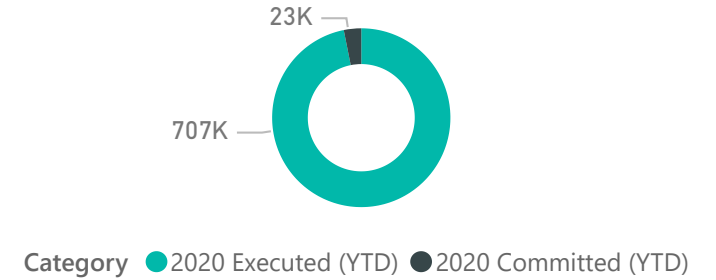
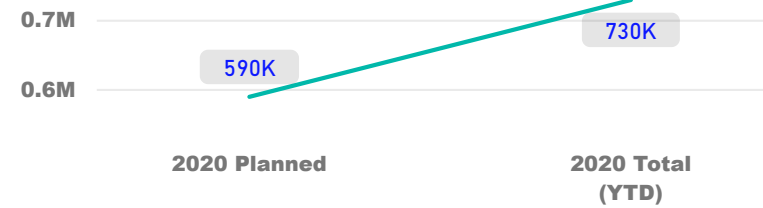
- Carry forward projects include: Memorial Park elevator and washroom and Fish Creek elevator. Actual spending increased due to scope increase of the Memorial Park project.

- Building projects include: Fish Creek reading room, Louise Riley washroom and finishes, Judith Umbach repair/replace fixtures, Country Hills lighting, and asset management. Actual spending increased due to early start of 2021 projects.

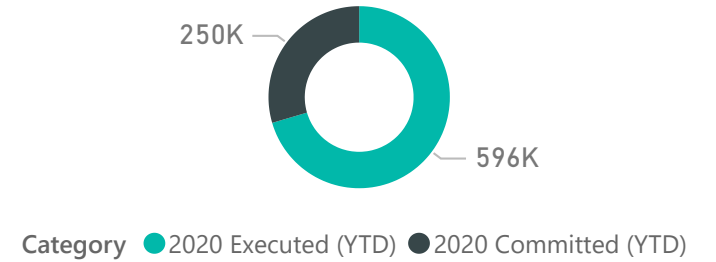
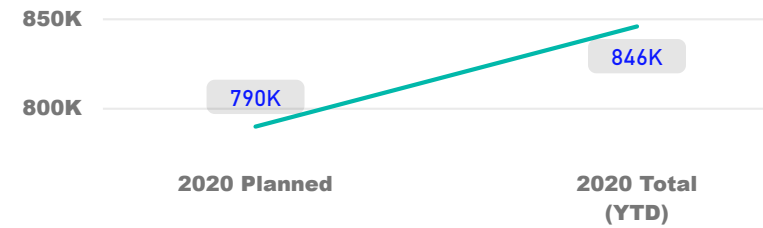
- Vehicle additions include two fleet vehicles and two cargo vans.

Spending Profile -1-

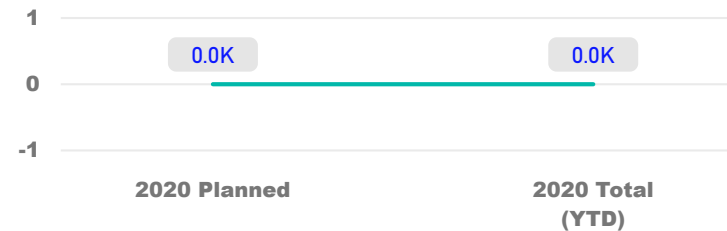
Carry Forward Projects



Building

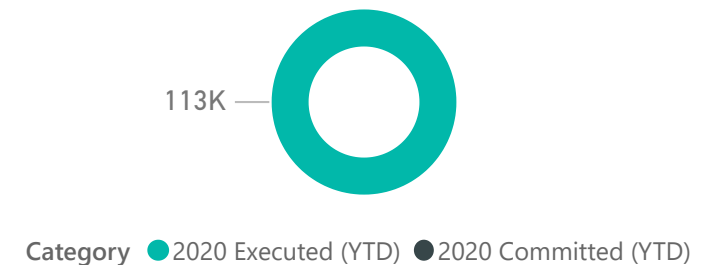
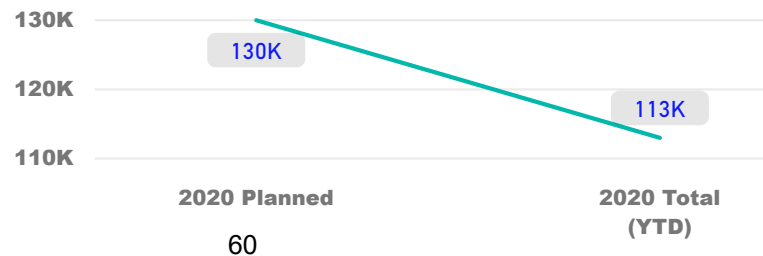


Furniture



Category ● 2020 Executed (YTD) ● 2020 Committed (YTD)

Vehicles



Commentary:

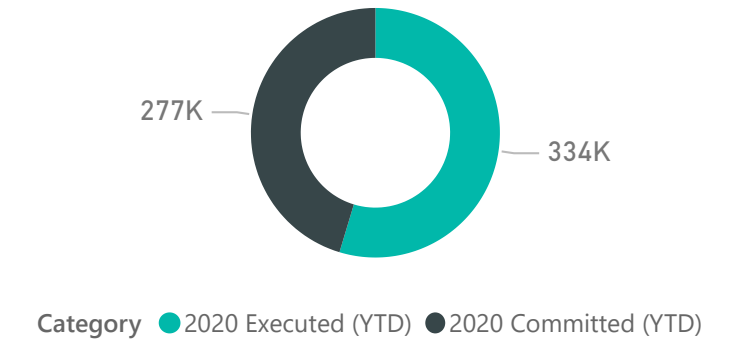
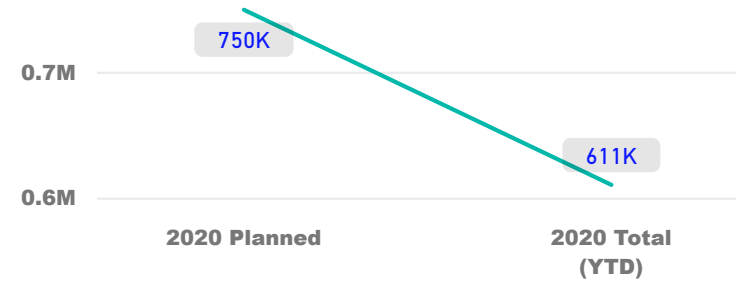
- IT projects include: Replacement of network infrastructure and end-user equipment. Decreased actual spending due to supply chain disruption because of the pandemic.

- Demand maintenance for small projects decreased during library closure.

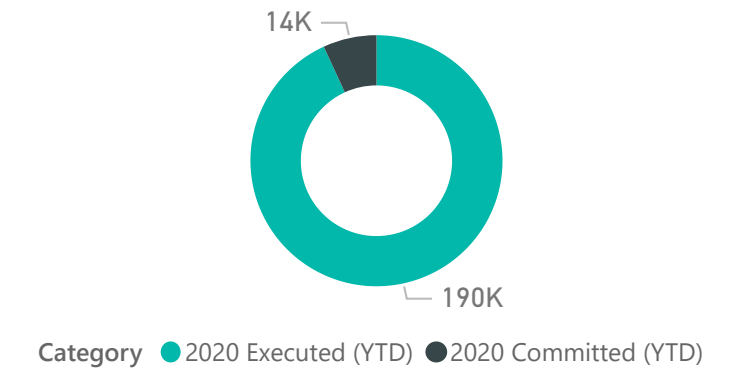
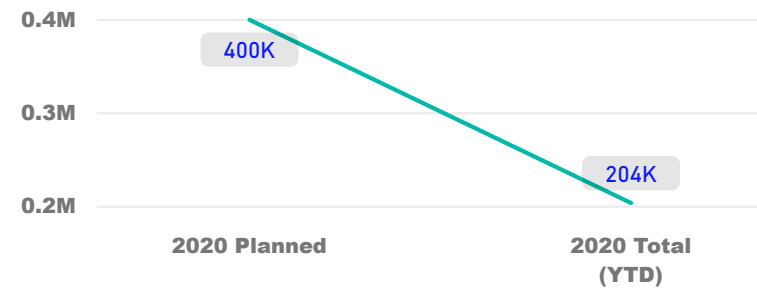
- There are no growth projects planned in 2020.

Spending Profile -2-

Technology



Demand Maintenance - Small Projects



Growth Projects

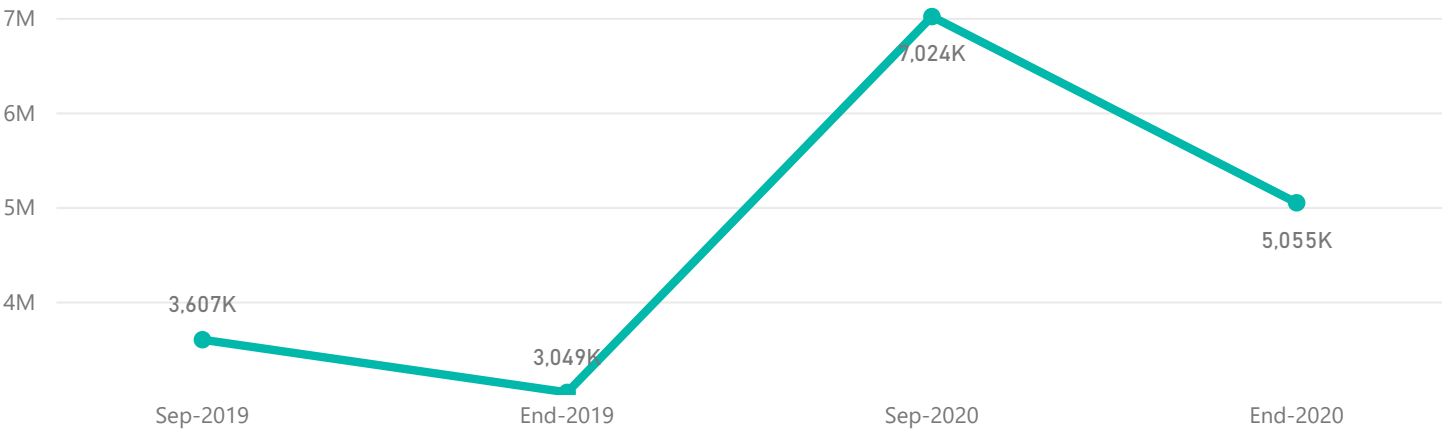
Category ● 2020 Executed (YTD) ● 2020 Committed (YTD)

Commentary.

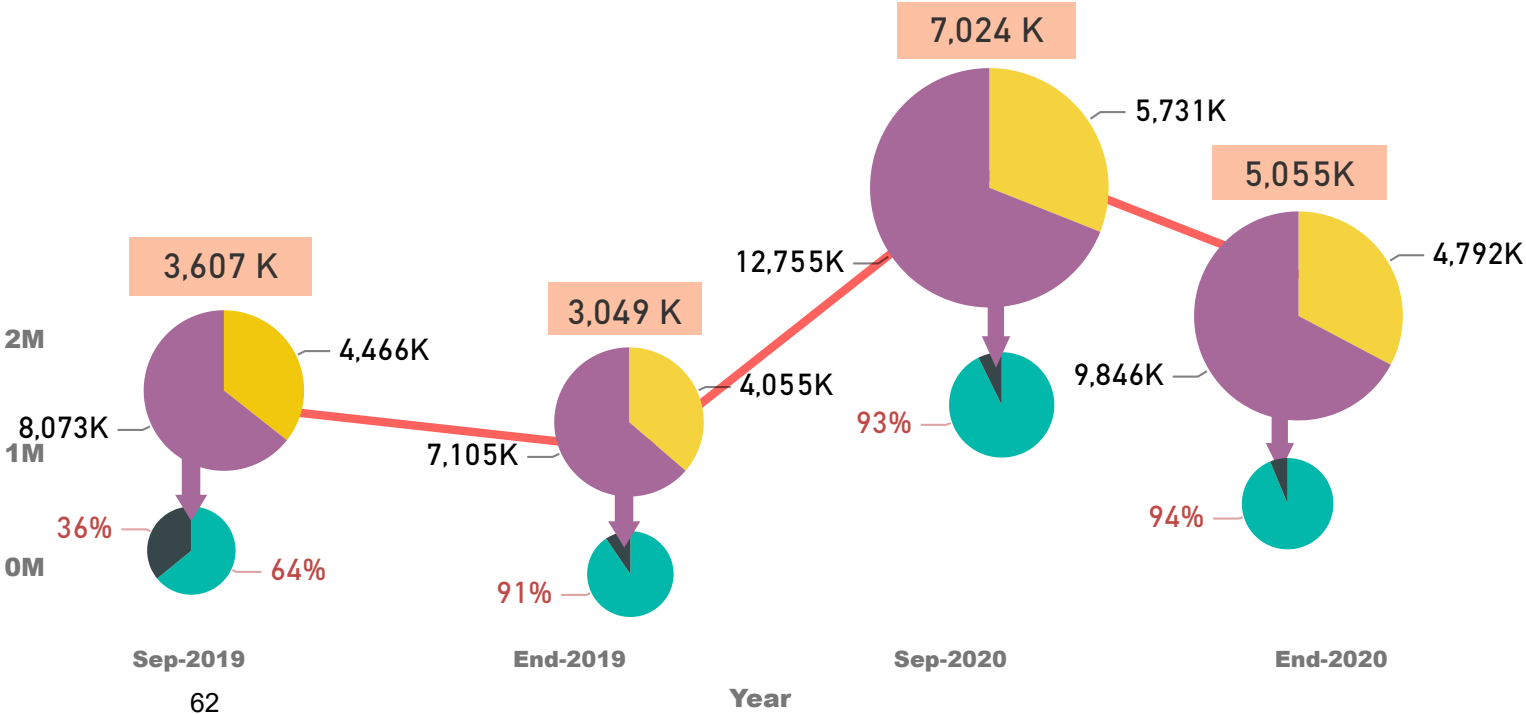
- 2020 YE Net Financial Assets is \$5M, a \$2M increase from 2019 YE.

Statement of Financial Position, as at Dec 31, 2020

Net Financial Assets

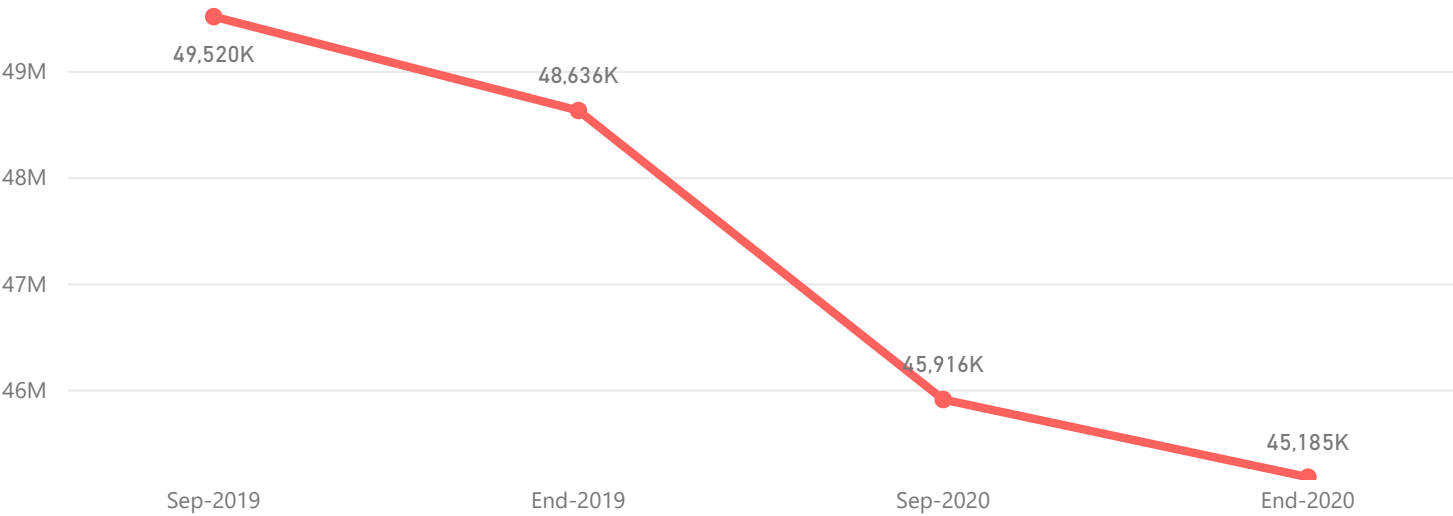


- Liabilities
- Financial Assets
- Cash
- Accounts Receiv...



Statement of Financial Position, as at Dec 31, 2020

Tangible Capital Assets



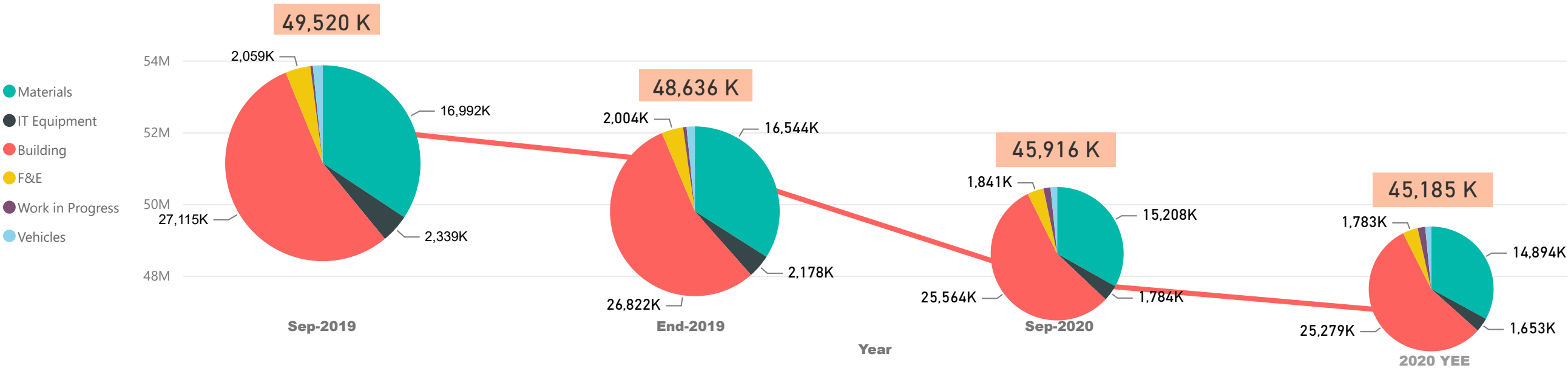
Commentary.

- Tangible Capital Assets decreased due to higher amortization (\$6.4M) than the new additions (\$3M).

Actions

2020 Additions:

- Books: \$1,641K
- Buildings: \$677K
- Vehicles: \$113K
- WIP: \$559K

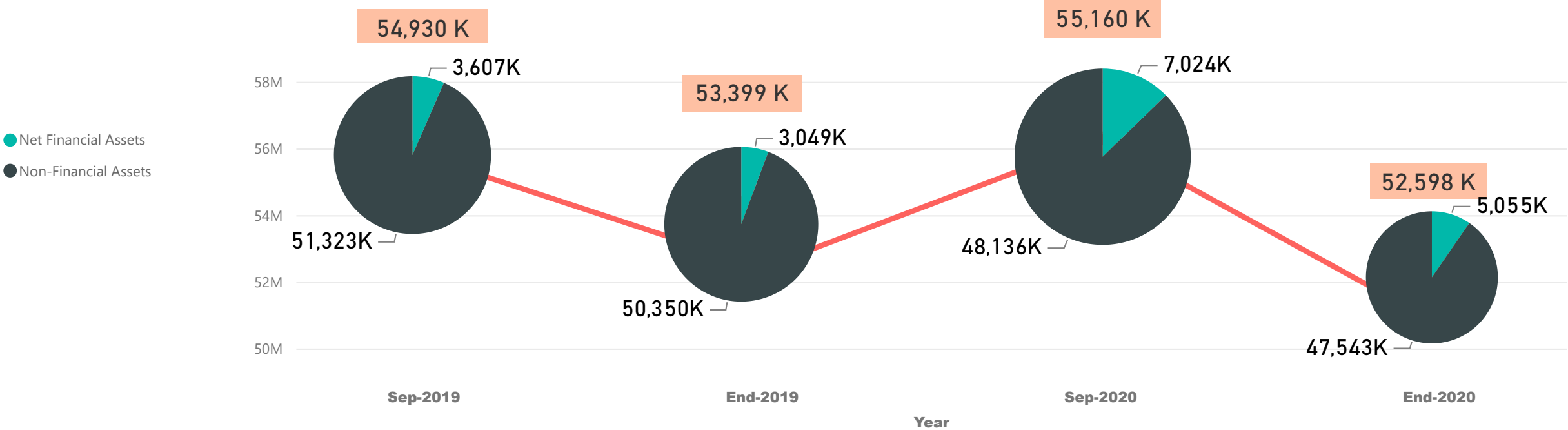
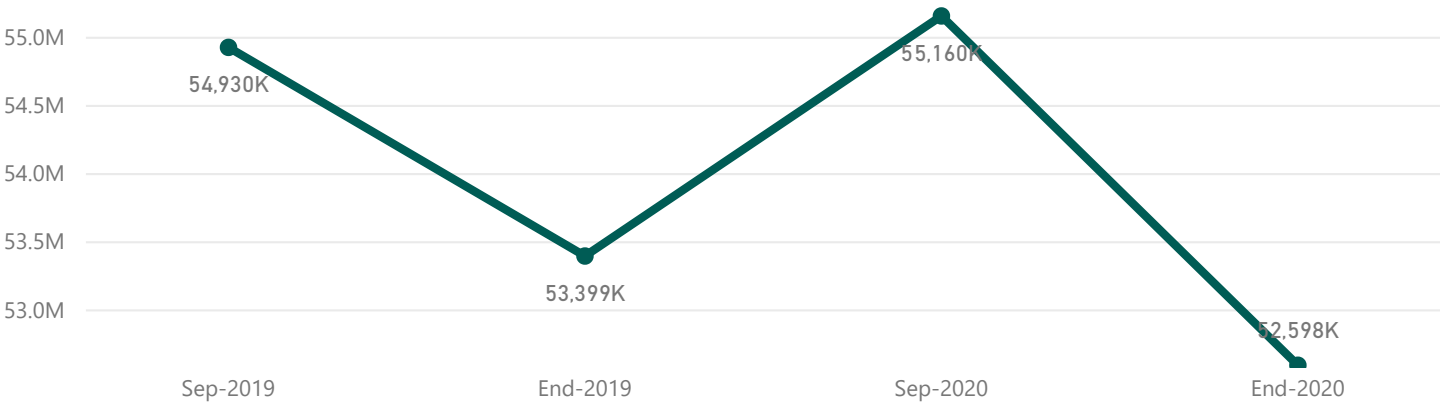


Statement of Financial Position, as at Dec 31, 2020

Commentary.

- Decreased Accumulated Surplus is mainly due to the decrease in TCA.

Accumulated Surplus



THE CALGARY PUBLIC LIBRARY BOARD
Statement of Financial Position
As at

	31-Dec-20	31-Dec-19
FINANCIAL ASSETS		
Cash	9,232,407	6,432,090
Accounts receivable	613,925	672,761
	9,846,332	7,104,851
LIABILITIES		
Accounts payable and accrued liabilities	4,272,183	3,363,039
Deferred revenues	519,573	692,439
	4,791,756	4,055,478
NET FINANCIAL ASSETS	5,054,576	3,049,373
NON-FINANANCIAL ASSETS		
Tangible capital assets	45,184,904	48,636,017
Inventory	58,664	92,913
Prepaid assets	2,299,666	1,620,697
	47,543,234	50,349,627
ACCUMULATED SURPLUS	52,597,810	53,399,000

THE CALGARY PUBLIC LIBRARY BOARD
Statement of Operations and Accumulated Surplus
For the Period Ended December 31, 2020

	2020 Projected Actual \$	Budget YTD \$	Budget Variance YTD \$	Total BUDGET \$	Total Forecast \$	Forecast Increase/ (Decrease) vs Total Budget \$	Forecast Variance vs Current YTD \$	Forecast Comments (Favorable: F / Unfavorable: U)
REVENUES								
5 City of Calgary	50,357,100	53,307,720	(2,950,620)	53,307,720	50,357,100	(2,950,620)	(1)	U- \$3M one-time reduction due to COVID-19 library closure
9 Province of Alberta	7,187,538	7,165,208	22,330	7,165,208	7,187,538	22,330	0	F- Heritage grant for Memorial Park Library
10 Federal Government	32,619	34,542	(1,923)	34,542	34,542	-	(1,923)	
13 Fines	255,809	1,030,603	(774,794)	1,030,603	258,177	(772,426)	(2,368)	U- Fine-free library
14 Rent revenue	102,640	238,310	(135,670)	238,310	102,640	(135,670)	-	U- Foregone Luke's and Inception U rent
19 Interest and other revenue	678,362	749,136	(70,774)	749,136	623,307	(125,829)	55,055	U- Foregone Printing & Performance Hall rental revenues due to library closure and public health restrictions
22 Grants and sponsorships								
Grants and sponsorships - restricted	1,115,141	1,456,721	(341,580)	1,456,721	1,154,136	(302,585)	(38,995)	U- Grant deferrals & fund returns, net of additional RFFs
Grants and sponsorships - unrestricted	300,000	300,000	-	300,000	300,000	-	-	
	1,415,141	1,756,721	(341,580)	1,756,721	1,454,136	(302,585)	(38,995)	
23 Total revenues	60,029,209	64,282,240	(4,253,031)	64,282,240	60,017,440	(4,264,800)	11,769	U
EXPENSES								
29 Salaries and employee benefits	33,912,645	40,560,659	6,648,014	40,560,659	33,735,827	(6,824,832)	(176,818)	F- Decreased spending on salaries & benefits due to temporary layoffs, gap savings and deferrals.
32 Collections	7,513,192	6,054,646	(1,458,546)	6,054,646	7,272,603	1,217,957	(240,588)	U- Increased spending on e-resources and paperbacks in response to COVID-19 and reopening operation.
48 General operating	8,301,971	9,124,698	822,727	9,124,698	9,928,730	804,032	1,626,759	F- Favourable due to restricted grant reallocation, deferrals and COVID-19 impact on operation, net of increased IT & PPE spending in response to COVID-19 and reopening operation.
54 Building and equipment	5,322,971	5,194,486	(128,485)	5,194,486	5,419,972	225,486	97,001	U- Increased spending due to lifecycle funded B&E expenses and restricted grant reallocation, net of savings on utilities and contract cleaning during library closure.
73 Occupancy Costs	1,658,194	1,697,260	39,067	1,697,260	1,697,260	-	39,067	
74 Amortization	6,428,828	6,473,561	44,733	6,473,561	6,473,561	-	44,733	
75 Total expenses	63,137,801	69,105,310	5,967,510	69,105,310	64,527,953	(4,577,356)	1,390,152	F
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:								
	(3,108,592)	(4,823,070)	1,714,478	(4,823,070)	(4,510,512)	(312,558)	(1,401,920)	
Transfer between lifecycle and operating	483,273	-	483,273	-	385,151	385,151	(98,122)	F- To fund IT and B&E expenses from lifecycle
Transfer from unrestricted reserve	3,200,997	3,200,997	-	500,000	3,200,997	-	-	
Transfer to asset management life cycle	(225,000)	(225,000)	-	(225,000)	(225,000)	-	-	
Transfer to books capital	(1,640,927)	(1,923,000)	282,073	(1,923,000)	(1,879,000)	(44,000)	(238,073)	
Add back amortization	6,428,828	6,473,561	(44,733)	6,473,561	6,473,561	-	44,733	
EXCESS BEFORE AMORTIZATION AND GOVERNMENT TRANSFERS FOR CAPITAL								
	5,138,580	2,703,488	2,435,091	2,491	3,445,197		1,693,382	
Government transfers for capital	2,319,159	-	2,319,159	-	2,467,159	2,467,159	148,000	F- \$1.8M 2020 City lifecycle + \$303K Seton Collections + \$222K CMLC reimbursement for Enmax Central Library project
Amortization	(6,428,828)	(6,473,561)	44,733	(6,473,561)	(6,473,561)		(44,733)	
Purchase of books capital	1,640,927	1,923,000	(282,073)	1,923,000	1,879,000		238,073	
Add back transfer to asset management life cycle	225,000	225,000	-	225,000	225,000		-	
Transfer between lifecycle and operating	(483,273)	-	(483,273)	-	(385,151)	(385,151)	98,122	
Less transfer from unrestricted reserve	(3,200,997)	(3,200,997)	-	(500,000)	(3,200,997)		-	
Write off of tangible capital assets	(11,759)				(11,759)			
Change in Accumulated Surplus	(801,190)	(4,823,070)	4,033,637	(4,823,070)	(2,055,112)			
Accumulated Surplus, beginning of year	53,399,000	53,399,000	-	53,399,000	53,399,000			
Accumulated Surplus, end of year	52,597,810	48,575,930	4,033,637	48,575,930	51,343,888			

Lifecycle Funding and Spending Profile	Projects	Description	2020 Planned	2020 Executed	2020 Committed	2020 Total
Funding Source			('000)			
		Carry Forward Funds	1,562	1,562	0	1,562
		Current Year Funds	3,399	2,304	0	2,304
		Growth Project Funds	0	303	-	303
Total Funding Available			4,961	4,169	0	4,169
Spending Profile						
	Carry Forward Projects	2019 Carry Forward Projects	590	707	23	730
		Remaining from carry forward projects	-140			
	New Projects	Building - Lifecycle	565	596	250	846
		Building- Lifecycle remaining	-281			
		Small Projects	400	190	14	204
		Small Projects- Lifecycle remaining	196			
		Furniture		-	-	-
		Furniture- Lifecycle remaining	0			
		Sub-Total Building Lifecycle	1,555	1,493	287	1,780
		Vehicles - Lifecycle	130	113	0	113
		Vehicles- Lifecycle remaining	17			
		Technology	750	334	277	611
		Technology- Lifecycle remaining	139			
		Growth Projects	0	-	-	-
		Asset Management	225	-	-	-
Total Spending Profile			2,660	1,940	564	2,504
		Contingency	739			
Net Funds Available			1,562			1,665

Report to the
Calgary Public Library Board
Audit and Finance Committee
January 19, 2021
2021 Budget Presentation

I. PURPOSE

This report to the Calgary Public Library Audit and Finance Committee is to review the recommended operating budget for 2021 and the lifecycle workplan for 2021.

II. BACKGROUND and PREVIOUS DIRECTION

The operating budget and lifecycle workplan for 2021 address strategies identified in the Strategic Plan for 2019 – 2022 and meet The City's directions on the One Calgary 2019 -2022.

Annually the Calgary Public Library prepares an operating budget for review and approval by the Calgary Public Library Board. The 2021 budget is being presented in this report to guide the Library in managing revenue and expenses during the current year.

Since the creation of the Audit and Finance Committee the review is performed by the committee and a recommendation is presented to the Board by the committee.

The 2021 operating budget is presented in Attachment 1. Highlights of the proposed budget follow.

The City of Calgary will continue to be the Library's largest source of revenue during 2021. 2021 is the third year of The City of Calgary's 2019 – 2022 budget cycle. The 2021 funding includes \$300,000 to cover service increases for the year.

Other funding changes are incorporated into the budget as presented. The Provincial library per capita funding remains at 2020 levels. Federal funding for the Settlement Services Program was completed on March 31, 2020. Other revenue items have been based on 2019 and 2020 actual experience to create estimates for 2021. The Foundation grant is based on a listing of donor funds that it can grant to the Library in 2021. As additional donors present themselves in 2021 revenue and the matching expenses will be highlighted in the quarterly financial report.

2021 expenses have been carefully examined and updated to reflect the funds available, and the strategic plan priorities of the Library. All contractual increases have been included and estimates carefully updated. Salaries continue to be the primary expense. Other expenses have been carefully monitored.

Accumulated Surplus

\$0.8M from the estimated unrestricted surplus at 2020 year-end will be used to fund additional 2021 unfunded projects.

Other

Lifecycle funding and the workplan for 2021 are included in Attachment 2. Our CPL unrestricted lifecycle reserve \$1.8M and asset management reserve \$0.5M, totalling \$2.3M will carry forward from the prior year. The main source of funding for 2021 will be from the City's lifecycle fund.

III. IMPLICATIONS FOR CPL'S STRATEGIC PLAN and BUDGET & RISK ASSESSMENT

The budget is created to address CPL's strategic plan. Approval is required to ensure the Board is fully informed of and approves the operating budget plan for 2021 and the lifecycle work plan for the same year.

Risk is present in all budget documents due to the many estimates present in budget preparation. However, commitments and contracts provide significant assurance that the budget is an accurate road map, and variances can be readily dealt with.

Other risk is present because of the funding commitment made by the Calgary Public Library Foundation to fund part of the operating budget. The donation, grants and sponsorship revenue line is based on amounts the Foundation is confident it can deliver from known and dedicated commitments by donors. Any additional funding will be highlighted in financial reporting to the Audit and Finance Committee.

IV. CONCLUSION

In line with budget information provided by The City, and the changes that respond directly to the Strategies in the 2019-2022 Strategic Plan, the Library is presenting a 2021 operating budget and lifecycle plan as summarized in Attachment 1 and 2, respectively.

VI. RECOMMENDATION

That the Audit and Finance Committee recommend that the Calgary Public Library Board approve the 2021 Operating Budget as presented in Attachment 1.

Prepared by
Chae Jun, CPA, CGA, MBA
Controller

ATTACHMENTS

1. 2021 Operating Budget
2. 2021 Lifecycle Work Plan

Summary of Operating Budget 2021
Statement of Operations and Accumulated Surplus

Attachment 1

('000)

	2020 Budget	2020 Projected Actual	2021 Budget	Note
REVENUES				
City of Calgary	53,308	50,328	53,628	1
City of Calgary insurance proceeds	0	29	0	
Province of Alberta	7,165	7,188	6,865	2
Federal Government	35	33	0	3
Fines	1,031	256	0	4
Rent	238	103	205	5
Investment and other revenue	749	678	757	
Grants and sponsorships	1,757	1,415	1,697	6
Total revenues	64,282	60,029	63,152	
EXPENSES				
Salaries and employee benefits	40,561	33,913	39,904	
Collections	6,055	7,513	6,312	
General operating	9,125	8,302	9,722	7
Building and equipment	5,194	5,323	5,864	7
Occupancy Costs	1,697	1,658	1,777	
Amortization	6,474	6,429	6,286	
Total expenses	69,105	63,138	69,866	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:	(4,823)	(3,109)	(6,714)	
Transfer from life-cycle to operating	0	483	1,491	7
Transfer from unrestricted reserve	500	3,201	803	8
Transfer to asset management life-cycle	(225)	(225)	(225)	
Transfer to books capital	(1,923)	(1,641)	(1,641)	
Add back amortization	6,474	6,429	6,286	
EXCESS (DEFICIENCY) BEFORE AMORTIZATION AND GOVERNMENT TRANSFERS FOR CAPITAL	2	5,139	0	
Government transfers for capital	0	2,319	4,249	7
Amortization	(6,474)	(6,429)	(6,286)	
Purchase of books capital	1,923	1,641	1,641	
Add back transfer to asset management life-cycle	225	225	225	
Less transfer from life-cycle to operating	0	(483)	(1,491)	7
Less transfer from unrestricted reserve	(500)	(3,201)	(803)	
Write off of tangible capital assets	0	(12)	0	
CHANGE IN ACCUMULATED SURPLUS	(4,823)	(801)	(2,465)	
ACCUMULATED SURPLUS, beginning of year	53,399	53,399	52,598	
ACCUMULATED SURPLUS, end of year	48,576	52,598	50,133	

Notes

- 1 \$3M one-time reduction in 2020 due to Covid closure. Included \$0.3M service increase in 2021.
- 2 Included \$0.3M provincial grant recognized in 2020. Budgeted 2021 same per capita level as in 2020.
- 3 Completed the Federal Government program in 2020.
- 4 Fine free library launched in July 2020.
- 5 2021 Rent revenue is based on half year for Luke's Café and full year for InceptionU.
- 6 2021 Grants and sponsorships includes \$0.5M deferral from 2020.
- 7 Lifecycle funding based on the 2021 Lifecycle Spending Profile (Attachment 2).
- 8 2021 projects funded from 2021 operating surplus.

	Year 2021
Funding Source	('000)
Carry Forward Funds	
Library fund opening balance	1,824
City Lifecycle	1,380
Asset Management	450
Sub Total	3,654
Current Year Funds	
Asset Mgmt. from Library operating budget	225
City Lifecycle	2,869
Sub Total	3,094
Total Funding Available	6,748
Spending Profile	
Projects	
Building	3,011
Vehicles	250
Information Technology	660
Environmental and Accessibility Projects	200
Asset Management	600
Total Spending Profile	4,721
Net Funds Available	2,027

Report to the
Audit & Finance Committee
Calgary Public Library Board
January 19, 2021

Creation of an Operating Reserve and Confirmation of Credit Facility

I. PURPOSE

This report to the Calgary Public Library Audit & Finance Committee is to recommend the creation of an operating reserve and to confirm the level of credit facility.

II. BACKGROUND

The Library currently has the Capital Reserve. It is designed to accommodate future capital funding needs such as planned replacement of, or renovations to, vehicles, furniture and equipment, and buildings. It is also to fund the needs of replacing or enhancing the growing list of automated services being provided by the Library.

The funds in the capital reserves grow through the capital budget from The City. The Capital Reserve also grow through an annual operating allocation of funds into the reserve as part of the annual operating budget, by Board approval designating year end cash surplus use, and from external sources, such as grants, donations, sale of capital assets, or insurance pay outs.

The Library also has the \$4,500,000 unsecured revolving demand facility provided by the Royal Bank of Canada approved by the Board in May 2019. The purpose of the credit facility is to ensure cash flow timing does not affect the normal Library operations for three payroll period. The Board directed the Audit and Finance Committee to annually review the level of the revolving demand facility for appropriateness.

The municipal capital funding source has lessened the urgency to direct any additional funds to the Capital Reserve. The revolving demand facility and the operating budget cash surplus created an opportunity to set aside cash for an operating reserve.

III. SIGNIFICANT CHANGE

The approval of the creation of an operating reserve would allow the Board to direct that these funds be restricted to augment operating budget needs. Operating reserve will be a part of the Library's working capital in addition to the regular bank fund balances for use when an additional cash flow is required for the Board authorized programs and services. Operating reserve should not be used to cover a long-term or permanent income shortfall. The details are captured in Attachment 1.

IV. RISK ASSESSMENT

To be a viable operating reserve, there should be an Operating Reserve Administrative Policy about the purpose and use of operating reserve. Without a policy and procedure, operating reserve funds tend to be gradually spent down over time and then are not available the next time the funds are really needed.

V. RECOMMENDATION

That the Calgary Public Library Audit & Finance Committee recommend that the Calgary Public Library Board approve:

- a) the creation of an operating reserve as detailed in Attachment 1.
- b) the current \$4.5M revolving demand facility remains the same.

Chae Jun, CPA, CGA, MBA
Controller

Attachment 1: Calgary Public Library Operating Reserve Summary

Calgary Public Library Operating Reserve
Operating Reserve

\$ 3,000,000
(2021)

Authorization:	<ul style="list-style-type: none"> Board Approval request in the January 19, 2021 Board meeting.
Purpose:	<ul style="list-style-type: none"> To enable the Calgary Public Library Board to allocate funds from the annual operating budget unrestricted surplus to an operating reserve.
Conditions:	<ul style="list-style-type: none"> The reserve is from the unrestricted surplus of the prior year, to augment the current and prior year's annual operating budget. An earlier Board motion will have approved how the surplus is to be allocated. The minimum Operating Reserve is equal to one and a half months of average non-salary operating costs. The maximum Operating Reserve is no more than two times of the minimum. Amortization, in-kind, and other non-cash expenses are not included in the calculation. The amount of the Operating Reserve minimum will be calculated each year after approval of the annual budget, reported to the Audit and Finance Committee.
Restrictions:	<ul style="list-style-type: none"> Use of the Operating Reserve requires three steps: <ol style="list-style-type: none"> 1. Identification of appropriate use of the Operating Reserve by the ELT. 2. Authorization to use Operating Reserve by the Board: The ELT will submit a request to use Operating Reserve to the Audit and Finance Committee of the Board when the operating reserve balance is below the minimum. The request will include the plans for replenishment. 3. The ELT is responsible for ensuring that the Operating Reserve is maintained and used only as described.
Funding Sources:	<ul style="list-style-type: none"> The Operating Reserve will be funded from the surplus unrestricted operating funds. The Board may direct that a specific source of revenue be set aside for Operating Reserve.
Special Reporting Requirements	<ul style="list-style-type: none"> The ELT will maintain records of the use of funds and plan for replenishment. The ELT will provide regular spending profile and the replenish report to the Audit and Finance Committee.

Creation of Operating reserve
Attachment 1

Current Activity (\$s):			
(,000)	2020	2021	2022
Opening balance	\$0	\$3,000	\$3,000
Contribution from unrestricted surplus	\$3,000	TBD	TBD
Contribution to operations	\$0	TBD	TBD
Closing balance	\$3,000	\$3,000	\$3,000

Source Contact:	C. Jun, Controller
Review Schedule:	Next Review: 2022

Calgary Public Library Foundation Update

January 20, 2021

Highlights

- 2020 Numbers
 - \$4.6M received
 - More than 13,000 donors (a 21% increase over 2019)
 - 31% increase in our social media following
 - Library Store raised more than \$100,000, surpassing all previous years!
- In December, we released our Charitable Giving Guide and accompanying donor video.
- Our year end fundraising push resulted in 346 new donors. This is the greatest number we have obtained since our year end push in 2017.
- We surpassed our December 2020 fundraising match of \$100,000 by raising \$230,000!
- We currently have 471 monthly donors. We've gained 157 new monthly donors in support of initiatives like My First Bookshelf.
- Some comments from My First Bookshelf donors:
 - "Thank you for doing this! I work with vulnerable families and refugees and have been working with Calgary Reads to get free books in these children's hands. Thank you and please continue this cause if you can!" - *Giselle, Library Donor*
 - "I got my first library card when I was 5. So important for kids to have their own books to read and cherish. I still have some of my favorites." - *Barbara, Library Donor*
 - "This is an amazing initiative. Dolly Parton is AWESOME! As an educator & parent, I'm always so proud of our public library system in Calgary. Keep it up!!!" - *Meghann, Library Donor*
- The Foundation received a \$500 donation from a new donor who held a third party fundraising event to raise funds for CPLF. The donor is a newcomer to Canada and said that the Library has been like a home for her since she moved here.
- 260 people registered for the My First Bookshelf Town Hall held on Tuesday, January 19 and hosted by our newest Foundation staff member, Sade Nasser.
- Sponsorship confirmed for International Holocaust Remembrance Day Event on January 27. *Antisemitism: 76 years after the Holocaust* is sponsored by Barb and Ron Krell, and Lily and Bill Lister.

Upcoming

- **January 27** – Antisemitism: 76 years after the Holocaust sponsored by Barb and Ron Krell, and Lily and Bill Lister
- **February 10 (TBC)** – Town Hall: Digital Equity
- **February 14** – Virtual Locked Library: Secret Agent, a fundraiser for the Calgary Public Library. www.libraryafterdark.ca.
- **February 16** – Direct Mail focusing on the Digital Divide lands in mailboxes