



CALGARY PUBLIC LIBRARY

Board Meeting

5:30 PM, Wednesday, July 28, 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.

Pronunciation Guide

Hello: Oki - Oo-key (Blackfoot hello)

Âba wathtech - Om-bah-wah-stitch (Stoney hello)

Danit'ada - Duh-nee-duh-duh (Dene Hello)

Blackfoot Confederacy nations:

Siksikaistitapi - Six-ih-gay-tss-ih-taa-bee

Siksika - Six-ih-gah

Piikani - Be-gun-nee

Kainai - Gay-nah

Treaty 7 Nations:

Tsuut'ina - Suu-tin-Ah

Îyâñé Nakoda – Ay-a-hay Nuh-koh-duh

Mohkinstiss (Moh-gin-tsss-iss) meaning Elbow and refers to when the two rivers meet and what we refer to today as Calgary.

Library Board Meeting Schedule

2020 - 2021

Proposed as of July 28, 2021

Legend		
Meeting	Time	
BRD Regular Board Meeting	5:30 PM	
A&F Audit & Finance Committee	5:30 PM	
GOV Governance Committee	5:30 PM	
S&C Strategy & Community Comm.	5:30 PM	
SP Special Board Session / Retreat	TBD: Early to mid-March	
F Foundation Board Meeting	5:30 PM	
AGM Foundation AGM	5:30 PM	
BCC City's BCC Organizational Meeting		
CA City's Audit Committee	TBC	9:30 AM
SPC City's SPC on CPS (Civic Partner Report)	TBC	9:30 AM
ALC Alberta Library Conference, Jasper		
ORG Board Organizational Meeting	5:30 PM	
EPL EPL-CPL Boards Joint Meeting		
HOL Holidays		

November 2020						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11 HOL	12	13	14
15	16	17 F	18 ORG	19	20	21
22	23	24	25 BRD	26	27	28
29	30					

December 2020						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25 HOL	26 HOL
27	28	29	30	31		

January 2021						
S	M	T	W	T	F	S
					1 HOL	2
3	4	5	6 GOV	7	8	9
10	11	12 S&C	13	14	15	16
17	18	19 A&F	20	21	22	23
24	25	26	27 BRD	28	29	30
31						

February 2021						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10 GOV	11	12	13
14	15 HOL	16 F	17 S&C	18	19	20
21	22	23	24	25	26	27
28						

March 2021						
S	M	T	W	T	F	S
	1	2	3 GOV	4	5	6
7	8	9 S&C	10	11	12	13 SP
14	15	16	17	18	19	20
21	22	23 A&F	24	25	26	27
28	29	30	31 BRD			

April 2021						
S	M	T	W	T	F	S
					1	2 HOL
4	5	6	7 GOV	8	9	10
11	12	13	14 S&C	15	16	17
18	19	20 F	21 A&F	22	23	24
25	26	27	28	29	30	

May 2021						
S	M	T	W	T	F	S
						1
2	3	4	5 GOV	6	7	8
9	10	11 S&C	12	13	14	15
16	17	18 AGM	19	20	21	22
23	24 HOL	25	26 BRD	27 SPC	28	29
30	31					

June 2021						
S	M	T	W	T	F	S
		1	2 GOV	3	4	5
6	7	8 S&C	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23 BRD	24	25	26
27	28	29				

July 2021						
S	M	T	W	T	F	S
				1 HOL	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20 A&F	21	22	23	24
25	26	27	28 BRD	29	30	31

August 2021						
S	M	T	W	T	F	S
1	2 HOL	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September 2021						
S	M	T	W	T	F	S
			1 GOV	2	3	4
5	6 HOL	7	8 S&C	9	10	11
12	13	14	15	16	17	18
19	20	21 F	22	23	24	25
26	27	28	29 BRD	30		

October 2021						
S	M	T	W	T	F	S
					1	2 SP
3	4	5	6 GOV	7	8	9
10	11 HOL	12	13 S&C	14	15	16
17	18	19 A&F	20	21	22	23
24	25	26	27 BRD	28	29	30
31						

November 2021						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11 HOL	12	13
14	15 BCC	16 F	17	18	19	20
21	22	23	24 ORG	25	26	27
28	29	30				

December 2021						
S	M	T	W	T	F	S
			1 BRD	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25 HOL
26 HOL	27	28	29	30	31	

Unapproved Minutes
Audit and Finance Committee Meeting
Calgary Public Library Board
Online via Microsoft Teams
Tuesday, July 20, 2021
5:30 pm

In Attendance:

Board

Andrew Rodych (*Chair*)
Haritha Devulapally
Sandy Gill
Avnish Mehta
Sheeba Vijayan

Administration

Sarah Meilleur, *CEO (Interim)*
Katrina Ducs, *Financial Services & Procurement Lead*
Chae Jun, *Controller*
Paul Lane, *Director, Corporate Services*
Trevor Myers, *Business Analyst, Corporate Services*

Regrets

None.

I. Treaty 7 Opening

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

II. Review of Agenda

MOVED by Haritha Devulapally that the July 20, 2021 Audit and Finance Committee meeting agenda be approved as circulated.

Carried unanimously

III. Approval of Minutes

MOVED by Sandy Gill that the minutes of the April 28, 2021 meeting be approved as circulated.

Carried unanimously

IV. Business Arising

None.

V. Q2 2021 Risk Review

Trevor Myers presented highlights from the Q2 2021 Risk Register.

As with prior risk reporting during the global pandemic, several risk values have been heightened due to building closures and related reductions in library usage. From April 7 to June 14, all buildings were closed to the public resulting in significantly fewer visits. Visits fell slightly short of targets set at 10% of the visits experienced in Q2 2019.

Website visits decreased slightly in Q2 as well. While online program offerings continue to grow, in-person programs continue to be on hold. These had previously been one of the main drivers of website traffic. Electronic circulation remains strong and continues to perform well against previous years.

Incidents at Central Library have remained relatively high (10.77 per 10,000 visits) as a result of closures and reduced building visits. There was a marked increase in drug use and social disorder around the exterior of the building, in part due to less foot traffic. Exterior security patrols have begun proactively engaging with individuals and groups during their rounds and this approach has been successful in preventing potential security issues. When considering only incidents that occurred inside Central Library, the incident ratio drops from 10.77 to just 1.79.

The Library has continually adapted during this time of crisis and has mitigated known risks by modifying service, enhancing online offerings, and supporting staff through professional development. The lessons learned during the pandemic will empower the Library to continue evolving its services to meet the changing needs of its communities. Since Library locations re-opened in June, there has been a sharp increase in memberships, indicating that users are ready to return to Library spaces.

The committee requested that Administration include forward-looking potential risks in subsequent reports to prompt discussion and consideration of appropriate metrics and analysis.

Task	Responsible	Deadline
Provide a forward-looking statement identifying potential future risks as part of the Controller's Report and Risk Register.	Administration	October 2021

The committee also requested that Administration provide a look-back analysis of the Library's built-in resiliency, risk mitigation, decision points, key learnings, and successes related to its response to the global pandemic and associated public health restrictions. The committee and Administration agreed that this report would best serve the Board if completed after the Library has returned to full-scale operations.

Task	Responsible	Deadline
Provide a look-back analysis and record of the Library's pandemic response to the Calgary Public Library Board for information.	Administration	January 2022 (targeted)

MOVED by Sandy Gill that the Q2 2021 Risk Review be recommended as presented to the Calgary Public Library Board to receive for information.

Carried unanimously

VI. Q2 2021 Controller's Report and Financial Review

Chae Jun presented highlights from the Q2 2021 Controller's Report and Financial Review. The interim financial report for the quarter ended June 30, 2021 showed a net excess of revenues over expenses of \$0.2M.

City and Provincial funding were received in Q1 and Q2 as expected. As of June 30, 2021, the Library's cash position was \$14.4M, representing an increase of \$5M from the beginning of the year. Revenue increased slightly by a net of \$126,000.

Management has reallocated the \$0.9M favourable variance from Q1 2021 from salary and benefits savings. The \$0.9M has now been divided between Collections, Information Technology, and professional fees. A \$546,000 net decrease was reported in the expense forecast for Q2. The details of the Q2 surplus reallocation will be provided in the Q3 2021 Controller's Report, but these funds have been earmarked for several projects, including a welcome back to the Library membership campaign, the Saddletowne Library renovation, Collections, and a facility asset management plan.

Jun advised that there have been 35 job postings since the reopening in June with more to come in order to fill over 50 FTE vacancies. Because of this current recruitment push from Human Resources, the favourable variance from salary and benefits is expected to decrease in Q3 and again in Q4.

As of June 30, 2021, year-end forecasted net financial assets are reported as \$4.8M, including the \$3M operating reserve fund established in Q1 2021. Based on current market conditions, the remaining \$1.8M will be left available for operational expenses and accounts payable.

The committee expressed interest in further discussion about fund reallocation, the reserve fund, and other ways the Library prevents excess year-end surplus at the October 19, 2021 meeting of the Audit and Finance Committee.

MOVED by Avnish Mehta that the Q2 2021 Controller's Report and Financial Review be recommended as presented to the Calgary Public Library Board to receive for information.

VII. 2021 Workplan Review

The committee asked that the 2021 Workplan be updated to reflect a committee mandate review in October 2021 in order to present a recently confirmed document to new Board and committee members in November.

Task	Responsible	Deadline
Amend the workplan to have the committee perform an annual mandate review in October rather than January of each year.	Administration	October 2021

MOVED by Haritha Devulapally that the 2021 Audit and Finance Committee Workplan be amended to perform a committee mandate review in October rather than January of each year.

Carried unanimously

VIII. Other Business

None.

IX. Adjournment

MOVED by Sheeba Vijayan that the meeting be adjourned at 6:40 pm.

Transcribed by Amanda Robertson

Andrew Rodych
Chair

**Report to the
Calgary Public Library Board
Audit and Finance Committee
July 20, 2021**

Risk Register Update for Q2 2021

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 Q2 2021.

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, 9 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 9 risk factors, 7 have been categorized in the low threat range, 1 in the medium threat range, and 1 in the high threat range. Risk thresholds have been modified to reflect closure and forecasted activity levels.

Range	# of Measures	Notes
	6	
	2	Building Visits, Website Visits
	1	Central Library Incidents

All library locations were closed between April 7th and June 14th. As with similar periods of closure during the past 16 months, there were significantly fewer building visits compared to previous years. Risk thresholds for building visits were lowered in anticipation of this period of closure, with targets set at 10% of the visits experienced in Q2 2019. Despite that, visits failed to meet that value by a small amount.

Website visits decreased slightly this quarter, also missing the established target by a small percentage. Online program offerings continue to grow, in both frequency and popularity, but in-person programs (one of the main drivers of website traffic) continue to be on hold. Electronic circulation remains strong, performing very well in relation to previous years.

Incidents at the Central Library have stayed at the high level seen throughout much of 2020. There was a marked increase to incidence of drug use around the exterior of the Central Library. Measuring incidents as a proportion of visits, this KPI continues to be heavily impacted by the closure and reduce building visits. With less foot traffic in and around the Central Library, deviant behaviours are more prevalent. To help combat this, exterior security patrols have begun actively engaging with individuals and groups during their rounds. They have successfully intervened in 15 situations, where their presence and positive approach prevented potential security issues before they even began. It is important to acknowledge the effect that the societal and economic impacts of the pandemic have played a significant factor in the increase of security incidents. Community partners and stakeholders around the Central Library have reported experiences in line with that experienced by our security teams. It is also important to recognize that the majority of these incidents (35 of 42) occurred outside the library's walls. Counting only the incidents that occurred within the library, this number drops from 10.77 to just 1.79.

Administration continues to navigate these security challenges, support Library staff, and work strategically with partners to address safety concerns.

IV. **CONCLUSION**

As with each other report during the past 16 months, many risk factors have been heavily affected by the COVID-19 pandemic. Building visits are the primary driver of library use and with locations closed, many risk values are heightened. That said, the sharp increase in memberships following the mid-June reopening indicate that Calgarians are ready to return to our spaces.

The Calgary Public Library has continually adapted during this time of crisis, mitigating risk by modifying service, enhancing our online presence, and supporting staff by building capacity through professional development. Though the worst of the pandemic is hopefully behind us, we will undoubtedly take these lessons forward, continuing to evolve our services to meet the changing needs of our communities.

V. **RECOMMENDATION**

1. That the Audit and Finance Committee recommends this report, ***Risk Register Update for Q2 2021***, to the Calgary Public Library Board.

Trevor Myers,
Business Analyst, Corporate Services

att: Q2 2021 Risk Register

Q2 2021 Risk Register Overview

Relevance		Finance		Operations		Security	
Active Memberships <i>Next Update Q3 2021</i>	54% Target: 50% (+8.79%)	Net Financial Assets <i>Next Update Q3 2021</i>	\$8.41M Target: \$3.00M (+180.23%)	Building Visits <i>Next Update Q3 2021</i>	176,846 Target: 190,000 (-6.92%)	Community Library Incidents <i>Next Update Q3 2021</i>	1.12 Target: 1.50 (-25.33%)
Satisfaction Score <i>Next Update Q4 2021</i>	4.80 Target: 4.50 (+6.67%)	Fraud <i>Next Update Q3 2021</i>	\$0 Target: \$0	Website Visits <i>Next Update Q3 2021</i>	1,209,586 Target: 1,250,000 (-3.23%)	Central Library Incidents <i>Next Update Q3 2021</i>	10.77 Target: 4.50 (+139.33%)
Volunteer Support <i>Next Update Q3 2021</i>	99% Target: 90% (+10%)	Operating Cost per Use <i>Next Update Q1 2022</i>	\$1.67 Target: \$1.55 (-7.82%)	Library Space per Capita <i>Next Update Q4 2021</i>	0.45 Target: 0.50 (-10%)		
Circulation per Capita <i>Next Update Q4 2021</i>	9.49 Target: 12.50 (-24.11%)	Municipal Grant per Capita <i>Next Update Q3 2021</i>	\$39.14 Target: \$42.00 (-6.8%)	Staff Engagement <i>Next Update Q4 2021</i>	71% Target: 70% (+1.43%)		

Relevance - Active Memberships

The total active members divided by population of the service area
Reported quarterly - Updated June 2021

Total active members divided by population of the service area.

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.

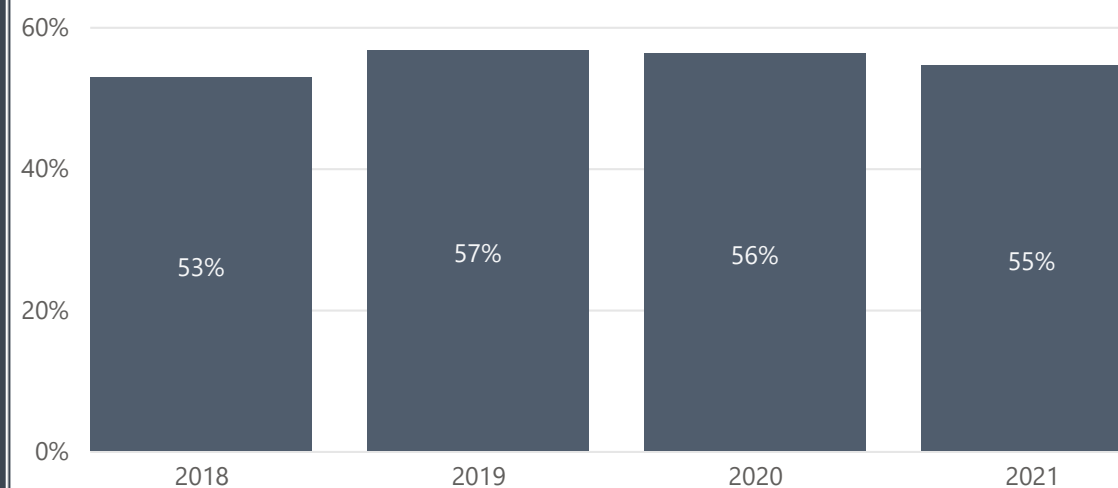
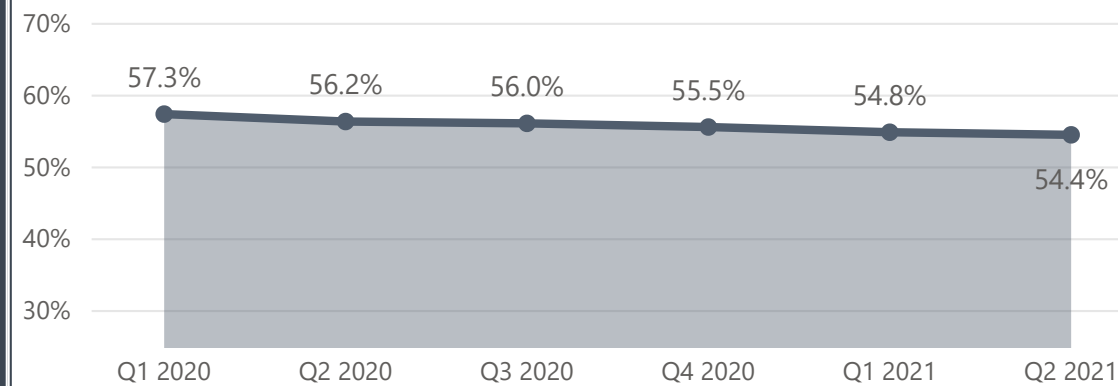
Mitigation Actions

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.

Q2 2021

54%

Target: 50% (+8.79%)



<45%

45-50%

>50%

Commentary

Latest Values:

710,780 active members

2021 population of 1,306,700

11,418 new members registered during Q2 2021

New membership remained low throughout the closure. It increased sharply in June, with 31% of new memberships occurring in the 2 weeks following reopening.

Calgary Public Library Members as a proportion of overall population is well above the national median of 39.3 (MBNCanada, 2019).

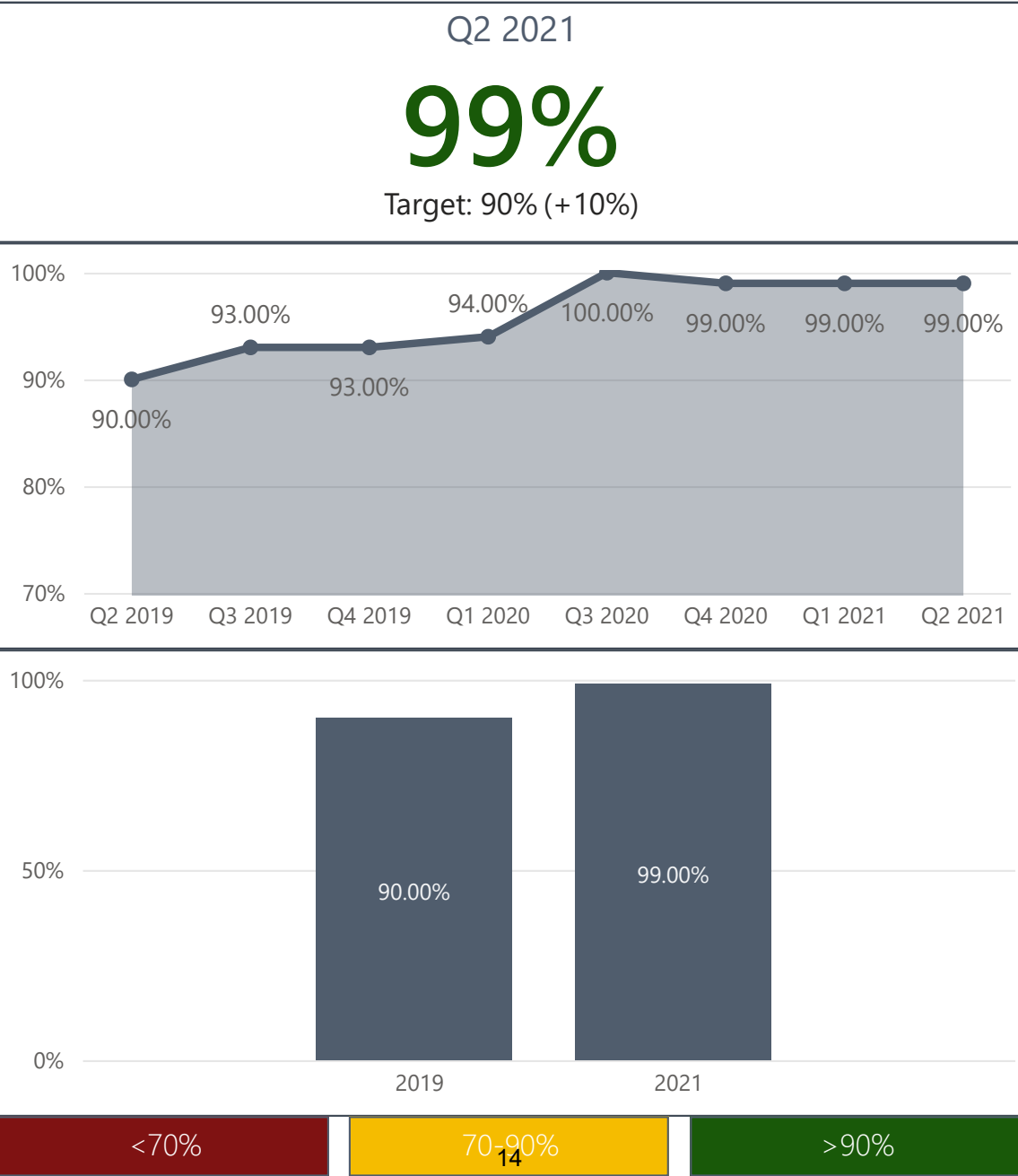
Relevance - Volunteer Support

The percentage of volunteer placements filled in all libraries in the system.
Reported quarterly - Updated June 2021

The ability to attract and retain volunteers is an indicator of community support for the Library, a driver of relevance. Relevance is a necessary condition to achieve the aims of the Strategic Plan.

Mitigation Actions

- Enhance training of volunteers.
- Enhance recognition of volunteers.
- Broaden scope of volunteer opportunities.
- Integrate volunteers more closely into service delivery model



Commentary.
Reporting volunteer placements filled now attributes more weight to programs that require more volunteers. Volunteer supported program placements (i.e. Reading Buddies) are counted by the number of volunteers placed to run the program. On-going programs (i.e. Wayfinding) are counted by shifts filled. If volunteer opportunities cannot be filled, programs may offer a lesser experience or be cancelled altogether.

As with the previous closure, nearly all volunteering in Q2 occurred online. Similar to staff programming, many volunteer activities have successfully pivoted to the online environment.

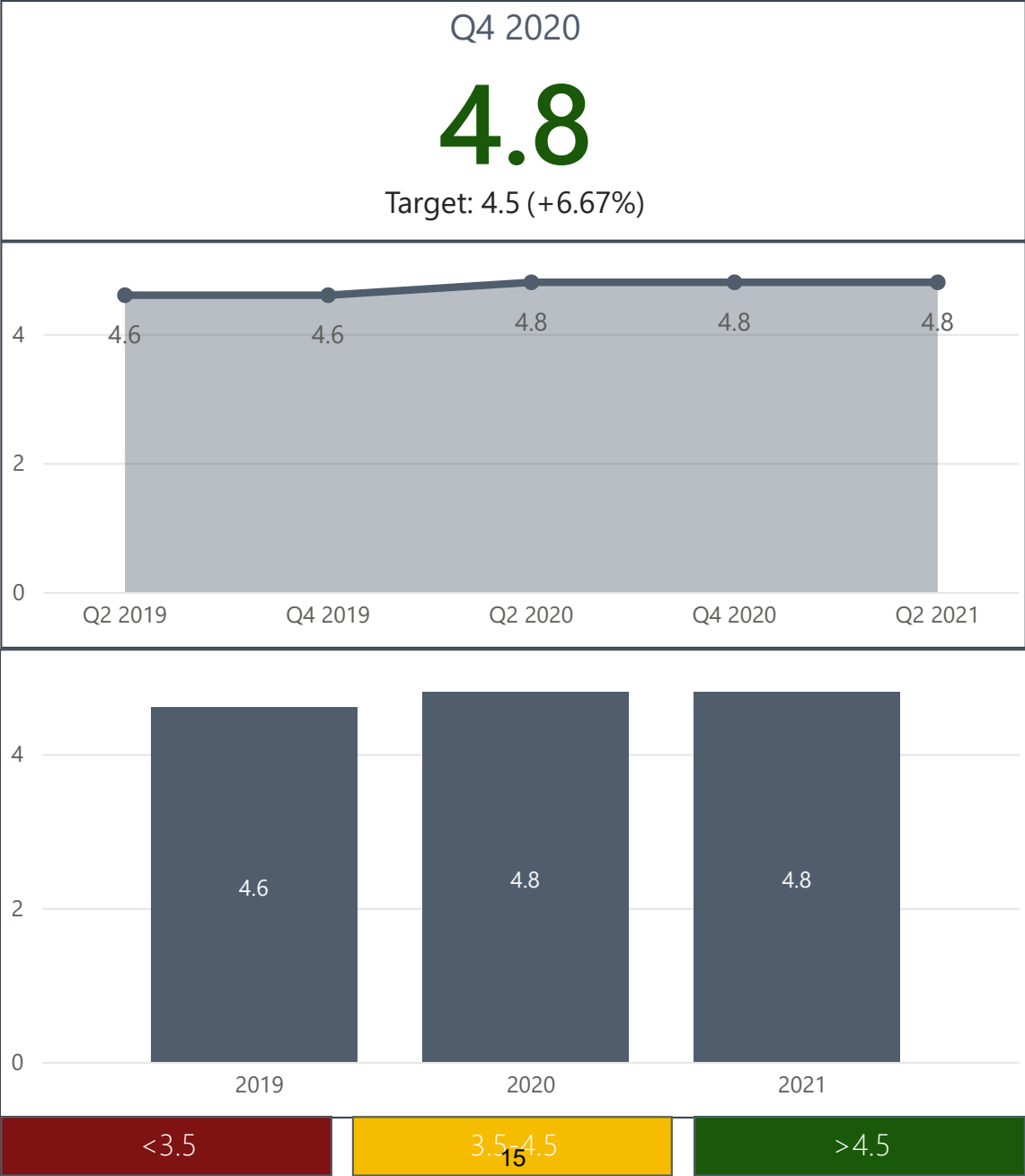
Relevance - Satisfaction Score

Average rating of satisfaction with overall library service in a random sample of library users.
Reported semi-annually in Q2 and Q4 - Updated June 2021

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.

Mitigation Actions

- 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.



Commentary.
Member satisfaction with the Library is generally quite high. Latest survey was conducted in May 2021. 400 respondents were asked for their overall satisfaction with their experience with Calgary Public Library.

Finance - Net Financial Assets

Net financial assets as determined by the Library's customary accounting standards.
Reported quarterly - Updated June 2021

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

In Q4 2020, the Library Board approved a reserve fund of \$3 million. This fund has resulted in increased risk threshold levels, with the 'low risk' category being increased to \$3 million. The level of net financial assets closely follows the pattern of quarterly operating grant receipts because expenses are very consistent month to month.

Finance - Fraud

The cumulative value of fraudulent transactions identified.
Reported quarterly - Updated June 2021

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.



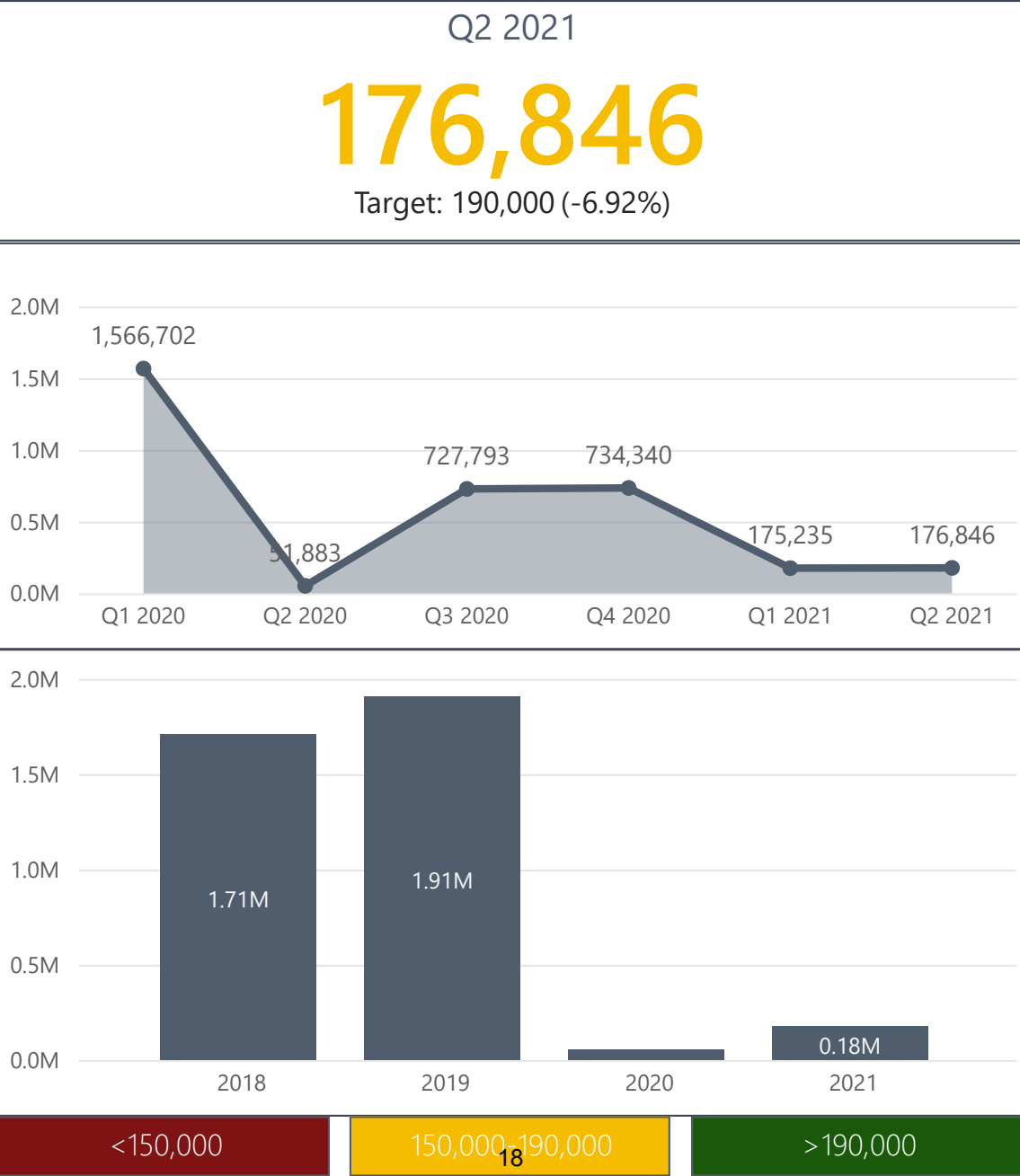
Operations - Building Visits

The number of physical visits to all libraries
Reported quarterly - Updated June 2021

The number of physical visits to Library locations. 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:
334,102176,846 visits in Q2 2020
1,907,701 visits in Q2 2019

All 21 libraries were closed to the public between April 7, 2021 and June 13, 2021. All building visits recorded this quarter occurred between April 1-6 and June 14-30.

Building access was metered throughout June in accordance with public health measures.

This measure traditionally compared year-over-year percentage increases and decreases to building visits. As 2020 was an extremely atypical year, percentage comparisons are insufficient to indicate progress. This KPI is now presented as the sum of all visits, rather than the percentage growth. Risk thresholds have also been modified, to both reflect this change and anticipate periods of closure.

Operations - Website Visits

The number of visits to the Library website
Reported quarterly - Updated June 2021

The number of visits to the Library website.

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

Implemented new, more attractive, and usable website. Content is kept current, updated, and relevant.

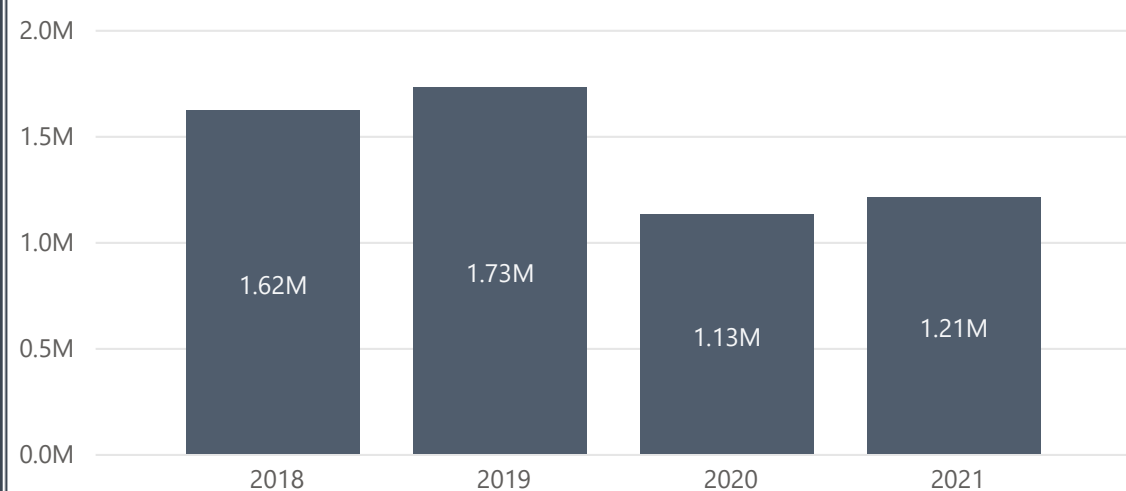
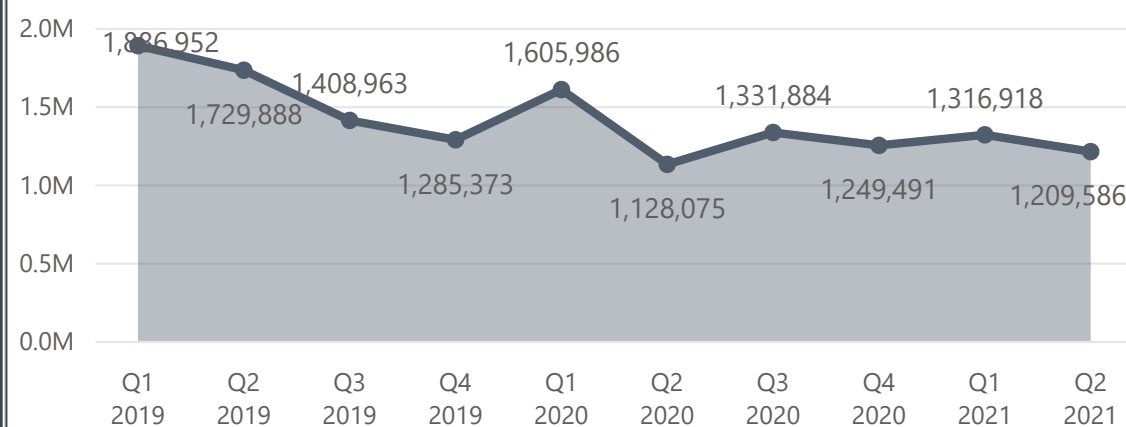
New services and collections are prominently featured on the website.

E-resources made easier to access, especially for students.

Q2 2021

1,209,586

Target: 1,250,000 (-3.23%)



<1,000,000

1,000,000-1,250,000

>1,250,000

Commentary

Latest values:

1,209,586 website sessions in Q2 2021

1,128,075 website sessions in Q2 2020

1,729,888 website sessions in Q2 2019

A significant Library website redesign launched in April 2019. The Library website attracted a great deal of traffic during closure due to the increased use of eLibrary and eLearning resources.

Drivers of website visits such as in-person Library programs continue to be negatively impacted by reduced service offerings.

This measure traditionally compared year-over-year percentage increases and decreases to website visits. As 2020 was an extreme atypical year, percentage comparisons are insufficient to indicate progress. This KPI is now presented as the sum of all website visits, rather than the percentage growth.

Security - Community Library Incidents

The number of community library security incidents per 10,000 visits
Reported quarterly - Updated June 2021

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.

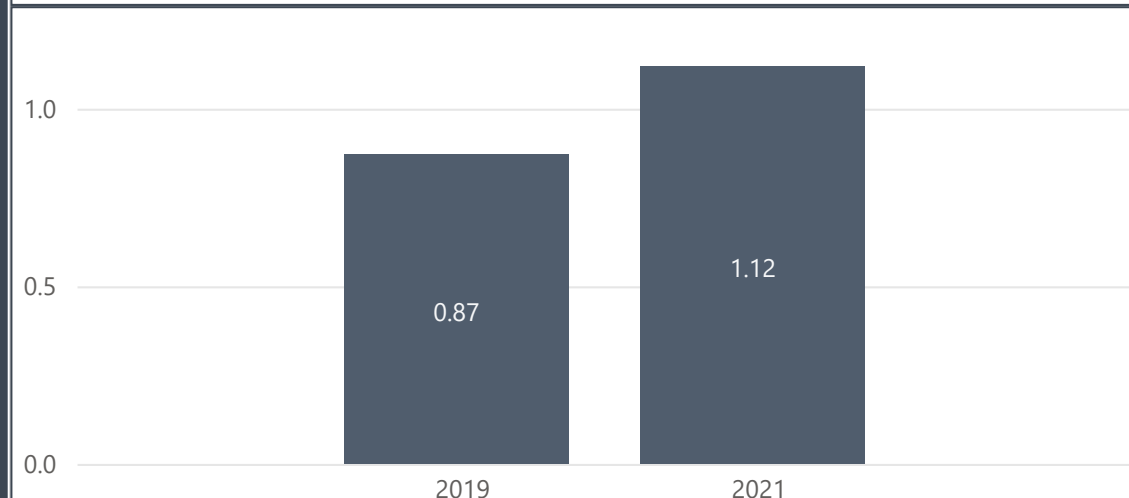
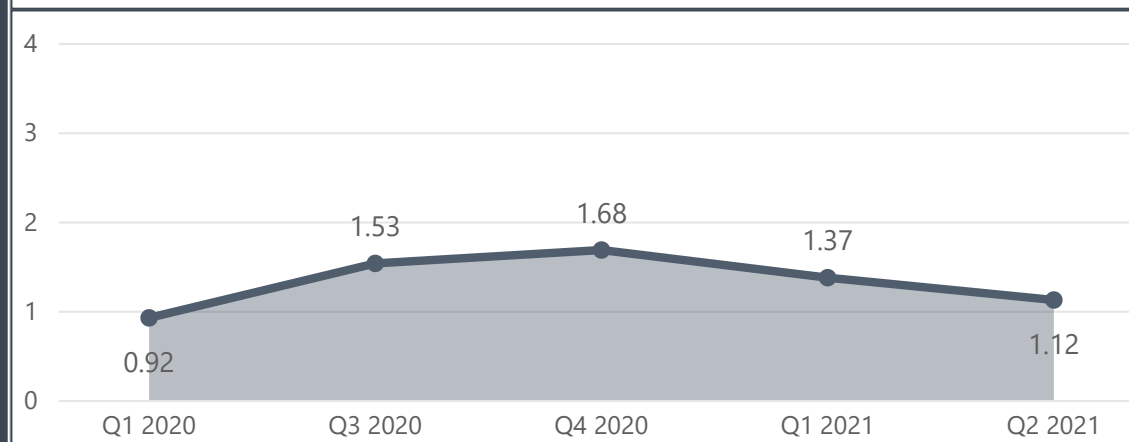
Mitigation Actions

Ongoing staff training on safety and security.
Security Advisor from City of Calgary seconded to CPL.
Enhanced relationship with CPS and community partners.
Enhanced staff training and experience provided through security contractor.
Environmental design used to deter negative behaviours.
Working collaboratively with our Employee and Family Assistance provider Shepell to provide staff with techniques to deescalate and cope with challenging situations.

Q2 2021

1.12

Target: 1.50 (+25.33%)



>3.0

1.5-3.0

20

<1.5

Commentary

As incident rates are calculated based on visits, this measure is negatively impacted by the steep reduction in building visits and the complete closure of libraries for much of this quarter.

There has been an increase in vagrancy and encampments at some community library locations. Security is currently working with various agencies to address these issues.

Surveillance systems at Giuffre and Signal Hill libraries were upgraded in May, 2021.

Security - Central Library Incidents

The number of Central Library security incidents per 10,000 visits
Reported quarterly - Updated June 2021

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.
Enhanced relationship with CPS and community partners.
Enhanced staff training and experience provided through security contractor. Increased security staffing as needed.
Environmental design used to deter negative behaviours.
Working collaboratively with our Employee and Family Assistance provider Shepell to provide staff with techniques to deescalate and cope with challenging situations.

Continuing work with BOMA Public Safety Committee to exchange information on challenges with the downtown core, vulnerable persons and undesirable behaviours.

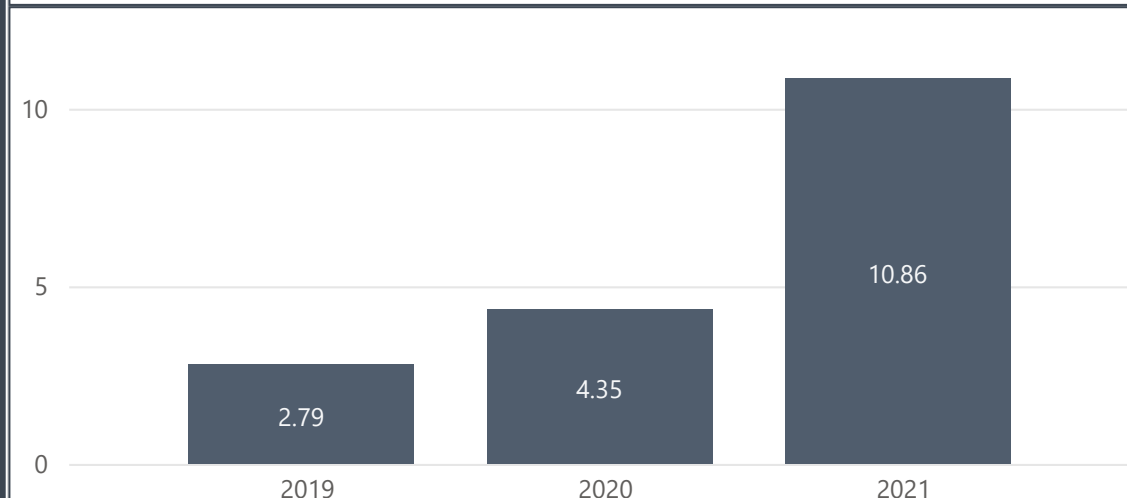
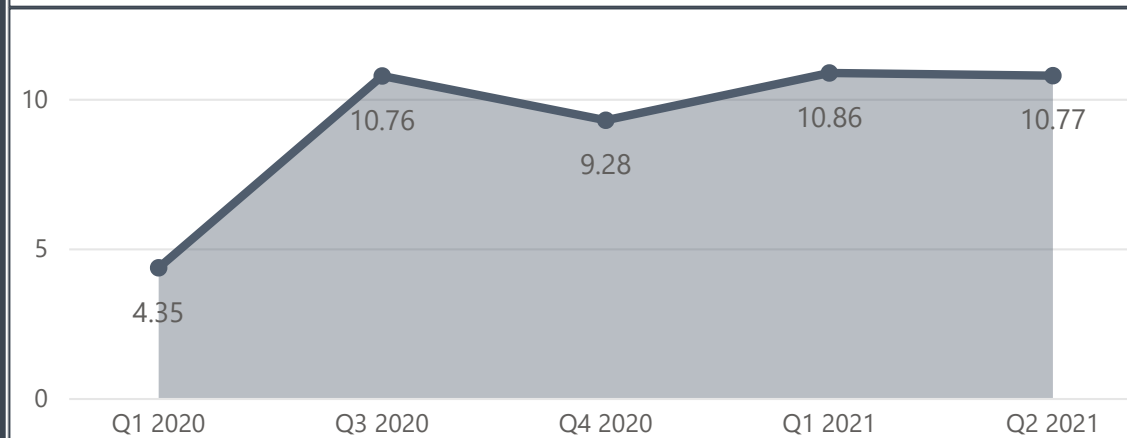
Participation in the 9 Block Coordinated Safety and Security Pilot, a collaborative project spearheaded by the Mayor's Office working to address safety and security concerns around the Calgary Municipal Building. The 9 Block project has also hired ambassadors to create a more positive environment in the area around the Central Library.

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 2021.

Q2 2021

10.77

Target: 4.50 (-141.33%)



>8.0

4.5-8.0

<4.5

Commentary

As incident rates are calculated based on visits, this measure is negatively impacted by the steep reduction in building visits and the complete closure of libraries for much of this quarter.

Reported incidents of drug use increased 100% from Q1 to Q2 2021 (10 incidents vs. 20 incidents). This quarter saw considerably warmer weather than Q1, where the low-temperature days in January and March limited activity around the exterior of the Library. This increased activity is consistent with the experiences of other stakeholders around Central Library. Bow Valley College, City of Calgary (Municipal Building/City Hall), Rio Can, and Transit Protective Services are all reporting increased levels of drug activity.

One overdose incident occurred on the exterior of the Library in June. Security intervened and were successful in saving the individual's life.

There has been an increase in vandalism and graffiti. It is quickly identified and repaired/removed but it is an ongoing issue for the facilities department.

During exterior security patrols, security staff are actively engaging with members of the public. The team has successfully intervened in 15 different situations where their positive approach with individuals and groups helped prevent potential security issues from occurring. 35 of the 42 reported incidents occurred around the Library's exterior.

Report to the
Calgary Public Library Board
Audit & Finance Committee
July 20, 2021

Controller's Report for the Quarter Ended June 30, 2021

The interim financial reports of The Calgary Public Library for the quarter ended June 30, 2021 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.

A. Executive Summary

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

- Financial Dashboard
- Interim Statement of Financial Position
- Management Report – Operating Activities
- Life Cycle Funding and Spending Profile
- Operating Reserve Fund

The Library ended the second quarter of 2021 with a net excess of revenues over expenses of \$0.2M. Further explanations of the variances under revenue and expenses are summarized in sections C and D and in the *Management Report – Operating Activities*.

The Library received the \$6.9M Provincial funding for 2021 at the end of April.

Management reallocated the \$900K favorable variance of salaries and employee benefits from Q1. \$600K was redirected to Collections, \$100K for IT – Wi-Fi Hotspot, \$50K for professional fees, and \$150K for projected vacation payout. There is an additional \$0.7M cash surplus from Q2.

Management is developing a re-allocation plan which includes, the pandemic recovery/welcome back to the Library programs, membership campaign, building hazard material assessment project, Saddletowne Library renovation and purchasing additional on-line materials in response to the increase in demand. The specific allocations for these projects are to be determined and will be reflected in the Q3 forecast.

The operations continue to actively fill vacant positions since the re-opening. There have been 35 jobs posted since June 24 and the Human Resources Advisors are continuously posting more. There were 50.8 vacant FTEs at the quarter end.

B. Interim Statement of Financial Position

Net financial assets are \$8.4M favorable at quarter end (\$7.0M favorable at Q1). The cash balance is strong. Receivables relate to operating and lifecycle activities. Payables relate to Salaries and Benefits accruals and amounts owing to vendors.

The decrease in cash and deferred revenue compared to the prior year is due to receiving the Q3 City Operating Levy in Q2 in 2020.

C. Revenues

Revenues are \$0.1M favorable for the second quarter end.

Line 14 – Rent revenue - \$36,400U at June 30, 2021 and \$nil at March 31, 2021

The unfavorable variance is due to the Library closure.

Line 19 – Interest and other revenues - \$85,293F at June 30, 2021 and \$128,424F at March 31, 2021

The favorable variance is due to the Genesis Centre share of reserve funds and the internship program, net of the decrease in printing revenue.

Line 22 – Grants and sponsorships - \$57,504F at June 30, 2021 and \$57,343F at March 31, 2021

The favorable variance is due to the additional restricted program funding provided by the Foundation.

D. Expenses

Expenses are \$3.4M favorable for the second quarter end.

Line 29 – Salaries and employee benefits - \$1,690,013F at June 30, 2021 and \$1,025,101F at March 31, 2021

The favorable variance is primarily due to vacant positions and the closure. Management has reallocated \$0.9M toward additional spending in Collections and General Operating.

Line 32 – Collections - \$53,666F at June 30, 2021 and \$50,246F at March 31, 2021

The forecast for Collections is expected to be on target.

Line 48 – General operating - \$1,206,054F at June 30, 2021 and \$547,587F at March 31, 2021

This category includes many variances, but the largest expense variances were from IT, MarCom and programming. Management is monitoring any potential supply chain disruptions and adjust spending profile accordingly.

Line 54 – Building and equipment - \$398,726F at June 30, 2021 and \$255,481F at March 31, 2021

There are some savings from contract cleaning due to the closure. However, there are no issues of concern in this category projected for the 2021 year.

Line 74 - Amortization - \$52,376F at June 30, 2021 and \$28,137F at March 31, 2021

This favorable variance is due to slower TCA additions.

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, lifecycle and operating reserve reports for the period ended June 30, 2021.

Prepared by Chae Jun CPA, CGA, MBA

Controller

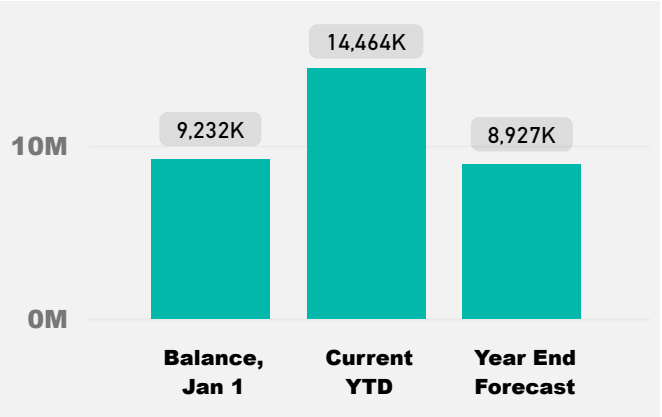
Commentary

- City funding received for Q1 & Q2 as budgeted.
- The Library received the \$6.9M 2021 Provincial grant in April.
- Increases mainly due to the Genesis Centre share of reserve funds and hosting of internship program.
- Increased restricted grant revenue received from the Foundation.

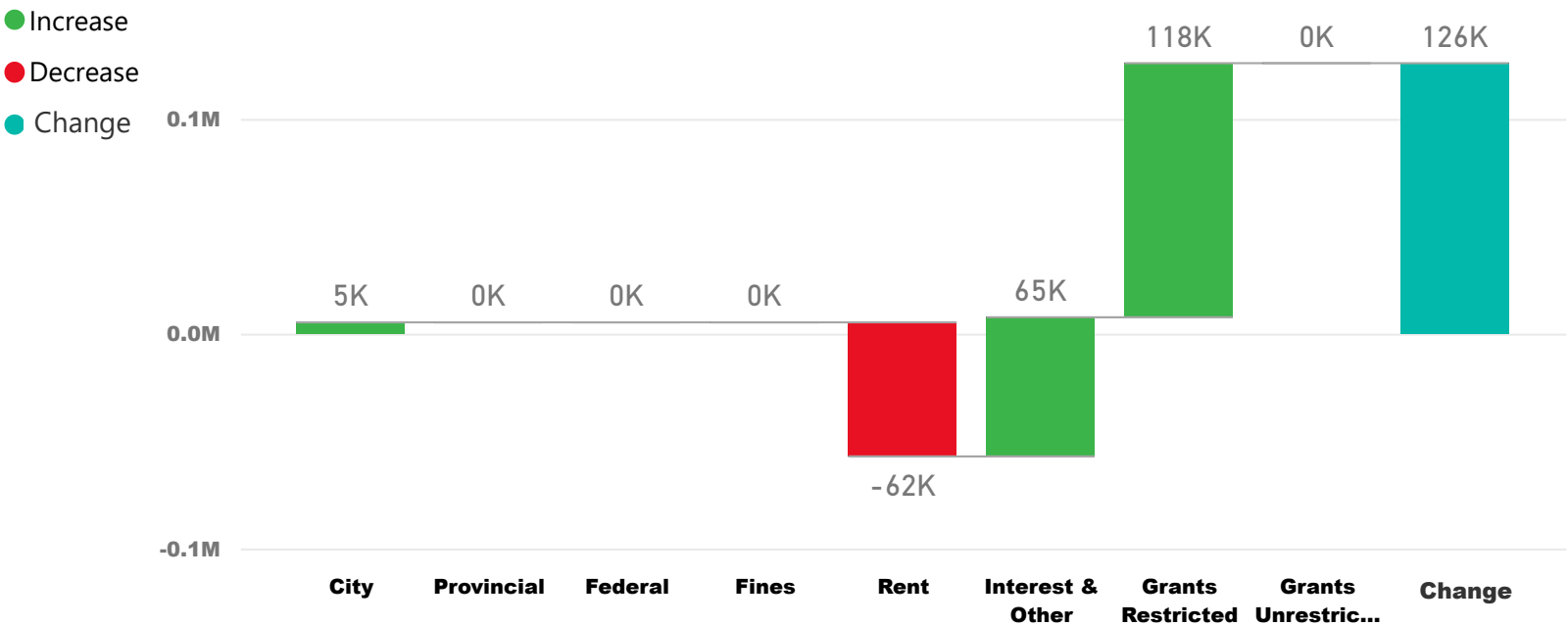
Actions

- Library locations reopened on June 14, 2021.
- Both tenants (Inception U and Lukes) at Central Library are not using the Library space as of end of Q2.

Cash Position Forecast, as of Jun 30, 2021



Revenue Forecast, as of Jun 30, 2021



Board-Approved Budget Revenues
63,152K

Forecasted Revenues
63,278K

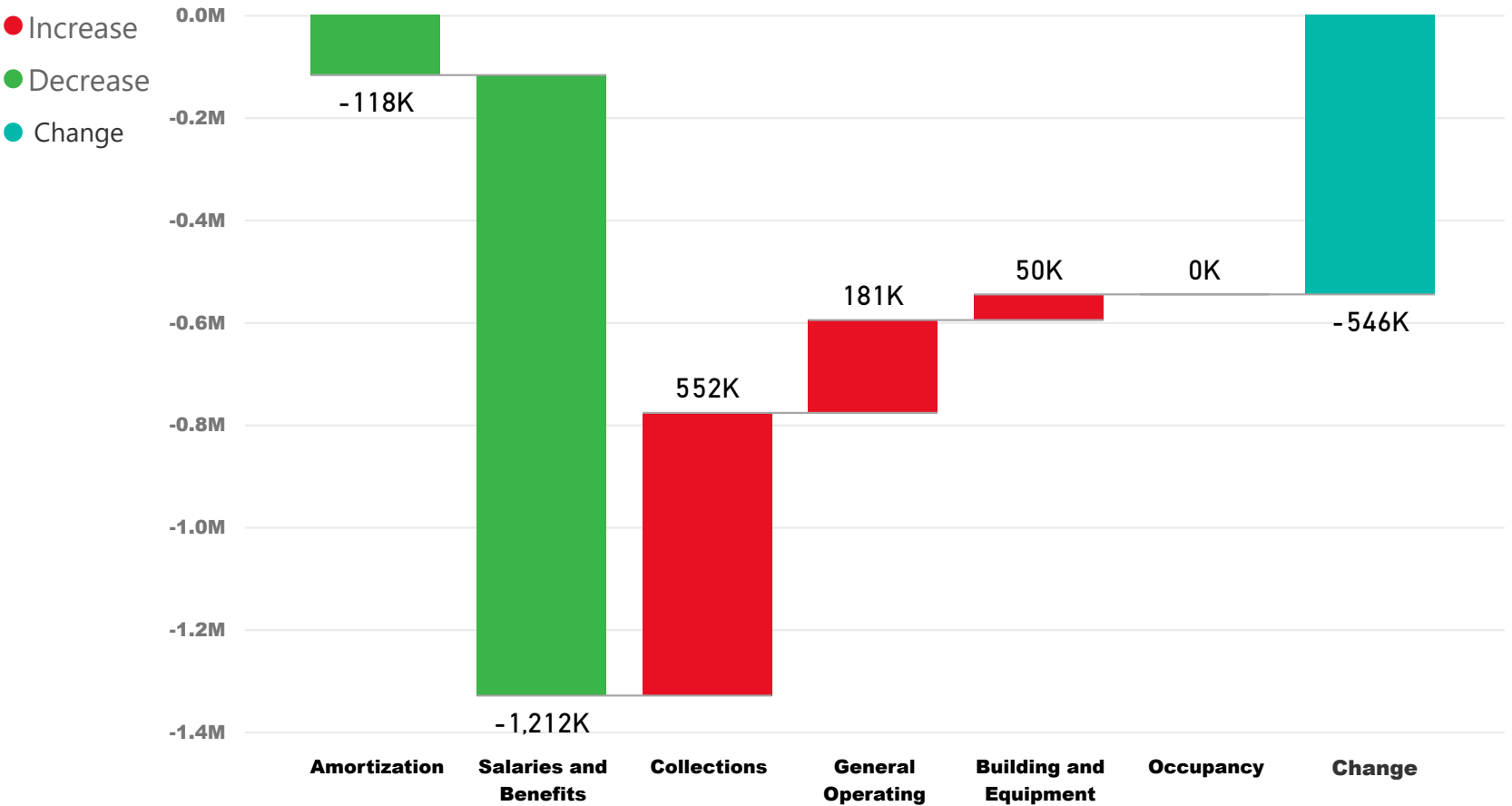
Commentary

- Net decrease of expenses forecasted as of Q2 is \$546K.
- 2021 Q2 YTD overall salaries and benefits favorable variance is \$1.7M.
- General Operating forecasted increase is mainly due to additional lifecycle and restricted fund expenses.
- Building & Equipment forecasted increase is due to utility contracts renewal rate increase & market price increase.

Actions

- The management reallocated the \$900K favorable variance of salaries and employee benefits from Q1. \$600K is directed to Collection, \$100K for IT – Wi-Fi Hotspot, \$50K for professional fees, \$150K for projected vacation payout.
- The reallocation plan of the additional \$0.7M favorable variance from Q2 will be reflected in the Q3 forecast.

Expense Forecast, as of Jun 30, 2021



Board-Approved Budget Expenses
69,866K

Forecasted Expenses
69,320K

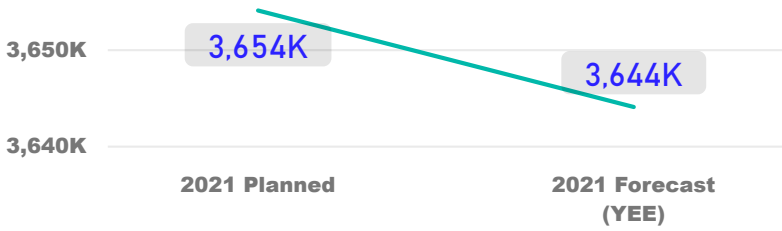
Lifecycle Funding Commentary.

- Carry forward funds include \$1.4M The City lifecycle funding and \$0.5M asset management funds from PYs.
- Current year funds include \$2.9M The City lifecycle funding, \$0.2M asset management from the operating funds, and \$75K from the Genesis Centre capital reserve.

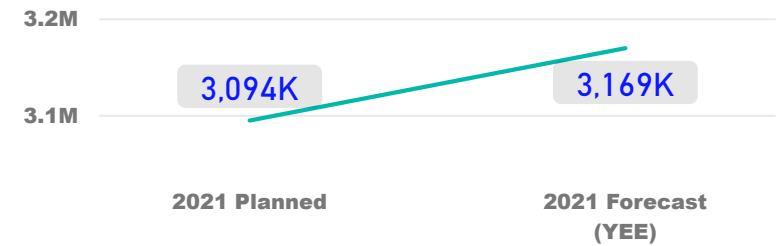
Lifecycle Surplus Forecast, as of Jun 30, 2021

Funding Source

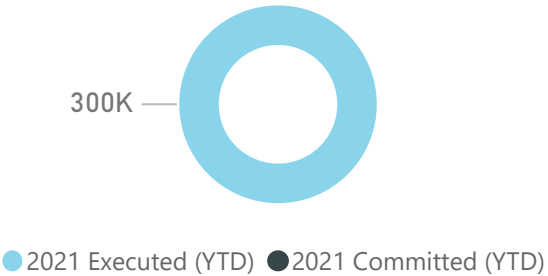
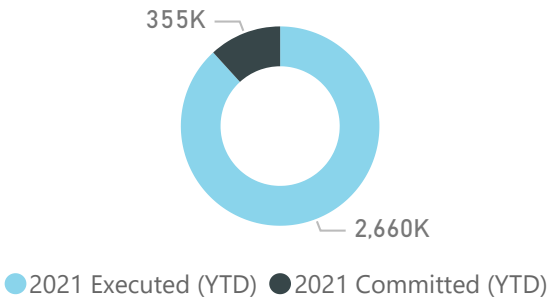
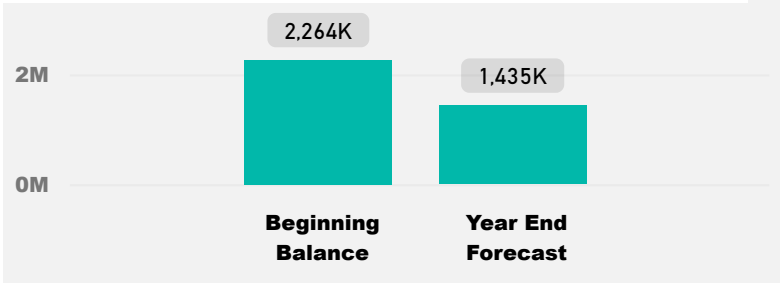
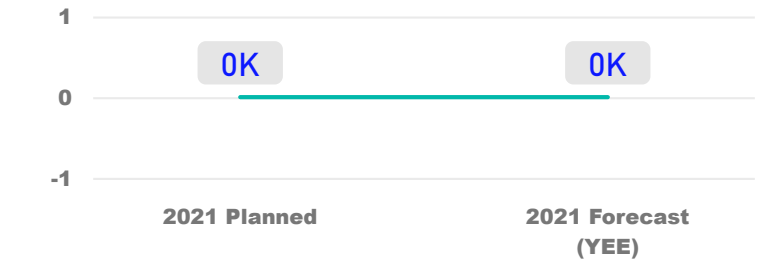
Carry Forward



Current Year Funds



Growth Projects Funds



Lifecycle Spending Commentary

- Carry forward projects include: Memorial Park washroom & main floor, Giuffre upgrade, Country Hills lighting, Signal Hill BOH, Seton theatre, IT equipment, 50% of Automated Material Handling machine for Signal Hill & demand maintenance projects.

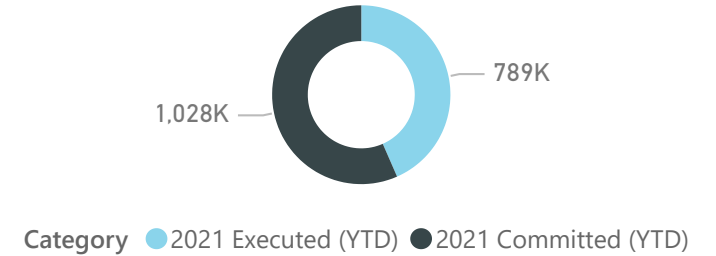
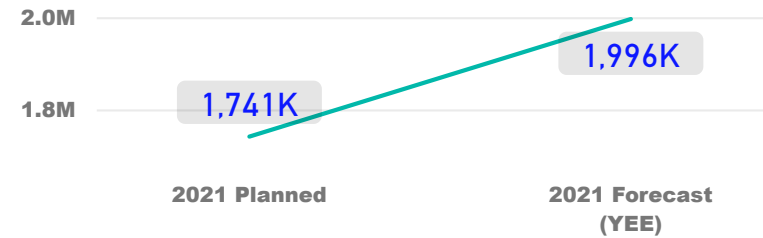
- Building projects include Saddletowne, Shawnessy, asset management, accessibility, and environmental projects.

- Shawnessy renovation (\$0.8M) project was expedited from 2022 to 2021. Asset management project was reduced by \$0.4M.

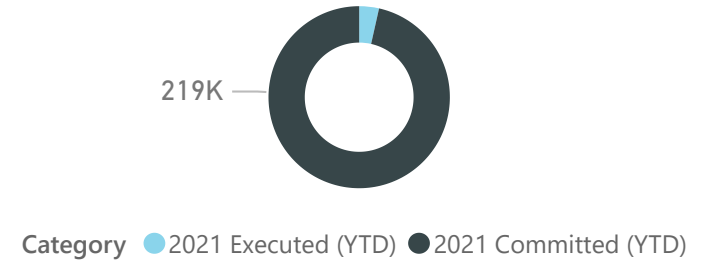
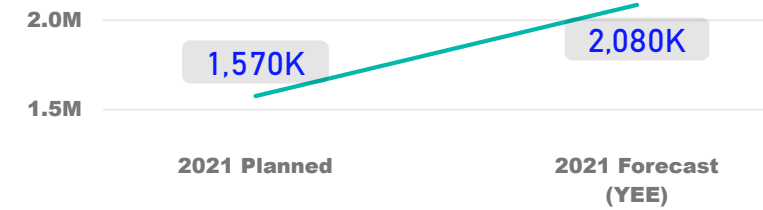
- Vehicle additions include two delivery vans. No additional fleet vehicles will be added in 2021.

Spending Profile -1-

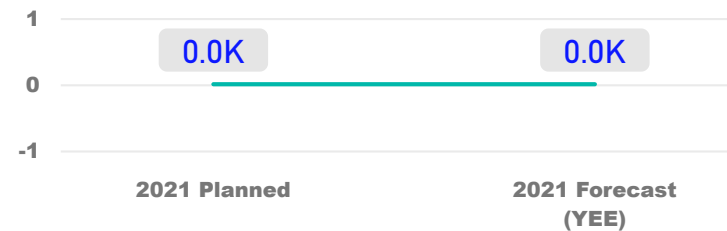
Carry Forward Projects



Building

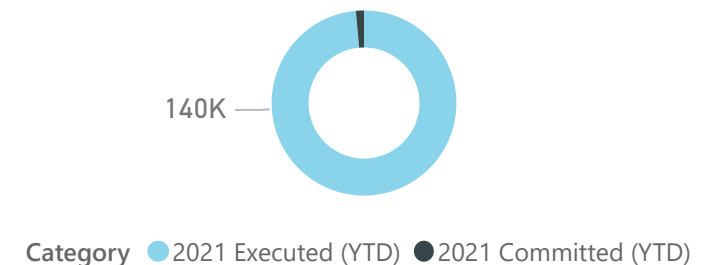
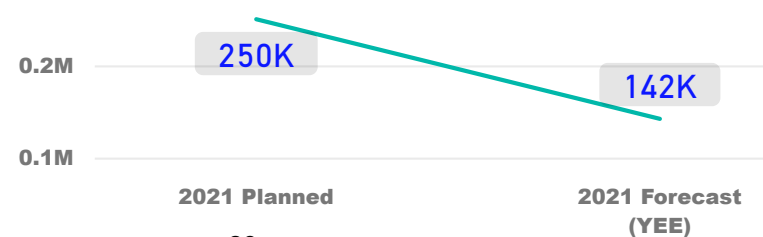


Furniture



Category ● 2021 Executed (YTD) ● 2021 Committed (YTD)

Vehicles

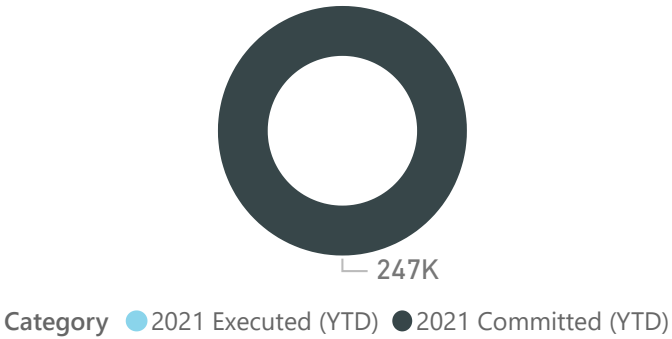
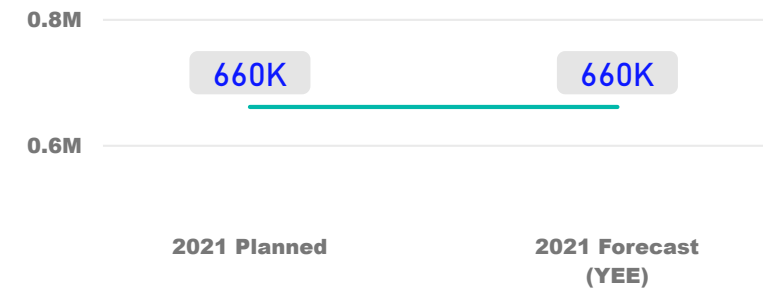


Commentary:

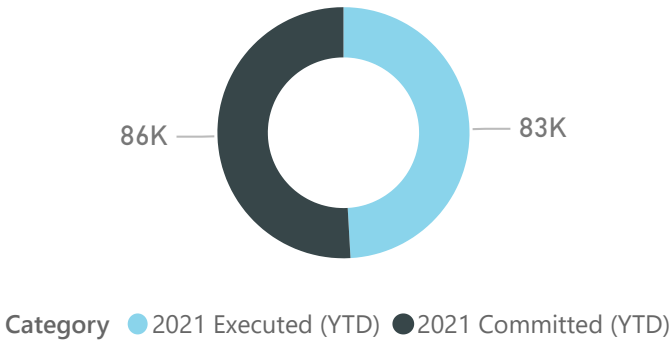
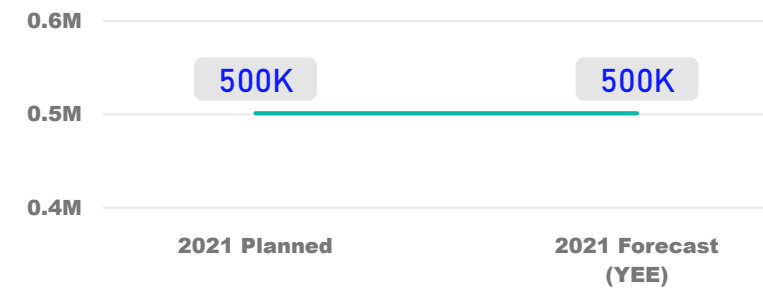
- IT projects include: 50% of Automated Material Handling machine for Signal Hill and Network/End-User Equipment.
- There are no growth projects planned in 2021.

Spending Profile -2-

Technology



Demand Maintenance - Small Projects

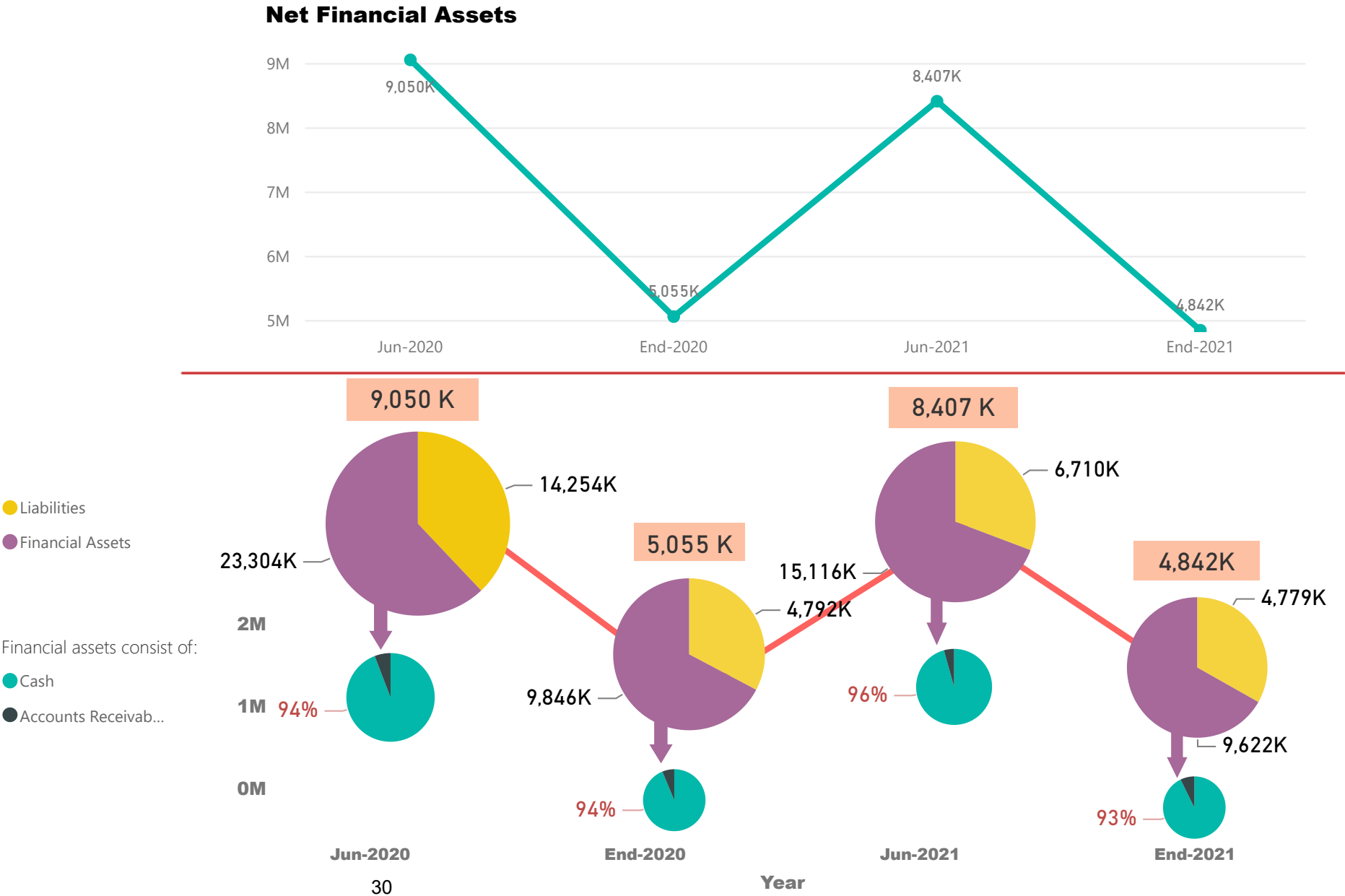


Growth Projects

Commentary

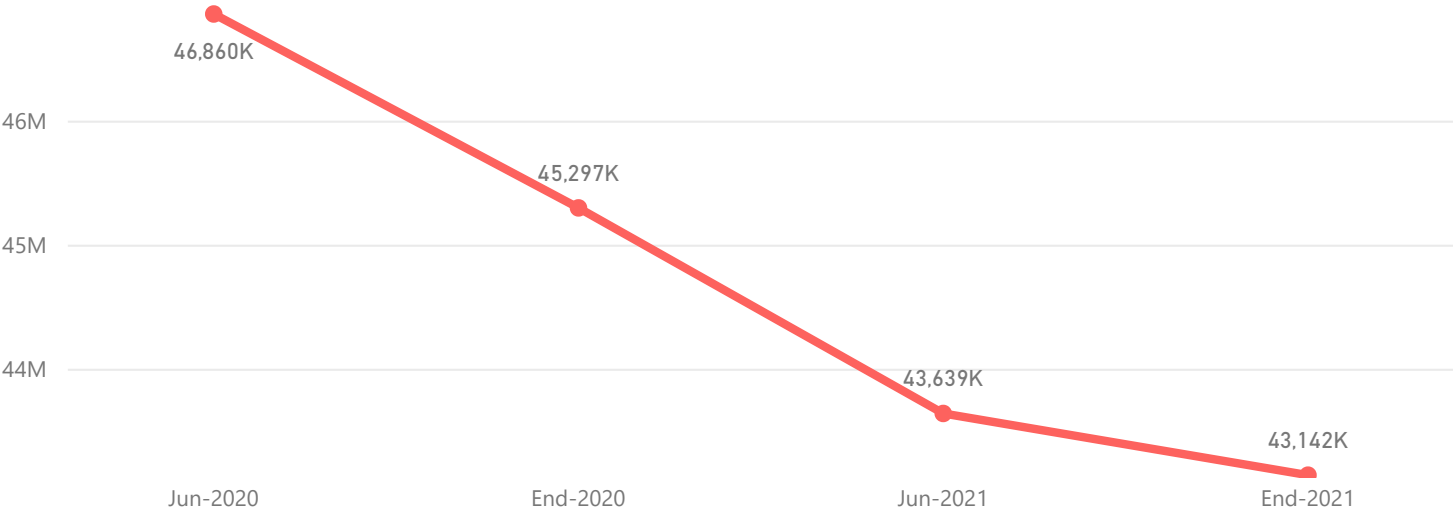
- Year-end forecasted Net Financial Assets is \$4.8M, as of June 30, 2021.

Statement of Financial Position with YEE, as of Jun 30, 2021



Statement of Financial Position with YEE, as of Jun 30, 2021

Tangible Capital Assets



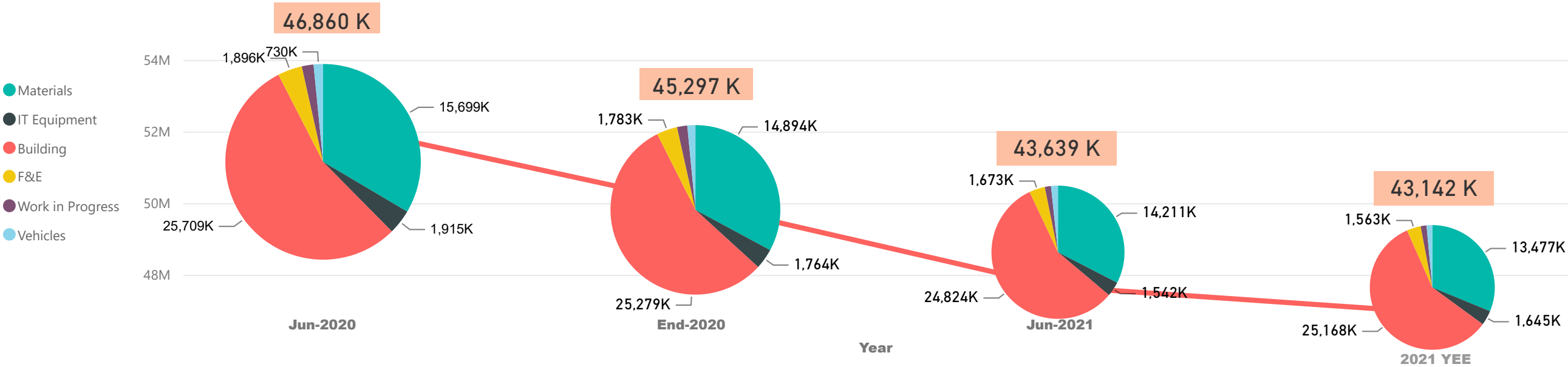
Commentary.

- Tangible Capital Assets decreased due to higher amortization (\$6.2M) than the new additions (\$4.0M).

Actions

2021 Planned additions:

- Books: \$1,689K
- Buildings: \$1,863K (net of WIP transfer)
- IT (AMH): \$320K
- Vehicles: \$142K

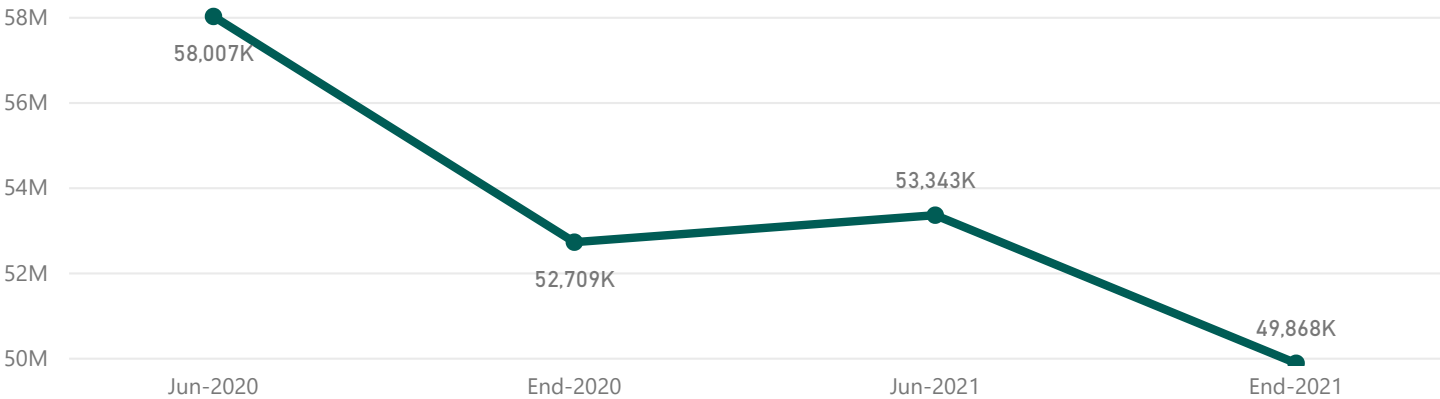


Statement of Financial Position with YEE, as of Jun 30, 2021

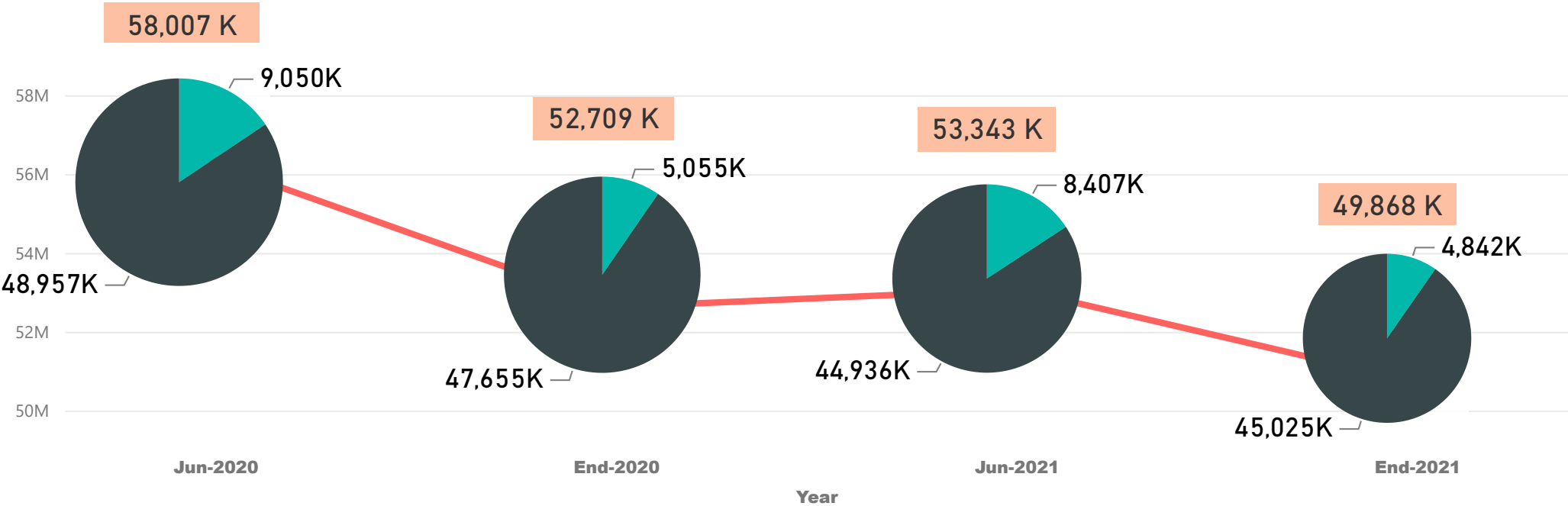
Commentary.

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

Accumulated Surplus



● Net Financial Assets
● Non-Financial Assets



THE CALGARY PUBLIC LIBRARY BOARD
Interim Statement of Financial Position
As at

	30-Jun-21	30-Jun-20	31-Dec-20
FINANCIAL ASSETS			
Cash	14,463,979	21,943,669	9,232,405
Accounts receivable	652,520	1,360,752	613,925
	15,116,499	23,304,421	9,846,330
LIABILITIES			
Accounts payable and accrued liabilities	2,935,609	3,493,165	4,272,182
Deferred revenues	3,774,017	10,761,267	519,570
	6,709,626	14,254,432	4,791,752
NET FINANCIAL ASSETS	8,406,873	9,049,989	5,054,578
NON-FINANANCIAL ASSETS			
Tangible capital assets	43,639,323	46,861,169	45,296,570
Inventory	53,518	80,451	58,664
Prepaid assets	1,243,349	2,016,659	2,299,666
	44,936,190	48,958,279	47,654,900
ACCUMULATED SURPLUS	53,343,063	58,008,268	52,709,478

THE CALGARY PUBLIC LIBRARY BOARD
Management Report - Operating Activities
For the Period Ended June 30, 2021

	Current YTD \$	Budget YTD \$	Budget Variance YTD \$	Total BUDGET \$	Total Forecast \$	Forecast Increase/ (Decrease) vs Total Budget \$	Total Forecasted vs Current YTD \$	Forecast Comments (Favorable: F / Unfavorable: U)
REVENUES								
5 City of Calgary	26,819,110	26,813,860	5,250	53,627,720	53,632,970	5,250	(26,813,860)	F - City insurance proceeds
9 Province of Alberta	3,437,317	3,427,599	9,718	6,864,917	6,864,917	-	(3,427,599)	Provincial grant remains stable for 2021
10 Federal Government	-	-	-	-	-	-	-	Fine-free library
13 Fines	-	-	-	-	-	-	-	
14 Rent revenue	38,350	74,750	(36,400)	205,280	142,880	(62,400)	(104,530)	U - Decreased rent revenue due to Library closure
19 Interest and other revenue	454,013	368,720	85,293	756,786	821,569	64,783	(367,557)	F - Increase due to Genesis Centre share of reserve funds, South Fish Creek Complex share of surplus and invoicing for BIPOC internship program, net of reduced printing revenue collected during library closure and decreased interest income.
22 Grants and sponsorships						-		
Grants and sponsorships - restricted	906,146	848,641	57,504	1,697,282	1,815,567	118,285	(909,421)	F - RFF2021-001 Job Desk
Grants and sponsorships - unrestricted	-	-	-	-	-	-	-	
	906,146	848,641	57,504	1,697,282	1,815,567	118,285	(909,421)	
23 Total revenues	31,654,936	31,533,571	121,365	63,151,985	63,277,903	125,917	(31,622,967)	F
EXPENSES								
29 Salaries and employee benefits	17,076,066	18,766,079	1,690,013	39,904,290	38,692,177	(1,212,113)	21,616,111	F - 2021 Q2 YTD overall Salaries & Benefits favourable variance, net of increase to fund positions and projected vacation payout
32 Collections	3,643,297	3,696,963	53,666	6,312,319	6,864,630	552,311	3,221,333	U - Increased spending on Collections
48 General operating	4,220,694	5,426,748	1,206,054	9,722,082	9,903,368	181,286	5,682,674	U - Increase \$431K: \$100K Wi-Fi hotspot; \$163K lifecycle funded TCA assessment; \$50K strategic planning; \$118K restricted fund project. Decrease: \$250K reduced spending on supplies, security measures and printing usage due to Library closure.
54 Building and equipment	2,554,953	2,953,678	398,726	5,863,862	5,913,862	50,000	3,358,910	U - \$50K utility costs increase due to utility contracts renewal rate increase and market price increase. Federal government passed Bill C12, which will also increase costs to offset climate change.
74 Occupancy Costs	831,529	856,544	25,015	1,777,187	1,777,187	-	945,658	
75 Amortization	3,090,588	3,142,964	52,376	6,285,928	6,168,357	(117,571)	3,077,770	F - Due to decrease in projected TCA additions
76 Total expenses	31,417,127	34,842,975	3,425,850	69,865,668	69,319,580	(546,086)	37,902,454	F
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES BEFORE THE FOLLOWING:								
	237,809	(3,309,405)	3,547,213	(6,713,683)	(6,041,677)	672,005	(6,279,486)	
Transfer between lifecycle and operating	215,469	215,469	-	1,491,000	1,654,000	163,000	1,438,531	F - To fund TCA assessments
Transfer from unrestricted reserve	2,149,282	802,682	1,346,600	802,682	2,149,282		-	
Operating reserve	3,000,000	-	3,000,000	-	3,000,000		-	
Transfer to asset management life cycle	(225,000)	(112,500)	(112,500)	(225,000)	(225,000)		-	
Transfer to books capital	(867,946)	(817,916)	(50,030)	(1,640,927)	(1,688,616)	(47,689)	(820,670)	
Add back amortization	3,090,588	3,142,964	(52,376)	6,285,928	6,168,357	(117,571)	3,077,770	
EXCESS (DEFICIENCY) BEFORE AMORTIZATION AND GOVERNMENT TRANSFERS FOR CAPITAL								
	7,600,202	(78,706)	7,678,906	0	5,016,346		2,583,856	
Government transfers for capital	395,777	395,777	-	4,249,000	3,200,000	(1,049,000)	2,804,223	U - Based on projected lifecycle spending by YE
Amortization	(3,090,588)	(3,142,964)	52,376	(6,285,928)	(6,168,357)		(3,077,770)	
Purchase of books capital	867,945	817,916	50,029	1,640,927	1,688,616		820,671	
Add back transfer to asset management life cycle	225,000	112,500	112,500	225,000	225,000		-	
Transfer between lifecycle and operating	(215,469)	(215,469)	-	(1,491,000)	(1,654,000)	(163,000)	(1,438,531)	
Less transfer from unrestricted reserve	(2,149,282)	(802,682)	(1,346,600)	(802,682)	(2,149,282)		-	
Less Operating reserve	(3,000,000)	-	(3,000,000)	-	(3,000,000)		-	
Write off of tangible capital assets	-				-			
Change in Accumulated Surplus	633,585	(2,913,627)	3,547,212	(2,464,683)	(2,841,677)	669,746		
Accumulated Surplus, beginning of year	52,709,478	52,597,810	111,668	52,597,810	52,709,478			
Accumulated Surplus, end of year	53,343,063	49,684,183	3,658,880	50,133,127	49,867,801			

Lifecycle Funding and Spending Profile	Projects	Description	2021 Planned	2021 Forecast (YEE)	2021 Executed (YTD)	2021 Committed (YTD)	2021 Total (YTD)
As at June 30							
Funding Source			('000)				
		Carry Forward Funds	3,654	3,644	2,660	355	3,015
		Current Year Funds	3,094	3,169	300	-	300
		Growth Project Funds	-	-	-	-	-
Total Funding Available			6,748	6,813	2,960	355	3,315
Spending Profile							
	Carry Forward Projects	2020 Carry Forward Projects	1,741	1,996	789	1,028	1,817
	New Projects	Building	770	1,595	8	56	64
		Demand Maintenance	500	500	83	86	169
		Furniture	-	-	-	-	-
		Vehicles - Lifecycle	250	142	140	2	142
		Technology	660	660	-	247	247
		Growth Projects	-	-	-	-	-
		Asset Management	600	200	-	163	163
Total Spending Profile			4,521	5,093	1,020	1,419	2,439
Net			2,227	1,720			4,374
		Contingency	200	285	-	-	-
Total Funds Available			2,027	1,435			4,374

Operating Reserve Fund	Projects	Description	2021 Planned	2021 Forecast (YEE)	2021 Executed (YTD)	2021 Committed (YTD)	2021 Total (YTD)
As at June 30							
Funding Source			('000)				
		Carry Forward Funds	3,000	3,000	3,000	0	3,000
		Current Year Funds	0	0	0	0	0
Total Funds Available			3,000	3,000	3,000	0	3,000
Spending Profile							
	Carry Forward Projects						
		2020 Carry Forward Projects	0	0	0	0	0
	New Projects						
		2021 Projects	0	0	0	0	0
Total Spending Profile			0	0	0	0	0
Total Funds Available			3,000	3,000	3,000	0	3,000