

Minutes
Calgary Public Library Board Meeting
2nd Floor Boardroom, Central Library
Wednesday, January 25, 2017
5:32 pm

In Attendance:

Board

Ms. Janet Hutchinson, Chair
Mr. Frank Durnford
Ms. Debra Giles
Ms. Judy Gray
Mr. Rob Macaulay
Mr. Avnish Mehta
Ms. Shereen Samuels
Councillor Druh Farrell

Administration

Mr. Bill Ptacek, Chief Executive Officer
Mr. Mark Asberg, Director, Service Delivery
Ms. Ellen Humphrey, Deputy Chief Executive Officer
Ms. Elrose Klause, Controller
Mr. Paul Lane, Director, Corporate Services
Mr. Paul McIntyre Royston, Executive Director,
Calgary Public Library Foundation
Ms. Sarah Meilleur, Director, Service Design

Regrets

Councillor Evan Woolley
Ms. Catherine Angus

I. Chair's Opening Remarks

Ms. Hutchinson respectfully acknowledged that the meeting is taking place on the traditional territory of the Blackfoot people within the boundaries of Treaty 7 and that the ancestors of this land are from the Tsuut'ina and Stoney nations.

She welcomed Ms. Rhena Oake, Ms. Terrill Budd and Ms. Elsa Watson of CUPE Local 1169. Ms. Giles wished that it be recorded that she found the staff engagement sessions to be excellent – both inspiring and well-organized.

II. Review of Agenda

MOVED by Ms. Samuels, seconded by Ms. Giles, that the Agenda be approved as presented.

Carried Unanimously

III. Consent Agenda

MOVED by Ms. Giles, seconded by Mr. Macaulay, that the Consent Agenda, containing the following items be approved as presented.

- A. Minutes of the November 30, 2016 Board Meeting
- B. Chair's Report

Carried Unanimously

IV. Business Arising

A. Business Arising from the Minutes

There was no business arising from the Minutes.

B. CULT Engagement Update

–Mr. Bill Ptacek, CEO

CULT's presentation at the Board's retreat spoke of the need for the Library to focus on internal stakeholders. Mr. Ptacek emphasized that this is very important for the Library and asked Mr. Asberg to provide further details of the Employee Engagement Event to the Board.

Mr. Durnford joined the meeting at 5:42

C. Employee Engagement Event Report and Follow-up

–Mr. Mark Asberg, Director, Service Delivery

Mr. Asberg reported that the staff engagement event was intended to generate enthusiasm and the feeling of belonging and to communicate the Library's direction into the future. Internal communication will be key going forward if the intention is to have a large external campaign. Mr. Asberg outlined the process by which the event was developed and gave a précis of the event itself. He stated that staff response has been very positive and noted that staff felt appreciated.

The Board wondered what some of the less positive comments might have been, whether staff who feel the Library no longer suits them have a dignified way of exiting and suggested that any negative comments which were received be highlighted in order to show staff that all voices are being heard.

V. Chief Executive Officer's Report

–Mr. Bill Ptacek, CEO

Mr. Ptacek drew the Board's attention to the Foundation's request for support that will be sent to all Library members, stating that he wanted the Board to be aware that the electronic mailout was occurring. In addition to the letter, explanatory notes were also attached for the Board's use. The Library's law firm has reviewed and approved this action. Mr. Mehta requested that the Board be kept informed about the number of people who unsubscribe. As a baseline, Mr. McIntyre Royston noted that 50 to 100 people typically unsubscribe to Foundation mailouts.

In response to a question from Ms. Gray, Mr. Asberg advised the Board there had been absolutely no response from members to the changes to internet filtering.

There being no objections, the *Chief Executive Officer's Report* was received for information.

VI. Audit & Finance Committee

A. Report of the January 19, 2017 Meeting

Ms. Debra Giles, Committee Chair

Ms. Giles commended Ms. Klause and her team for completing the year on budget and for the quick completion of the year end financials. She asked Ms. Klause to give the Controller's Report.

B. Controller's Report for the period ended December 31, 2016

- Ms. Debra Giles, Committee Chair

Ms. Klause updated the Board on the year-end financial statements noting the following:

- Revenue was added but not allocated
- A few areas in the general operating budget were slightly underspent allowing for a small positive balance of \$37,000
- Gapping over-projections are still creating pressures

MOVED by Mr. Durnford, seconded by Ms. Giles, that the Calgary Public Library Board receive the *Controller's Report for the period ended December 31, 2016* for information.

Carried Unanimously

C. 2017 Operating Budget

-Ms. Debra Giles, Committee Chair

Ms. Klause made the following points with respect to the 2017 Operating Budget:

- City of Calgary letters acknowledging 2017 funding amounts are attached.
- No increase in provincial funding has been assumed.
- Fines have been reduced by 8% from the 2016 amount. All library systems are currently seeing reduced fine revenues.
- Restricted and unrestricted funds from the Foundation have been included.
- Salaries continue to be the largest expense.
- The Collections budget is larger reflecting the need to build collections for new community libraries. Foundation funding will cover some of these costs.
- There is a positive difference of \$229,000, but \$225,000 will be removed for asset management and to further balance the budget, all of the accumulated surplus is being used.

Mr. Ptacek thanked Councillors Farrell and Woolley for their support at Council. Councillor Farrell noted that all Civic Partners had maintained their funding.

The Board discussed the merits of using the entire accumulated surplus, noting that while it was difficult to be so close to the line, it was also important to ensure that in the current economic environment those resources are being used, as opposed to asking for increases to funding.

MOVED by Mr. Mehta, seconded by Ms. Gray, that the Calgary Public Library Board approve the 2017 Operating Budget as presented at the January 19, 2017 Audit and Finance Committee meeting.

Carried Unanimously

D. Risk Register, December 31, 2016

Ms. Debra Giles, Committee Chair

Ms. Giles asked Administration to report on their respective areas.

Strategy - Mr. Ptacek reported that all measures in the category are green.

Finance – Ms. Klause reported that all measures in the category are green, but that item d (Operating expenditures exceed budget) is close to moving into the yellow category.

People – Mr. Lane reported that all categories are green and, in response to a question from Ms. Giles, that staff engagement measures are almost certainly up, but that he did not have the actual numbers with him.

Operations – Mr. Asberg reported that building visits are stable and that e-resources are being promoted.

New Central Library – There are no emerging issues

Security –For the first time, the Central Library is in the green category. Mr. Asberg congratulated Central staff and security personnel. Guards have now been deployed to more community libraries and move between Central and the community libraries which means improved identification of banned patrons. Mr. Asberg showed images from the Atlanta Central Library highlighting the animation strategies in place in Calgary's Central Library.

The Audit and Finance Committee will review the Risk Register at its March meeting. Board member comments and suggestions should be submitted to Ms. Giles.

MOVED by Ms. Giles, seconded by Ms. Samuels, that the Calgary Public Library Board receive the report, *Risk Register, December 31, 2016*, for information.

Carried Unanimously

VII. Strategy & Community Committee

A. Report of the December 12, 2016 Meeting

– Ms. Judy Gray, Committee Chair

Ms. Gray reported that the Committee workplan is currently in progress and will be presented at the February Strategy and Community Committee.

There being no objections, the *Report of the Strategy & Community Committee, January 9, 2017* was received for information.

Carried Unanimously

B. Report of the January 3, 2017 Meeting

– Ms. Janet Hutchinson, Acting Committee Chair

Ms. Hutchinson emphasized that new community libraries have been assigned to each Board member and the managers will contact them to set up a meeting. Board Box has a folder for comments Board members may wish to make with respect to their community library visits. Mr. Asberg noted that the changes to the list of Board members and their respective libraries will be available at the February Committee meeting.

C. Future Strategic Plan Process Update

–Mr. Paul Lane, Director, Corporate Services

Mr. Lane reported that the survey measuring consensus and context for mission, vision and values will be completed by the end of the week. A proposed date of April 8 will also be confirmed by the end of the week. Mr. Ptacek reported that Ms. Kerr is working on the meeting with the Mayor and Mr. Fielding.

Mr. Macaulay asked how the strategic plan was consulted when programs and services are being designed, as he had noticed that strengthening neighbourhoods was lagging the other strategic pillars, suggesting this was perhaps a result of targeting other segments of the plan. Mr. Ptacek explained that service design and delivery allocate programs and services across the system and set targets with staff at the community libraries.

D. ALTA Update

– Ms. Judy Gray, ALTA representative

Ms. Gray reported that the most significant item at the January ALTA meeting was the changes to the bylaws with respect to the election of the president. The president will now be elected by the board and not by the general membership. A maximum of three consecutive three years terms was set. Work was also done on a job description for the Executive Director.

The Strategy and Community Committee has decided that an ALTA report will be a recurring item on their agenda.

VIII. Governance Committee

A. Report of the January 9, 2017 Meeting

– Ms. Shereen Samuels, Committee Chair

Ms. Samuels reported that in addition to electing the Committee Chair, reviewing the Committee mandate, setting its schedule and updating the workplan, the Committee discussed methods of ensuring meeting effectiveness and the creation of a Board workplan. The Board agreed that concerns raised about the Board's work being driven by the Committees were unfounded and that it was indeed the Board that was driving the Committee's work.

There being no objections, the Board received the *Report of the Governance Committee, January 9, 2017* for information.

B. Results of the CPL Board Effectiveness Survey 2016

–Ms. Shereen Samuels, Committee Chair

The survey has a high level of consistency and results were generally positive. The most consistent comment is ensuring effective use of time. To that end the Governance Committee has taken on a total workplan for the Board and will be looking at a meeting evaluation tool that Mr. Durnford has supplied. Ms. Samuels reminded Board members that they have been asked to track the time they spend on Library Board related matters for a three month period.

C. Report to City Clerk re: Board Recruitment

–Ms. Janet Hutchinson, Board Chair

Ms. Hutchinson reported that a report was given to the City Clerk in December. It was a group effort with the intent and hope that the Library's current method continues to be how new Board members are recruited. There has been no response from the City Clerk. Councillor Farrell added that City Council is looking at the Library's process as a model and believes that the recommendations are helpful for Council. She suggested that the City Clerk's office be contacted and asked for feedback. Ms. Hutchinson further reported that she had met with a member of the Police Commission which is considering using a similar model.

IX. NCL Liaison Quarterly Update

–Mr. Avnish Mehta, Liaison for the Board

Mr. Mehta reported the following items from the Liaison Committee Meeting:

- LRT encapsulation is substantially complete and additional delays to Calgary Transit are not anticipated.
- Building design and construction
 - Wood covering of the walkthrough –The question was asked with respect to the availability of replacement materials when graffiti occurs. The material may be sanded down and refinished assuming that this does not impact fire suppression quality.
 - Mr. Mehta was impressed by the partner's innovative way of managing challenges.
- The media-reported beam issue highlights the fact that quality control is working and proper risk management is in place. In contrast to the mistaken news story, the New Central Library is on schedule for completion in Q4 2018.
- The process for fixture and furniture purchases is being developed.
- Reputation risk was discussed. Scope, cost and schedule are the three main factors taken into consideration.
- With respect to Operations
 - The inaugural service plan is complete
 - Staff engagement is complete
 - A Request For Proposals for a move consultant has been issued
- The City has asked that 10% of the public art budget, approximately \$200,000, be allocated to the City's Public Art Reserve to cover costs related to the management, administration and promotion of the Public Art Program and maintenance and conservation of the Public Art collection.

Mr. Mehta reminded Board members to review Board Code of Conduct and Conflict of Interest polices as different vendors are brought on board.

Mr. Mehta showed two time-lapse images taken 4 hours apart showing how quickly the curtain wall is being completed. The last floor has been poured and it is expected that exterior should be complete in the spring.

A City audit has been done and overall the project is going very well. The steel beam has not impacted the project. CMLC has received compliments from City Councilors.

Councillor Farrell inquired about the source of the media reports and Ms. Hutchinson praised the quick response from CMLC. A media tour is being planned.

X. Other Business

A. Board Attendance at Alberta Library Conference in Jasper April 27-May 1, 2017

–Ms. Janet Hutchinson

Ms. Hutchinson requested that Board members indicate their intentions to either Barb or Kathryn with respect to attendance at the conference. There will be two Board presentations this year – Mr. Macaulay and Ms. Giles on the risk register and Ms. Hutchinson and Mr. Ptacek on

CEO compensation. Mr. McIntyre Royston will also be presenting on fundraising. Rick Mercer and Joseph Boyden will be keynote speakers at the conference.

Councillor Farrell suggested an NCL tour be arranged for early champions of the New Central Library. Mr. McIntyre Royston thought they could be included in one of the spring tours which may be a good fit as the building should be enclosed by that time. He further noted that former Board member Mr. Fred Valentine will be attending the February tour.

B. CEO Compensation Policy

–Ms. Janet Hutchinson, Chair

1. DRAFT Review of CEO Compensation Practices – Executive Summary

Ms. Hutchinson noted that there are no changes from the draft to the final report and stated that the focus of tonight's discussion is to ensure that the principles outlined in the report are those the Board wants to guide CEO compensation now and into the future. The Board discussed the type of surveys purchased and the methodology used in their interpretation. It was also suggested that the process should include a formalized check of comparable City of Calgary structures and practices. Mr. Lane informed the Board that publicly available information from The City of Calgary was looked at, but that information does not include job descriptions. Ms. Hutchinson added that the apparent comparable City of Calgary salaries ranged from \$197,000 to \$300,000.

MOVED by Ms. Samuels, seconded by Ms. Gray, that the principles, the policy and the recommendations as stated in the report, *Review of Chief Executive Compensation Practices – Executive Summary*, be adopted by the Calgary Public Library Board to guide future CEO compensation.

9 Agreed
Mr. Durnford Abstained

Ms. Samuels then read the recommendations contained in the Executive Summary into the record. They are:

Recommendation 1 – Policy Statement

In consideration of the available data and the Committee's Statement of Principles, we propose the following statement as a Compensation Policy with respect to the Calgary Public Library Chief Executive Officer:

In order to ensure that the Calgary Public Library can attract, retain and motivate the calibre of Chief Executive Officer critical to the fulfilment of the Library mission and strategic plan, the Board will, within the limitations of sound financial stewardship, establish and maintain a base salary range that is competitive with public libraries and the broader public and non-profit sectors and acknowledges the interests of stakeholders. Salary administration will be governed by the established range and will recognize the contribution of the CEO to the achievement of the Library's business plan and strategic objectives.

The Chief Executive Officer will be eligible to participate in the Library's Pension and Employee Benefit Plans. Perquisites, appropriate to the position and consistent with market practices, will be as reviewed and approved by the Board from time to time.

Recommendation 2 – Relevant Market Data

It is recommended that the non-profit Boland survey be purchased annually and the Hay national data be updated every 3 years to validate the estimated results and provide a solid benchmark.

Recommendation 3 – Positioning the Organization

It is recommended that the Calgary Public Library should continue to target CEO compensation to the median of the market within a range of 95-105% of the median of the market.

Recommendation 4 – Incentive Compensation

It is recommended that the Board's compensation policy for the CEO be silent on the issue of incentive pay.

Ms. Hutchinson, Ms. Angus and Ms. Samuels will meet to discuss the 2017 CEO Evaluation and will then meet with Mr. Ptacek. The February Board Meeting will include an in camera session with Mr. Ptacek followed by a Board-only discussion to discuss the results of the CEO evaluation.

XI. Adjournment

MOVED by Mr. Macaulay, seconded by Ms. Samuels, that the meeting be adjourned at 7:05 pm

Transcribed by Kathryn Nikolaychuk

Ms. Janet Hutchinson
Chair

Mr. Bill Ptacek
Chief Executive Officer