

CALGARY PUBLIC LIBRARY

Board Meeting

5:30 PM, Wednesday, April 26 2017
2nd Floor Boardroom, Central Library



I.	Treaty 7 Opening and Chair’s Opening Remarks	...2
II.	Review of Agenda and Appointment of Meeting Evaluator	...4
III.	Consent Agenda (<u>5 minutes</u>)	
	A. Minutes of the March 29, 2017 Board Meeting	...8
	B. Chair’s Report	...16
IV.	Business Arising	
	A. Business Arising from the Minutes	
	B. Advocacy Updates, including ALTA Report (<u>10 minutes</u>)	...18
V.	Strategic Plan (35 minutes)	
	A. Follow-up Report from April 8 Board Retreat (<u>30 minutes</u>) - Ms. Angie Gélinas, Retreat Facilitator	...verbal Information
	B. Strategic Plan – Next Steps (<u>5 minutes</u>) - Mr. Paul Lane, Director, Corporate Services	...verbal Information
VI.	Chief Executive Officer’s Report (<u>10 minutes</u>) - Mr. Bill Ptacek, CEO	...20 Information
	A. Service to Day Homes - Heather Robertson, Director, Service Design	...verbal Information

VII. Audit & Finance Committee (20 minutes)

- | | |
|---|---------------------------------|
| A. Report of the March 23, 2017 meeting
- Ms. Debra Giles, Committee Chair | ...30
<i>Information</i> |
| B. Approval of Audit & Finance Committee Mandate
- Ms. Debra Giles, Committee Chair | ...36
<i>Decision</i> |
| C. Report of the April 20, 2017 meeting
- Ms. Debra Giles, Committee Chair | ...verbal
<i>Information</i> |
| i. Financial Statement Review
<i>Previously distributed with Audit & Finance Committee materials</i> | <i>Decision</i> |
| ii. Quarterly Risk Review
<i>Previously distributed with Audit & Finance Committee materials</i> | <i>Information</i> |
| iii. Changes to Risk Register
<i>Previously distributed with Audit & Finance Committee materials</i> | <i>Information</i> |

VIII. Calgary Public Library Foundation (10 minutes)

- | | |
|--|---------------------------------|
| A. Update from the April 18, 2017 Foundation Board meeting
- Mr. Avnish Mehta, Board Representative | ...verbal
<i>Information</i> |
| B. Update from the CEO
- Mr. Paul McIntyre Royston, President & CEO, CPL Foundation | ...verbal
<i>Information</i> |

IX. Other Business

X. Meeting Assessment Report

XI. Adjournment

Meeting Opening

I would like to take this opportunity to acknowledge that we are meeting in the traditional territories of the Blackfoot and the people of the Treaty 7 region in Southern Alberta, which includes the Siksika, the Piikuni, the Kainai, the Tsuu T'ina and the Stoney Nakoda First Nations. The City of Calgary is also home to Metis Nation of Alberta, Region III.

Board meeting: evaluation questionnaire

Process

- Chair appoints a meeting evaluator.
- As the last agenda item, the evaluator delivers his/her report, in one to two minutes.
- The report is not for discussion.
- At the next meeting, there will be a different evaluator, the idea being that, over time, each board member will be responsible for an evaluation.

Outline

Questions divided into 6 sections: leadership, discipline, meeting efficiency, meeting materials, meeting logistics and resources. Each section includes questions to be answered using a 4 point scale: disagree, neutral, agree, don't know, and an open ended question to be answered in narrative form.

Leadership	Disagree	Neutral	Agree	Don't know
Q1: The chair was committed to ensuring the board stayed focussed at a strategic level.				
Q2: The chair demonstrated a high level of independence and objectivity.				
What could the chair do to improve the meetings?				

Discipline	Disagree	Neutral	Agree	Don't know
Q1: The agenda reflected strategic plan				
Q2: There was high quality strategic discussion around each agenda item.				
Q3: Board members respected meeting rules and procedures.				
What could be done to improve meeting discipline?				

Meeting efficiency	Disagree	Neutral	Agree	Don't know
Q1: The overall duration of the meeting was appropriate.				
Q2: Sufficient time for discussion was allocated to each agenda item.				
What could be done to improve meeting efficiency?				

Participation	Disagree	Neutral	Agree	Don't know
Q1: All members were given fair opportunity to share their opinions and perspectives during the meeting.				
Q2: Member discussions were interactive and engaging.				
Q3: Members were prepared for the meeting				
What could be done to improve meeting participation?				

Meeting Materials	Disagree	Neutral	Agree	Don't know
Q1: Meeting materials were distributed to members in a timely manner.				
Q2: All pertinent information was accessible on or before the day of the meeting.				
Q3: Meeting materials provided sufficient context for consideration.				
What could be done to improve meeting materials?				

Meeting logistics and support	Disagree	Neutral	Agree	Don't know
Q1: Staff provided appropriate support before, during and after the meeting				
Q2: The agenda was of manageable size				
Q3: The meeting space was suitable				
Q4: I enjoyed the meal provided				
What could be done to improve meeting logistics and support?				

Additional comments

Report to the
Calgary Public Library Board
April 26, 2017
Chair's Report

March 29	Board meeting
April 5	Attempt to attend ULC. Confounded by weather!!
April 08	All-day Board Retreat
April 20	ULC conference call regarding annual audit Audit & Finance Committee meeting
April 21	Library Volunteer Recognition Event
April 23	Table host at Foundation breakfast

Throughout the month:

- Preparation and follow-up to meetings

Janet Hutchinson
Board Chair

**Advocacy Overview Chart
as of Mar 7, 2017**

Board Role		Board Advocacy Priorities	Interested Team Members
Leader	1	Recruitment of Potential Library Partners To help expand CPL services, especially for those who need the Library the most	Avnish, Judy, Janet, Catherine, Debra
Leader	2	Support for Volunteer Resources Connecting potential volunteers with the Library, and thanking individual volunteers	Shereen, Debra, Catherine
Leader	3	City Charter and Amendments to the Libraries Act As required, stay apprised of changes and influence direction (with Library Admin Team, City, Ministry of Municipal Affairs, or ALTA)	Rob, Janet, Avnish
Advocate	4	Provincial or National Initiatives Support building stronger partnerships/relationships (e.g. AHS, school boards, provincial ministries, national literacy efforts)	Judy (ALTA), Janet (ULC links)
Advocate	5	Funding Where required, advocate with elected officials for maintaining or increasing current levels of funding for 2017 and beyond	Janet
Advocate	6	Support for Foundation Fundraising Support for attending and leading "Get to Know Your Library Tours"	Avnish, Deb, Janet
Advocate	7	Green Line LRT Participate in engagement activities (i.e. charrettes) to ensure Library is involved in early planning	Shereen
Learner / Leader	8	Alberta Library Conference Present new and successful Calgary Public Library Board initiatives and be a presence at the conference to network and build relationships	Debra, Janet, Shereen, Catherine, Avnish
Learner	9	Beyond Words: The Cult Initiative Participate with renewed purpose, focus and energy	Board role to be defined, coming out of retreat

Report to the
Calgary Public Library Board
April 26, 2017
Chief Executive Officer's Report

GOVERNMENT RELATIONS

The details have come in on the Provincial Funding for Libraries. The grants were updated with new population projections. Calgary will get credit for about 4,000 additional residents. There was also a small bump in the appropriation for Indigenous Services. There was no support for the New Central Library unlike Edmonton which received \$2.0 Million for the renovation of their downtown library. To rectify that, library staff members worked with the Foundation to prepare a \$2 million request for the creation of a First Nations presence in the New Central Library. This was presented on March 31st during a tour of the construction site by several MLA's and their staff members. In particular, Joe Cecil who is the Finance Minister and his top aide were made aware of the support for Edmonton and the lack of investment in Calgary's New Library. Minister Brandy Payne was on hand to lend her support and the top aide to the Minister who oversees Infrastructure, Brian Mason, received a follow up from our Foundation Staff. For that particular request we would like to get some early notice so the process of co-designing various features in the building with a group such as the Indigenous Place making Council would be evident at the opening which is now likely to be in the fall of 2018.

The Federal Government has approved the funding for our services to new Canadians. The Immigrant, Refugee and Citizenship Canada Department has approved \$567,000 over the next three years for the Calgary Public Library. This level of funding is less than what we requested but similar to previous year's funding. With that money the Library will expand Dual Language Storytimes, English Language Learning School Success and ESL Preschool programs at the expense of historically underutilized programs such as ELL Book Discussion groups. On top of this support the Library will be funded from a separate pool of resources to provide summer programming to newcomer children and youth as part of this year's Summer Learning Program.

There will be several points of intersection in the next few months between the Library and Calgary City Council. On April 27th, the Library will be presenting to the Standing Policy Committee on Community and Protective Services for the Annual Civic Partners Report. In addition to an update on library operations Janet will be talking about diversity in the recruitment process for Board appointments and the Library's work on the Strategic Plan for 2019-2022. The New Central Library will be the focus of a June 7th report to the Priorities and Finance Committee, which is a follow-up to the City Council's final approval of the design and plans for the building. The Libraries work on operational readiness and the plan for services will be presented along with an update on the construction. On July 27th, the Library will be reporting to the City Council's Audit Committee, which will also review the budget and schedule of the New Central Library later in the summer.

OPERATIONS

An important part of our follow-up to the staff engagement efforts is to give staff the opportunity to use new approaches in their delivery of services. In particular staff have been participating in training on inquiry based learning or as it is called "Guide on the Side." Anticipating lots of school-aged children in the library, Barb McMillan and the programming staff at Fish Creek

planned School's Out All Day activities for each of the seven days the kids were off school. Inspired by some of the new training, Barb and Georgette Huve piloted a "loose parts bin" full of recyclable materials for kids to inspire them to explore the world around them and exercise their imagination and creativity. They also made use of activity kits sent out by Service Design Support, as well as a number of games Fish Creek had collected over the years. What a success this drop-in programming was! Participation by school-aged kids and their parents/caregivers ranged from 50 to 165 each day, with a total of 670 kids and adults (and many terrific teen volunteers) participating over the course of the seven days.





Memorial Park has undergone a transformation in the last month.

The desktop computers have been removed from the Salon creating a lovely reading room area that doubles as an active program space. Chromebooks have been implemented, allowing members to work in all the open spaces and seating areas created by the transformed curated collections. A prototype of the Create Lab (a NCL service plan idea), has also been implemented with large scale “scrabble” tiles for the community to share their perspective on the Beltline community. New extended hours also go live on April 17th, with M-Th 10-8, F 10-6, S 10-5 and Sunday 12-5 year round.

In the Monthly Overview the Feature Number this month is something we’ve never reported: the number of unique users accessing the Library’s services and resources in a given time frame. This is the number of individual members who have taken the opportunity to use at least one Library service over the reporting period. Services include checking out something from the

collection; using a computer, Chromebook, or the wireless network; printing documents; and/or registering for a Library program. The number is a strong indicator of continued growth in use of the Library by Calgarians. The number also demonstrates a growing saturation of the Library's impact in the lives of Calgarians, as a larger number of individual Calgarians are interacting with the Library each quarter. Of course the Library is known for having a group of core super users who enjoy the benefits of the Library every day; this number shows that more and more people who have not used the Library before are catching on to the value of the Library in their lives as well.

The number of visits has reversed trends as the weather improves. In March visits were up by 7% which is more in line with the increases we have seen for the last few years. Increases in new members, room bookings and holds are consistent with the last few years. Circulation decreases are reflecting the demise of DVDs and CDs. You may also note a trend that we have been anticipating. Computer sessions at standard workstations were down last month while the use of Chromebooks is up by 161%. We anticipate that someday mobile devices will totally replace the fixed workstations which have been a mainstay of digital access over the last few decades.

The **StoryTruck** has arrived! Created for a new service initiative to dayhomes, the traditional Book Truck vehicle design was modified to incorporate programming features such as a storytime carpet, felt boards, a coat rack and toy storage. To maximize flexibility with the vehicle, we also ensured we would have the option to add more shelves and convert it into a more standard Book Truck if, and when, that was needed. The service begins on April 18th and Heather Robertson will be reporting on the first few weeks of operation at the April Board meeting.



The sixth **Think Big** event, **Clearing the Smoke: Cannabis, the Brain & Public Health** was the most successful ever, attracting 260 attendees. The Q & A was especially helpful on this occasion with the evening displaying a real community conversation on a topic of importance to many. Board member Debra Giles provided opening and concluding remarks. Once again this program is showing how great partnerships can bring people from across the city to downtown on a Friday Night.



OTHER

As was informally announced at the last Board Meeting, the Calgary Foundation let us know that our proposal to fund four early learning centers was approved. Crowfoot, Signal Hill, Forest Lawn and Saddletowne libraries will get new spaces that incorporate the same principles with different themes. The Million Dollar grant will also fund improved evaluation of the activities in those spaces and training for staff and volunteers who will be interacting with the kids and families who will be enjoying the spaces. Since we have great experience in developing similar spaces at Fish Creek, Village Square and the Fire Truck at the Central Library, we are going to consolidate the planning and design of these four so that they can all be opened by the end of 2017.

Joseph Boyden will be visiting the Calgary Public Library to share excerpts from his new book and participate in a facilitated Q&A. The event will begin with a prayer from a well-respected Blackfoot Elder from Siksika, Clarence Wolfleg and we have approached Dr. Mike Lickers, who has over 30 years' experience working with Indigenous people internationally, to act as MC for the event. Mr. Boyden has been the subject of some controversy as his indigenous background has recently been called into question. We hope to set a positive and open tone for the evening, focusing on reconciliation and his talents as a writer.

In addition to the two presentations that will be made by Board members at the Alberta Library Conference, there will be eight other programs presented by staff members from the Calgary Public Library. The Library will have about twenty attendees in total. Of course the highlight of the conference will be the Calgary Public Library's annual pot luck dinner that is organized by Ellen Humphrey and hosted by Janet Hutchinson and Avnish Mehta.



MISSION MOMENT

From the Forest Lawn team:

A woman who has been coming to the Forest Lawn Library almost daily for the last couple of months recently informed the staff that thanks to their help she is now successfully employed. Before coming to Forest Lawn she struggled on the computer. She needed a new resume, email account and then she had to apply for jobs on-line. These are all very daunting tasks when you have not used a computer. At the end of March she came into the library and for the first time she did not ask us for help (we have all helped her). Instead, she came up to each of us individually and thanked us for the enormous amount of help we have given her and excitedly said that she finally got a job interview and she is over the moon. She said that if it wasn't for the Library and all the helpful and patient Library staff she never would have gotten this far.

Bill Ptacek
CEO

**Community Library Overview
March 2017**

	New Members		Visits		Physical Resource Check Outs		Computer Sessions		Wireless Sessions		Average No.Holds Filled Per Day		Programs in the Library		Programs in the Community	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
Alexander Calhoun	320	374	18,114	19,953	38,237	34,532	2,131	2,087	1,442	1,150	297	331	69	67	9	6
Bowness	178	226	8,741	9,839	15,230	14,841	1,592	1,475	518	475	99	108	27	41	13	13
Central	2,136	3,951	107,975	118,452	66,516	57,364	20,823	20,692	7,028	6,926	452	542	150	226	63	56
Country Hills	652	660	40,982	47,364	64,291	57,830	3,954	4,341	3,376	3,371	364	407	75	79	4	4
Crowfoot	894	702	47,895	47,117	109,267	97,158	4,644	4,654	5,178	5,497	724	822	113	127	8	4
Fish Creek	863	760	43,961	47,830	86,038	80,254	4,490	4,849	3,378	4,022	579	639	117	133	18	13
Forest Lawn	475	438	20,183	20,373	25,880	22,428	5,294	4,954	1,900	1,995	132	153	72	103	47	19
Judith Umbach	397	347	34,129	24,171	38,943	35,302	3,582	3,907	1,937	2,046	255	306	63	76	21	16
Louise Riley	300	285	32,262	30,000*	49,303	43,300	3,351	3,279	2,018	2,124	412	462	67	58	17	7
Memorial Park	191	180	10,207	11,398	11,197	11,208	1,844	842	904	658	134	151	12	22	14	14
Nicholls Family	122	341	8,244	20,587	14,861	18,561	1,405	1,519	609	1,934	111	147	16	34	1	2
Nose Hill	370	404	31,686	37,394	64,372	57,809	3,571	3,142	1,950	2,283	399	497	55	66	2	13
Quarry Park	139	379	9,056	25,884	14,348	25,907	1,617	1,940	760	1,391	93	144	26	42	10	10
Saddletowne	678	676	48,504	57,662	36,104	31,169	6,977	7,381	3,191	3,140	130	154	76	92	10	8
Shawnessy	821	724	49,227	56,102	82,694	68,378	5,063	5,319	4,063	4,386	552	644	93	114	26	19
Signal Hill	570	513	38,992	36,650	80,131	71,872	3,504	3,279	1,980	2,060	517	631	78	94	3	6
Southwood	262	209	17,002	17,155	35,192	30,781	1,970	2,093	803	971	307	345	64	63	13	17
Village Square	573	586	38,454	47,191	38,339	32,351	5,486	4,684	2,586	2,622	176	195	86	94	22	29
TOTAL	9,941	11,755	605,614	675,122	870,943	791,045	81,298	79,595	40,027	44,947	5,735	6,680	1,259	1,531	301	256

Monthly Overview

March 2017

Featured Number

Unique users

Q1	2017	210,212	7%	Number of unique members who used the library in Q1
	2016	197,172		

New Members

Mar	2017	11,755	18%	YTD	2017	38,246	22%
	2016	9,941			2016	31,397	

Active users

Mar	2017	591,472	Feb	2017	584,066
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Programs & Outreach

Programs

...in the library

Mar	2017	1,531	22%	YTD	2017	4,084	17%
	2016	1,259			2016	3,478	

...in the community

Mar	2017	299	-10%	YTD	2017	875	8%
	2016	332			2016	808	

...for adults or all ages

Mar	2017	588	25%	YTD	2017	1,623	29%
	2016	469			2016	1,263	

...for kids & teens

Mar	2017	1,242	11%	YTD	2017	3,336	10%
	2016	1,122			2016	3,023	

Total number of programs

Mar	2017	1,830	15%	YTD	2017	4,959	16%
	2016	1,591			2016	4,286	

Program participants

Mar	2017	32,073	3%	YTD	2017	86,237	0%
	2016	31,157			2016	85,851	

Library Space

Visits

Mar	2017	675,122	11%	YTD	2017	1,779,203	3%
	2016	605,615			2016	1,734,709	

Room bookings

Mar	2017	532	86%	YTD	2017	1,550	88%
	2016	286			2016	825	

Collections

Physical items acquired

Mar	2017	24,029	8%	YTD	2017	59,058	-9%
	2016	22,162			2016	64,550	

Physical collection size

Mar	2017	1,439,814	-9%
	2016	1,578,084	

Expenditure on physical items

Mar	2017	338,041	-5%	YTD	2017	1,085,336	-8%
	2016	354,359			2016	1,174,288	

Total expenditure

Mar	2017	552,929	2%	YTD	2017	2,407,765	-1%
	2016	544,420			2016	2,438,159	

Circulation

Total checkouts

Mar	2017	1,338,054	-5%	YTD	2017	3,789,307	-7%
	2016	1,414,374			2016	4,091,900	

...physical items

Mar	2017	1,119,545	-7%	YTD	2017	3,162,991	-10%
	2016	1,207,217			2016	3,495,358	

...digital items

Mar	2017	218,509	5%	YTD	2017	626,316	5%
	2016	207,157			2016	596,542	

Connectivity

Computer sessions

Mar	2017	80,437	-1%	YTD	2017	219,235	-4%
	2016	81,298			2016	229,051	

Wireless sessions

Mar	2017	47,051	8%	YTD	2017	156,941	17%
	2016	43,621			2016	134,271	

Chromebook sessions

Mar	2017	14,111	163%	YTD	2017	37,158	161%
	2016	5,364			2016	14,242	

Website sessions

Mar	2017	764,994	19%	YTD	2017	2,103,230	10%
	2016	640,392			2016	1,912,221	

Catalogue sessions

Mar	2017	461,651	0%	YTD	2017	1,354,588	-1%
	2016	462,797			2016	1,368,693	

Pages viewed per session

Mar	2017	1.50	Mar	2017	5.54
		...website			...catalogue

Social Media

Followers

Mar	2017	34,676	17%
	2016	29,523	

Facebook, Twitter, Instagram & LinkedIn

Holdings (daily average)

Active holds

Mar	2017	243,590	11%
	2016	218,509	

Patrons with active holds

Mar	2017	43,958	7%
	2016	41,063	

Report to the
Calgary Public Library board
Audit and Finance Committee Meeting
Thursday, March 23, 2017

In Attendance:

Board

Ms. Debra Giles, Chair
Ms. Catherine Angus
Mr. Robert Macaulay
Mr. Avnish Mehta
Ms. Janet Hutchinson

Administration

Mr. Bill Ptacek, CEO
Ms. Ellen Humphrey, Deputy CEO
Ms. Elrose Klause, Controller/Director, Financial Services
Mr. Mark Asberg, Director, Service Delivery
Ms. Sarah Meilleur, Director, Service Design
Mr. Paul Lane, Director, Corporate Services
Mr. Chae Jun, Manager, Accounting

Regrets

Ms. Shereen Samuels

Guests:

Ms. Harman Gill, CA Partner, Assurance and Advisory, Deloitte
Ms. Nicole Hiscock, CA Manager, Private Client Services, Deloitte

I. Treaty 7 Opening

Ms. Giles respectfully acknowledged that the meeting was taking place in the traditional territories of the Blackfoot and the people of the Treaty 7 region in Southern Alberta, which includes the Siksika, the Piikuni, the Kainai, the Tsuu T'ina and the Stoney Nakoda First Nations. The City of Calgary is also home to Metis Nation of Alberta, Region III.

II. Approval of Agenda

There being no objections, the Agenda was approved as presented.

III. Approval of Minutes

There being no objections, the minutes of the January 19, 2017 meeting were approved.

IV. Business Arising

There was no business arising.

V. Presentation of Audited Financial Statements

- Ms. Elrose Klause, Controller,
Ms. Harman Gill, CA Partner, Assurance and Advisory, Deloitte
& Ms. Nicole Hiscock, CA Manager, Private Client Services, Deloitte

Ms. Gill and Ms. Hiscock reported on the audit scope, materiality and findings, and the evaluation of controls and risks. No areas of concern or deficiencies were encountered during the audit.

The following points were highlighted:

- A payment of \$96K was made to the YMCA, as sub-landlord of The City of Calgary at the Quarry Park (Remington YMCA) Recreation Facility, for future lifecycle requirements. This had been accounted for as a prepaid asset, but was reallocated as a one-time expense during the audit, since the any left-over funds would not return to the Library after the 25-year term; they would revert to The City instead. It was decided that details would be added in a note to the Financial Statements.
- On the Statement of Financial Position, the Committee requested the word ‘Deposits’, under Non-Financial Assets, be changed to “Damage Deposit” as this amount relates to the Hillier Building Lease.

At this point, as a best governance practice, Library staff left the room to allow the Committee an opportunity to speak confidentially with the auditors. After an interval, the Committee asked staff to re-join the meeting, and Ms. Harman and Ms. Hiscock left the meeting. Ms. Giles congratulated Ms. Klause and Mr. Jun on a clean audit.

MOVED by Ms. Giles, that the Calgary Public Library Board’s Audit & Finance Committee recommend that the Calgary Public Library Board:

- a. Receive Deloitte's Year-end Communication on 2016 audit results dated March 23, 2017 for information.
- b. Approve the Draft Audited Financial Statements of the Calgary Public Library Board for the year ended December 31, 2016, with the following changes:
 - i. Add an explanatory note to the Financial Statements regarding the \$96K payment to be added to the Quarry Park Asset Reserve Fund;
 - ii. On the Statement of Financial Position, change the word ‘Deposits’ under Non-Financial Assets, to “Damage Deposit”;
 - iii. Correct typographical errors.

Carried Unanimously

VI. Annual Risk Review

- Ms. Elrose Klause, Controller

Ms. Giles distributed a replacement Heat Map Mitigation List, showing in bold print the mitigations added since last year’s report. The 6 risk categories were discussed as follows:

1. Strategy

Mr. Ptacek reported on new memberships of approximately 11K per month, and a retention program to improve online communication to members to help keep and grow that number. Customer satisfaction is assessed annually. The measure for community partner involvement was adjusted during the year to include outreach programs. The Committee made the point that the risk of increased partnership involvement could be under the category of reputational risk, or split into strategic and operational categories, depending on the nature of the relationship, such as joint facilities partnerships.

2. Finance

Ms. Klause reported that all financial mitigations are standard, recommended practices to protect against fraud and manage funding, allocation of resources, and planned operating and capital expenditures.

Ms. Hutchinson excused herself from the meeting at this point.

3. People

Mr. Lane reported that, with mitigation, no areas are in the red section of the heat map. Recent staff engagement activities are helping the Library achieve success in this area.

4. Operations

There was no new mitigation in this area, and no change to its heat map position.

5. New Central Library

There was no new mitigation in this area, and no change to its heat map position.

6. Safety / Security

There has been much recent learning about safety and security for the current and new Central Library. While the issue is a larger one within Calgary, the Library is achieving notable success due to close work with its security guards and the Police Service. The Committee commended these advances and recommended that this be highlighted in the presentation to The City's Audit Committee.

The Committee then discussed proposed reporting changes, as follows:

- The heading *Strategy* would be changed to *Relevance*, and include more items that relate to the Library's relevance, such as collection and service innovation.
- The Committee said that collections would be better placed under *Operations*.
- Reputational impacts are difficult to capture in metrics. Although reputational risk is inherent in all of the measures, the Committee prefers to keep this conversation placeholder as a separate item. It represents the risk of misconduct and would be placed under the *Relevance* category. The Committee decided to give the matter further discussion at another meeting.
- An *Operational Readiness for NCL* category would be added under *New Central Library*, to incorporate the many complex elements in commissioning the building, trialling innovative service projects, and preparing for the transition, working in conjunction with the NCL Steering Committee. The Committee asked that the items under the NCL category be re-ordered and renamed as follows:
 - a. Construction and commission (renamed from "reputation maintained")
 - b. Operational readiness
 - c. Delivery of service in new building.

The Committee liked the proposed new structure in general, and requested that the revised document come back to the April Committee meeting for further discussion. The existing measures will be used for the April report on the first quarter.

MOVED by Mr. Macaulay, that the Audit & Finance Committee recommend that the Calgary Public Library Board receive the Annual Risk Review for discussion and information.

Carried Unanimously

Action Item	Person Responsible	Timeline
Discuss reputational risk and its placement in the Risk Register, and confirm the proposed changes to the structure of the Risk Register	Ms. Giles	Next Audit & Finance meeting
Re-order and rename items under the category <i>New Central Library</i> in the Risk Register	Administration	

VII. Other Business

A. Proposed Changes to Committee Mandate

The Committee approved the proposed changes to the mandate.

MOVED by Ms. Giles, that the Audit & Finance Committee recommend that the Calgary Public Library Board approve the Audit & Finance Committee Mandate presented at the March 23, 2017 Committee meeting.

Carried Unanimously

B. Calgary Public Library Foundation Grant

The Committee reviewed the grant letter from the Foundation to the Library, which outlines the grant amount, instalments, and stewardship requirements, in accordance with good governance practices.

The Committee discussed the following points, raised by Mr. Macaulay:

1. Some percentage of Foundation funding should be invested in “hard” assets

- Mr. Macaulay said that a percentage of people’s donations should be clearly spent on capital items of more lasting value than transitory programming. With the majority of the funding for 2017 to be spent on programs that may be over in one year, we should ensure that some is always being invested for the future. As well, taxpayers’ money is already going to running the Library services expected by its citizens. Restricted donations cannot be changed, but a portion of unrestricted donations could go to lasting items if there weren’t any capital-related restricted items in a given year.
- Trying to set a fixed, minimum amount to be spent on hard assets would not be a good idea; however, the Board should give guidance for future budget discussions that consideration be given to some amount to go to assets of a lasting nature. An unhealthy addiction should not be created by relying on The Foundation for programming.
- Raising money for popular programming may sometimes be the easiest or default route, but the Library must specify that some hard assets are necessary, and incorporated into strategic planning.
- It was noted that the Add-In campaign’s fundraising for the New Central Library project is, in fact, a limited-time capital campaign. However, the concern is for the future, when the Foundation undergoes significant changes to its fundraising purpose.

- Mr. Mehta said that the Library should have a service baseline and criteria for defining programming and service enhancements, to ensure a legacy of sustainability. There should be a robust rationale to explain why investment should be made in programs now. It would be disappointing to create an expectation where an unsustainable level of programming becomes considered normal, and a reduction is required to return to the previously normal level. Hard asset enhancement is immediately relatable, and it is up to senior management to determine the appropriate ratio of capital assets to programming.
- Mr. Mehta said this is good timing for this conversation, and it should be on the agenda for The Foundation Board.
- Mr. Ptacek said that the goal is for the Library to do as much as possible, while putting money aside for both the new Central Library and the entire system. He also noted that the Library only accepts restricted funds for projects that fit with its strategic direction.

2. Unrestricted donations should not be treated as general revenue

- Mr. Macaulay expressed his concern that unrestricted donations are simply added to the general bank account, without a record of the resulting enhanced services and assets. The purpose of donations is not to reduce the burden that The City should be allocating from taxpayers' money. The Library has to identify and account for how unrestricted donations were spent on add-in values. This record would be available for the Board's information and for the public, in order to be transparent, prudent and prepared.
- It was also noted that The Library funds The Foundation, so the net donation amount, which is less than the annual grant transferred, is the amount that requires a careful record of allocation.
- The Committee agreed that a good solution would be for the Board to see a record of allocation of unrestricted donations, along with the spending ratio of hard assets to programming, presented in clear, budgetary language, as part of all future budget processes.

Action Item	Person Responsible	Timeline
Add a record of allocation of unrestricted donations, along with the spending ratio of hard assets to programming, as part of all future budget processes.	Administration	All future budget processes

Audit & Finance Committee Mandate

Approved Jan 28, 2015

The Audit & Finance Committee reports to the Board and advises on matters of finance, financial results, risk and audit, including:

1. Review of quarterly unaudited financial statements and accompanying notes, and annual audited financial statements and accompanying notes
2. Review of annual budget, and quarterly review of budget relative to actual results
3. Quarterly review of risk register
4. Receipt and review of external audit plan. Review of results of external audit with auditors
5. Review of Board policies relating to audit and finance and ensure adherence to such Board policies
6. Review of insurance and other activities related to audit and finance
7. Review of operational audits as required

Proposed Audit & Finance Committee Mandate

January, 2017

The Audit & Finance Committee reports to the Board and monitors the financial performance of the Library. The Committee reviews and recommends to the Board on matters of finance, financial results, risk and audit, including but not limited to the following:

1. Quarterly unaudited financial statements and accompanying notes
2. Annual audited financial statements and accompanying notes
3. Annual budget and quarterly forecasts, as well as variances of actual results to budget and forecasts
4. Quarterly risk register and annual heat map
5. External audit plan and results of external audit
6. Relevant Board policies, and adherence to such policies
7. Insurance
8. Operational audits as required
9. Any action required to ensure the financial sustainability of the Library
10. Other matters related to audit and finance

