

REGULAR MEETING OF THE FRASER VALLEY REGIONAL LIBRARY BOARD

Wednesday, September 21, 2016
FVRL Administrative Centre
34589 DeLair Road, Abbotsford, BC V2S 5Y1

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|-------|--|--|
| 1.00 | CALL TO ORDER | Mayor John Van Laerhoven, Chair |
| 2.00 | APPROVAL OF CONSENT AGENDA
<i>Motion</i> | THAT the Consent Agenda be approved as circulated. |
| p. 4 | 2.011 Minutes | Enclosure:
◆ June 22, 2016 Meeting Minutes |
| p. 9 | 2.012 Overview of Library Activities | Enclosure:
◆ Library Reports |
| 3.00 | APPROVAL OF AGENDA
<i>Motion</i> | THAT the Agenda be approved as circulated. |
| 4.00 | PRESENTATION | |
| 4.01 | Farewell to Mary Kierans | Scott Hargrove, Chief Executive Officer |
| 5.00 | MOVE TO <i>IN CAMERA</i> SESSION
<i>Motion</i> | THAT the Board move to <i>In Camera</i> session. |
| 6.00 | BUSINESS ARISING FROM THE MINUTES | |
| 6.01 | Strategic Planning Update
<i>Discussion</i> | Scott Hargrove, Chief Executive Officer, and Ken Roberts, Consultant |
| p. 23 | | Enclosure:
◆ Five Revised Draft Themes |
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REGULAR MEETING OF THE FVRL BOARD: Agenda

September 21, 2016

Page 2

6.02 **2016-2018 Strategic
Directions Revision**
Motion

Scott Hargrove, Chief Executive Officer

THAT Strategic Direction 4: Communication of the 2016-2018 Strategic Directions be revised to: “Communicate and celebrate the achievements, multi-cultural, and intergenerational value of libraries.”

p. 24

Enclosure:

- ◆ Revised Draft 2016-2018 Strategic Directions

6.02 **Tree Removal at
Administrative Centre**
Motion

Scott Hargrove, Chief Executive Officer

Verbal Report

THAT the Tree Removal at Administrative Centre Report be received.

7.00 **NEW BUSINESS**

7.01 **Financial Management Policy
Report and Draft Financial
Management Policy**
Motions

Nancy Gomerich, Director of Finance

THAT the Financial Management Policy be approved.

THAT the Funding Formula Policy be rescinded.

THAT the Fees for Service - Fines Policy be rescinded.

THAT the Municipal Surplus Reserve Policy be rescinded.

p. 25

Enclosures:

- ◆ Financial Management Policy Report
- ◆ Draft Financial Management Policy

REGULAR MEETING OF THE FVRL BOARD: Agenda

September 21, 2016

Page 3

7.02 **Materials Expenditures Overview**
Motion

Nancy Gomerich, Director of Finance, and Dean Kelly, Manager of Support Services

THAT the Materials Expenditures Overview be received.

p. 70

Enclosure:

- ◆ Materials Expenditures Overview

7.03 **Uke 'N Play Report**
Motion

Heather Scoular, Director of Customer Experience

THAT the Ukelele Project Report be received.

p. 75

Enclosure:

- ◆ *Uke 'N Play Report*

8.00 **OTHER BUSINESS**

9.00 **AROUND THE TABLE**

10.00 **QUESTIONS**

11.00 **NEXT MEETING**
Information

The FVRL Board will meet next for its next meeting:

Wednesday, October 26, 2016 - 9:00 am
FVRL Administrative Centre
34589 DeLair Road, Abbotsford, BC V2S 5Y1

12.00 **ADJOURNMENT**
Motion

THAT the meeting of FVRL Board be adjourned.

REGULAR MEETING OF THE FRASER VALLEY REGIONAL LIBRARY BOARD

Wednesday, June 22, 2016

**City of Langley Library/Timms Centre–Multi-Purpose Room #2
20399 Douglas Crescent, Langley BC V3A 4B3**

Attendees from the Board

Mayor John Van Laerhoven, District of Kent (Chair)
Councillor Petrina Arnason, Township of Langley
Councillor Les Barkman, City of Abbotsford
Director Bill Dickey, Fraser Valley Regional District
Councillor Laura Dupont, City of Port Coquitlam
Councillor Heather King, Corporation of Delta
Councillor Megan Knight, City of White Rock
Councillor Gayle Martin, City of Langley
Councillor Danny Plecas, District of Mission (alternate)
Councillor Chuck Stam, City of Chilliwack
Mayor Wilf Vicktor, District of Hope

Regrets

Councillor Corisa Bell, City of Maple Ridge
Councillor Bill Dingwall, City of Pitt Meadows
Director Maria Harris, Metro Vancouver
Councillor Sonja Reyerse, Village of Harrison Hot Springs

Attendees from Staff

Scott Hargrove, Chief Executive Officer
Jeff Narver, Director of Infrastructure & Resources
Heather Scoular, Director of Customer Experience
Cathy Wurtz, Director of Organizational Development
Irene Geng, Office of the CEO | Donor Relations
Sandi Burgess, Library Manager–Delta
Kimberley Constable, Acting Deputy Manager–City of Langley and Port Coquitlam
Emily Duquette, Marketing Coordinator
Nicole Glentworth, Library Manager–Chilliwack & Upper Fraser Valley
Mary Kierans, Manager of Support Services
Shawna Kristin, Manager–Maple Ridge & Pitt Meadows
Devan Mitchell, Deputy Manager of Information Technology and Finance
Courtney Novotny, Manager–Mission Library & Outreach Services
David Thiessen, Library Manager–Township of Langley & White Rock

CUPE Local 1698

Deborah Kendze

REGULAR MEETING OF THE FVRL BOARD OF DIRECTORS

Wednesday, June 22, 2016

Page 2

Prior to the meeting, Board members enjoyed a tour of the City of Langley Library, which is co-located with the new Timms Community Centre that opened in February 2016.

1.00 CALL TO ORDER

Mayor John Van Laerhoven, Board chair, called the regular meeting of the Fraser Valley Regional Library Board to order at 9:50 am.

2.00 APPROVAL OF CONSENT AGENDA

It was **MOVED** Mayor Viktor, **SECONDED** Councillor Knight, **THAT** the consent agenda be approved as circulated.

CARRIED

16.06.22/01

Consent Agenda Approved

3.00 APPROVAL OF AGENDA

It was **MOVED** Councillor King, **SECONDED** Councillor Arnason, **THAT** the agenda be approved.

CARRIED

16.06.22/02

Agenda Approved

4.00 PRESENTATION

4.01 Strategic Planning Update

Chief Executive Officer Scott Hargrove, along with consultant Ken Roberts, provided an update on the strategic planning process.

Ken Roberts stated the staff consultations revealed a strong loyalty to FVRL, a dedication to quality customer service, a willingness to take more training to enhance the customer experience, and deep appreciation for the Board's and senior management's confidence in them. They recommended the addition of another strategic planning theme that recognizes the value of staff to the organization.

Scott Hargrove described the world-café-style public consultation process held in six libraries that shone light on changing expectations for libraries that included program recommendations and suggestions about tapping into community resources. An online survey will be conducted for three weeks during July to facilitate broader public participation in the strategic planning process, then the input from all consultations will be analyzed, and a summary report is expected early in the fall.

It was **MOVED** Councillor Martin, **SECONDED** Councillor Plecas, **THAT** the Strategic Planning Update be received.

CARRIED

16.06.22/03

Agenda Approved

5.00 NEW BUSINESS

5.01 **2017 Annual Plan**

Chief Executive Officer Scott Hargrove explained the rationale for using the existing strategic directions to develop the 2017 annual plan, then described the new initiatives propose for the coming year.

Councillor Barkman recommended that the annual plan include initiatives that address the multi-cultural nature of FVRL communities.

It was **MOVED** Councillor King, **SECONDED** Councillor Barkman, **THAT** the 2017 Annual Plan be approved with the amendment of multi-cultural initiatives.

CARRIED
16.06.22/04
2017 Annual Plan Approved

5.02 **Tree Removal at Administrative Centre**

Chief Executive Officer Scott Hargrove outlined the ongoing issues created by the tall evergreen trees at the edge of the parking lot at FVRL's Administrative Centre: falling branches after windstorms regularly incur clean-up costs of up to \$800; the top third of a tree recently came down in the parking lot; falling branches have damaged staff vehicles; BC Hydro drastically trims them to protect power lines; tree roots are exposed on the bank below them; and, most recently, they camouflaged theft from a car parked beneath them. He proposed that the problem trees be removed once authorization had been received from the City of Abbotsford.

It was **MOVED** Mayor Vicktor, **SECONDED** Councillor Plecas, **THAT** the evergreen trees be removed, subject to an arborist's opinion.

Board members expressed reluctance at removing trees if not necessary, yet recognized the necessity of ensuring public safety. Board members also identified the matter as an operational issue, rather than a Board issue.

It was **MOVED** Councillor Arnason, **SECONDED** Councillor Dupont, **THAT** the matter be deferred following the receipt of an arborist's report.

FAILED

Mayor Vicktor, with Councillor Plecas, withdrew the original motion.

REGULAR MEETING OF THE FVRL BOARD OF DIRECTORS

Wednesday, June 22, 2016

Page 4

It was **MOVED** Councillor Stam, **SECONDED** Councillor King, **THAT** FVRL staff obtain an arborist report on the evergreen trees at the edge of the parking lot at FVRL's Administrative Centre and act on its recommendations; and **THAT** the Board be informed of the result of the report.

CARRIED

16.06.22/05

Tree Removal Based on Arborist Report

5.03 Chief Executive Officer's Report

Chief Executive Officer Scott Hargrove commented on his and FVRL's activities over the first half of 2016. He expressed appreciation to Councillor Corisa Bell, FVRL Board's First Vice Chair and president of the Lower Mainland Local Government Association, for inviting him and Heather Scouler, Director of Customer Experience, to give presentations to Lower Mainland LGA conference attendees. He also reported that his interview with broadcaster Stu McNish on *Conversations That Matter* will be available within days and is expected to be aired on CHEK TV this summer.

It was **MOVED** Councillor Martin, **SECONDED** Councillor Stam, **THAT** the Chief Executive Officer's Report be received.

CARRIED

16.06.22/06

Chief Executive Officer's Report Received

6.00 OTHER BUSINESS

There was no other business.

7.00 AROUND THE TABLE

Councillor Barkman inquired about doing a ride-along with FVRL's Shipping and Receiving drivers, and was informed that, indeed, ride-alongs are available.

Councillor Stam expressed thanks to Chilliwack Library's team that is investing in outreach to recent immigrants to the community.

Councillor King praised the staff of Delta's libraries for their passion and expertise.

Mayor Vicktor floated the possibility of holding more Board meetings in FVRL libraries.

It was **MOVED** Mayor Vicktor, **SECONDED** Councillor King, **THAT** staff investigate the possibility of holding Board meetings in FVRL libraries.

CARRIED

16.06.22/07

Investigate Board Meetings in Libraries

REGULAR MEETING OF THE FVRL BOARD OF DIRECTORS

Wednesday, June 22, 2016

Page 5

Councillor Arnason mentioned her appreciation for professional magazines about libraries, and a recent meeting with a representative of Barrier Free BC.

Councillor Plecas reported that Mission recently welcomed 16 newcomers and that good things are happening in the community.

Councillor Dupont highlighted the library's support of newcomers to the community who are struggling to learn English and the importance of learning the language to their successful integration in their new home.

Councillor Knight was pleased to announce that White Rock Council received a grant through *Our Canada 150 Project*, a national campaign to celebrate Canada's 150th birthday in 2017. White Rock Library will host two Canadian author talks and feature a historical display.

Councillor Martin thanked everyone for coming to the City of Langley Library and Timms Centre, and invited a return visit once the library renovations are complete.

Mayor Van Laerhoven reported that he had attended the well attended memorial service for the late Dave Denault, Tour Manager for *Library Live and On Tour*, and commended Smitty Miller, Community Librarian and original *Library Live and On Tour* Tour Manager, for her solo during the service. The Denault family appreciated FVRL's participation at the service.

8.00 QUESTIONS

There were no questions.

9.00 MOVE TO *IN CAMERA* SESSION

It was **MOVED** Councillor Martin, **SECONDED** Councillor Knight, **THAT** the Board move to *In Camera* session.

CARRIED

16.06.22/08

Move to *In Camera* Session

8.00 NEXT MEETING

The next meeting of the FVRL Board will be:

Wednesday, September 21, 2016 - 9:00 am
FVRL Administrative Centre
34589 DeLair Road, Abbotsford, BC V2S 5Y1

9.00 ADJOURNMENT

It was **MOVED** Councillor Stam, **SECONDED** Councillor Arnason, **THAT** the meeting of the FVRL Board be adjourned.

CARRIED

16.06.22/09

Adjournment

The meeting adjourned at 11:28 am

Abbotsford Libraries

By Hilary Russell, Library Manager
Meeting of September 21, 2016

THE POWER OF STORIES

Libraries are full of stories. They come alive in the FVRL collection through picture books, history, biography, novels, and many other physical and online materials. Some are based on fact and some entirely fictional but stories entertain and inform each person in individual and sometimes deeply personal ways.

Late June, July and early August is the busiest time in the library year as school finishes and many people, especially families, are taking time off. Library circulation jumps up in the Abbotsford Libraries as people stream in for library materials for information (*195 Lakes of the Fraser Valley* by Ed Rychkun), recreation (*Woodworking for Kids* by Kevin McGuire) or pure entertainment (*Murder on the Orient Express* by Agatha Christie). Summer Reading Clubs for all ages add to the fun by offering activities, prize draws, programs and other incentives to enjoy summer reading.

We see the power of stories very clearly at this time of year when folks have a little more time to read, listen to books, and even watch DVDs from the FVRL collection. Library customers arrive enthused by what they've discovered. One of the Summer Reading Club activities included a postcard that asked kids to write about what they'd been reading, which could then be sent or dropped off to their local library. At Clearbrook Library, we received a wonderful card from Keerat who wrote that she had read *I Am Malala* and reports, "Malala is my role model. She stood up for education even after she was shot! Thank you for ordering the book! It's now my all-time favourite!"

Library staff took some powerful stories about the Bradner gold rush and a burning sternwheeler adrift on the Fraser River to share with adults and children at the MSA Museum Society Community Summer Social in August. The Storytime on the Porch at Trethewey House was a great hit and people stayed on to talk about their own family histories in the area.

FVRL believes that libraries participate in "developing the enjoyment, lifelong learning, literacy and the vibrant health of communities" and the Abbotsford Libraries, as members of FVRL, promote the power of stories as vehicles to stimulate the imagination and create knowledge about ourselves as individuals, community members and even as global citizens.

Agassiz Library

By Nicole Glentworth, Library Manager
Meeting of September 21, 2016

SUMMERTIME VIBE AT AGASSIZ LIBRARY

According to a travel website survey, Canadians stayed closer to home this summer, and BC residents in particular stated that they wanted to explore and enjoy their region, sharing it with family and friends. A weak Canadian dollar and gas prices have also contributed to the glory of the “stay-cation” but what this meant for Agassiz Library was a very busy summer!

Locals made great use of the family programs such as the *Summer Reading Club*, *Storytime in the Park*, *Recreation on Tour* and *Adventure Club* held weekly all summer long. Week after week, attendance topped previous years for all these activities, comparing 1096 attending in 2015 to 1720 at Agassiz programs this summer. As for travelers, they too found the library and made use of its comfortable coolness, the public Internet and WiFi access, book sale items, and friendly staff who are able to provide local information as they seek to enjoy the Agassiz-Harrison area to its fullest.

By accommodating the needs of the many, Agassiz Library remains an example that small libraries are active and key in providing the services that residents want and make use of all year around in their home towns. As well, travelers are getting smarter about what public libraries can offer them and will include it as a stop in their vacation to find out about local events, community programs, real estate, or to check their bank accounts and connect with the folks at home.

It's been a very groovy summer!

Chilliwack Libraries

By Nicole Glentworth, Library Manager
Meeting of September 21, 2016

A VERY BUSY SUMMER IN THE CHILLIWACK LIBRARIES

Summer Reading Club: Sardis Library's Children's Department attended a number of school year-end assemblies, generating excitement about the Summer Reading Club. One of the Sardis staff members, a local artist, livened up the library by creating colourful window paintings featuring this year's *Summer Reading Club* mascots.

During one of our weekly draws for Summer Reading Club prizes, we were pleasantly surprised when we pulled the name of an avid reader and one of the members of the Friends of the Chilliwack Libraries. The program was also a huge success at the Chilliwack Library as well where there were over 900 participants registered.

Sto:lo Nation Bands: Once again Sardis staff attended the popular Sto:lo Children's Festival in July and the Tzeachten Band's Open House event in mid-August. Staff used this opportunity to promote the Summer Reading Club as well as other library services and programs.

Customer Safety: Customer safety is always a priority at Sardis. Due to large turnouts at all our SRC events, staff invited Lisa Axelson, a Chilliwack Fire Department inspector and educator, to speak to program attendees. Lisa explained the Fire Code requirements and how they safeguard against injury in the event of an emergency. It was eye-opening and showed that when staff restricts the numbers it is for the safety of all in the library.

Genealogy: Our Genealogy group continued their weekly meetings during the summer and attendance is still growing. The group went on their annual field trip to Surrey Public Library to take advantage of their genealogy collection. They wrapped up their visit with



A Friend of the Library member won a Summer Reading Club prize

a tour of Surrey Museum and Archives. They took this opportunity to see what other libraries and the museums have to offer them as well.

Teen Programs: Sardis also had two very successful teen programs this summer. *Kayak Attack* was held in July where our local Paddling Club hosted a “Meet and Greet” in the library on their way to compete in the BC Summer Games. They shared their knowledge of the sport and provided information about the club’s activities.

More Than Music: Chilliwack and Sardis Libraries hosted *More than Music* – an event geared for young children in Watson Glen Park and Salish Park, the parks beside both the libraries. Entertainment included music, a magic show, face painting, balloon twisting and a crafts table set up by the Chilliwack Arts Council. A light lunch was also served at the event at the Chilliwack Library giving those who attended a chance to mingle with others. This was a partnered program between the City of Chilliwack, the Chilliwack Arts Council, and the two libraries. **Councilor Chuck Stam** also attended the event at Sardis.

WildSafeBC: WildSafeBC is described on their website as “a program designed to reduce human-wildlife conflict through education, innovation and cooperation.” In August, they spent the better part of two days in the lobby of Sardis Library displaying resources and providing information to the public about this very important topic. This well attended presentation included an impressive bear skin which children found fascinating. It created an awareness for those who may not have an opportunity to come face-to-face with wildlife and instills in them respect for the creatures around us and how we can co-exist.

Elizabeth Fry Society: Chilliwack Library staff visited the Elizabeth Fry Society where they participated in 3 campfire read-a-longs for 127 children whose parents are incarcerated. Staff used this opportunity to promote Summer Reading Club and get them focused on reading.

Delta Libraries

**By Sandi Burgess, Library Manager
Meeting of September 21, 2016**

I have completed just over three months as Library Manager and am astounded by the range of impacts our libraries have on community members of all ages. The staff is creative, knowledgeable and provides excellent customer service.

Before the summer break over 1,600 students attended our Exam Cram sessions to hit the books solo or in groups, with the comfort of food and therapy dogs to offset stress. Adult patrons commented on the energy and life this brought to our facilities.

Our Summer Reading Club wrapped up with proud readers earning medals just like their Summer Olympic heroes by reading at least 15 minutes a day for 49 days. The special events and entertainers were very well attended.

We also enjoyed an unexpected boost of gamers catching Pokemon in our spaces, happily sharing their team allegiances once they reached Level 5.

Adults enjoyed the Mindful Meditation Series, Ukulele and News Clubs in Tsawwassen. The meditation programs were standing room only, with participants stretched across the library space.

Staff also reached out at community events, meeting over 300 people on Canada Day, 243 on Family Day in North Delta, and reading stories to over 150 at Starry Night.

As part of my orientation and with assistance from professional staff, I have been meeting with several community partners to discuss opportunities to achieve similar goals. Library staff is looking forward to assisting Delta's Recreation and Culture Commission with research into developing a local writer's festival and to working with staff from the Corporation of Delta on a report to Council on libraries. We are also supporting the new North Delta Reporter with a regular column.

Staff has been sharing stories from this summer about how the library plays an important role in the lives of Delta residents. Here are just a few of the highlights:

- A student earned his Welding certificate along with a \$2,000 bursary. He attributed his success to his ability to study at the library and took a photo at the library for his school.
- A Syrian family of six who speaks little English signed up for library cards in George Mackie Library. We were prepared with library information written in Arabic and will start using translation apps on a more regular basis. The family was thrilled by their ability to access library resources as they start their new life, including their new Canadian baby, in Canada.
- An artist who tragically lost her grandson in an accident came to the library's Colouring Club as a way to try to reconnect with her desire to create and to deal with her grief. She was joined by other women who didn't know her story, but gladly shared in the tranquil activity.
- The News Club in Tsawwassen has resulted in new social circles and friendships. Members have informed staff that they feel empowered, that their voices are important and they now conduct deeper research on the topics the club discusses.

Hope Library

By Nicole Glentworth, Library Manager
Meeting of September 21, 2016

STORYTIME IN THE PARK IS BACK BY POPULAR DEMAND

The *Storytime in the Park* program provides families with young children an engaging avenue to experience the joys and rewards of reading together as a family. This program encourages families to meet on a regular basis in the summer months. A good quality children's picture book is read aloud to the families in attendance and a copy of the same book is given to each family to keep for their home library. Physical activity and a healthy lunch are included, and it is an excellent opportunity for families and young children to engage in social interaction.

The *Storytime in the Park* program is carefully crafted to address some of the concerns indicated by the Early Development Instrument (EDI) as well as some of the issues of poverty. The EDI for the Fraser Cascade School District shows 36% of children in the region are vulnerable on one or more scales. This is significantly higher than the provincial average of 28.7 percent. *Storytime in the Park* provides physical activity, language, communication and social opportunities and role modeling. Further, it strives to be a low-to-no barrier program by providing transportation when financially feasible as well as a nutritious lunch. The program is run every week during the months of July and August.

NETWORKING WITH COMMUNITY PARTNERS

Staff attended a *Together for the Early Years* Community Dinner, held at Chawathil First Nation Community Centre. This was part of a Hope Community Services convening grant to determine the future direction of programs for young children in Hope. Partnerships include Hope Community Services, School District 78, Ann Davis Society, Yale First Nation, Child and Mental Health, Infant Development Program, Hope Early Years, Fraser Health, University of the Fraser Valley. The strong network of community organizations proves the commitment of the community to bettering Hope and what is offered to its residents.

Maple Ridge Public Library

By Shawna Kristin, Library Manager
Meeting of September 21, 2016

SUMMER CELEBRATIONS

Summer Reading Club: Customers of all ages booked a trip to Maple Ridge Public Library this summer to participate in the *Book a Trip* Summer Reading Club program. Preschoolers, school-aged children, teenagers and adults participated in large numbers. In the spring, staff reached out to hundreds of children at local schools and staff kept the momentum up throughout the summer. Children enjoyed games promoting reading and literacy, such as looking for the Summer Reading Club mascot throughout the library and guessing what kind of puppets staff squished into jars. One special puppet, Larry the Lion, went on his own trip as he traveled around Maple Ridge to various locations. He visited the Fire Hall, Leisure Centre (going down the slide), Council Chambers (sitting in the Mayor's chair), Haney House, The Act and the Dikes. During his travels, kids guessed where he was and entered to win book prizes. The Summer Reading Club programs were well attended.

Teen Summer Reading Club: The Summer Reading Club wrap-up for teens attracted twice as many participants as last year. Attendees formed teams to complete challenges and win prizes. They created team names and made buttons with their logos, and went head to head in an intense game of trivia and a challenging library scavenger hunt. Every teen that came went home with a prize. The participants shared with staff that they had lots of fun and would be coming back next year.

Summer Reading Club Medal Ceremony: Hundreds of people attended the Summer Reading Club Medal Ceremony. Maple Ridge **Mayor Nicole Read** and **Councillor Corisa Bell**, FVRL's Board representative, handed out over 150 medals to eager young readers while proud parents snapped photos. Some children came in their special party clothes and one girl wore all the medals she had collected over the past six years. Another boy had been told that Mayor Read would be there and he could not believe it was really her. His mom had to get her to confirm her identity to him while he gazed at her in awe. Everyone had a great time and there were many happy smiles from all the children who received a medal.

In addition to the Summer Reading Club, Maple Ridge Public Library demonstrated in many other ways how vital and meaningful the library is to our community.

Canada Day Celebration: The annual Canada Day Celebration allowed staff to promote the library to many people, both library users and non-users. Over 400 people stopped by the library tent. The event was a great opportunity to promote library services in the community and increase our profile at an important annual community event. We had many great conversations, some with very new immigrants to the country. It was very inspiring to see their enthusiasm and excitement, and to share with them the many great services FVRL has to offer. We also announced the winners of our annual Canada Day Poetry Contest for all school age children in Maple Ridge during the protocol ceremony. The winners read their poems on stage to a large audience, including city council members, MLAs and the MP.

EID Celebration: Nearly 100 people attended our annual EID celebration at the library, put on in partnership with the Islamic society of Ridge Meadows.

Puppets in the Park: Library staff once again brought the puppet stage and puppets outside for a field trip to entertain children and their families with the Puppets in the Park program.

Day Camps: Over the summer, the library was hub of activity with an increased number of day camps paying regular visits.

Maple Ridge Public Library staff enjoyed building literacy skills at all age levels in such innovative and entertaining ways this summer.

Mission Library

By Courtney Novotny, Library Manager
Meeting of June 22, 2016

SUMMER CONNECTIONS

Summer months are a great time to reach out and connect with families and organizations around the community. Staff continuously works to make the library a community destination and when possible, join up with local organizations to enhance the customer experience through exceptional programming and community building activities. This summer, staff could be found all around Mission connecting with those who may not visit the library and also promoting FVRL services and collections.

A Green Partnership

One of Mission's most popular school-aged programs, *Make It & Take It*, is an arts and craft literacy program during which kids take home the projects they make and create. Projects range from planting seeds to creating Valentines and appeal to a wide range of interests. This summer, staff partnered with the Abbotsford Mission Recycling Depot to provide an environmentally-focused *Make It & Take It* program. Participants were first treated to a review of different types of recycled materials and shown examples of what things like milk jugs can go on to become through the recycling process. Samples of broken down recycled materials were passed around for kids to touch and feel, including crushed up milk cartons and a recycled t-shirt. Participants then had the opportunity to create wallets made out of recycled juice cartons that they proudly showed off around the library following the program. The presenters and craft activity were a hit and future plans are already in the works to connect with the Recycling Depot again to provide informative and interactive displays for all ages at the library. With Mission being a green-friendly city, this was a fitting partnership.



Community Events

Stories in the Park took place every Wednesday throughout the summer at the Mission Leisure Centre spray park in partnership with the Mission Early Childhood Development Coordinator. Each week large groups of families would gather up and enjoy stories, songs, rhymes and games, while enjoying fresh air and sunshine. The Early Childhood Development Coordinator brought a parachute and free books for families to take home, while library staff brought library materials to share and literacy activities to engage with the families. These Storytimes helped FVRL bring literacy and fun to the community, while engaging with key literacy partners.

At ***Mission Fest***, staff connected with over 500 residents and promoted upcoming fall programs. This annual program takes place in downtown Mission and draws people from all parts of the District, making it an important outreach and community event. The library is an important part of Mission's downtown and so being present at the event is a priority each year.

Similarly, the ***Mission Farmer's Market*** once again filled the library parking lot every Saturday throughout the summer, bringing atmosphere, local vendors and cheer to the area. Library staff connected with Farmer's Market coordinators to provide Storytimes for ***Stories at the Market*** events over the summer and brought a little of the library outside the walls of the building.

Summer Reading Club Brings Families Together

The family events for the Summer Reading Club were a hit this year, with hundreds of people visiting the library for some of the most popular programs. The Vancouver Aquarium drew large crowds, along with the Great Gordini and Andy the Musical Scientist. These programs enabled local families to enjoy "staycations" and participate in free, family friendly activities throughout the summer at their local library.

It's been a busy summer full of fun programs, community connections and literacy activities and staff are looking forward to continuing to engage with new and existing customers throughout the rest of the year and beyond.

Pitt Meadows Library

By Shawna Kristin, Library Manager
Meeting of September 21, 2016

SUMMER TRAVELS TO AND FROM THE LIBRARY

- The *Book a Trip* Summer Reading Club brought children, teenagers, and adults to the library over the summer. Summer Reading Club got customers of all ages excited about reading over the summer months. As kids approached the library with their reading records, their faces were covered with pride as they shared with staff about how and when they did their reading. They discussed favourite books, won prizes, and earned medals.

Hundreds of customers attended the Summer Reading Club programs. Summer Reading Club culminated with a memorable wrap up party in Spirit Square. Andy the Musical Scientist amazed and inspired audience members, and **Councillor Mike Stark**, the City of Pitt Meadows alternate to FVRL's Board, presented medals to the children who completed the Summer Reading Club.

The Summer Reading Club gave us the opportunity to connect in a personal way with our customers, and made our library a relevant and attractive place to come to during the summer months. As evidenced by how each family ended their trip to the library by checking out a new stack of books and materials, it encouraged reading and motivated customers to be mindful of reading in their day to day lives.

- Before heading off on holidays, customers stopped by the library to pick up reading materials to enjoy during their time off. They stocked up on books and received expert help from staff downloading eBooks and audiobooks, two increasingly popular formats of materials to enjoy while traveling.
 - The library continued to partner with the Katzie First Nation over the summer. Staff made visits with reading records and stickers to promote the Summer Reading Club. Library staff brought a fresh supply of books to fit in with the weekly camp themes and entertained children with Storytimes. The children were incredibly excited about reading and Summer Reading Club. Library staff was amazed at how the kids came to recognize them and welcome them back every week. The partnership is a truly rich and empowering experience for all involved.
-

Pitt Meadows Library
Meeting of September 21, 2016
Page 2

- Visitors to Pitt Meadows stopped by to learn about places to explore in the community. They also kept in touch with friends and family by using the library's WiFi and computer stations.
- Every month, Pitt Meadows Public Library displays the work of local artists. This summer one of the featured artists was a painter specializing in depictions of Pitt Meadows scenery. Library users were fond of her accurate portrayal of our much loved dike trails.
- The library is an official Pokemon Go Pokestop. Pokemon Go players that might not have otherwise come to the library have been regular visitors.

Pitt Meadows Public Library positively impacted people's lives this summer and promoted reading and literacy to travellers as well as residents of the community.

Yale and Boston Bar Libraries

**By Nicole Glentworth, Library Manager
Meeting of September 21, 2016**

SUMMER STARTED EARLY IN THE CANYON

Summer Reading Club: Boston Bar and Yale Libraries had another successful year with Summer Reading Club. Boston Bar made allowances and started the program earlier in order to give the students a chance to register since the school bus is often the only way of them getting to the library on a regular basis. This also allowed them the opportunity to get their records filled out at other FVRL branches if they were spending their vacation in the valley.

Technology and Non-Technology Programs: Boston Bar Library also mixed technology programs with non-technology ones. They held a technology help program due to the demand for it by residents. Staff combined this with a non-technology program, teaching children how to play traditional games with pen and paper. These two programs exposed two different audiences to two non-traditional media.

Five Potential Themes

(Revised Draft—September 21, 2016)

Inspiration

FVRL uses its physical and virtual space to encourage community and individual engagement.

FVRL uses its physical and virtual space to encourage strong communities and to support individual growth and creativity.

Welcoming Place

FVRL is an essential destination, providing an environment focused on knowledge and creativity that transforms lives.

FVRL is an essential destination for people living, working, studying, and travelling, providing an environment focused on knowledge and creativity that transforms lives.

Partnerships

FVRL sparks the potential of individuals and communities through meaningful connections and relationships.

Engaging People

FVRL values our staff in enriching the lives of our customers.

Engaging Staff

FVRL empowers staff as they help to enrich the lives of customers and to strengthen our communities.

Know Us. Love Us.

FVRL maximizes its impact and reach by promoting the FVRL Experience.

FVRL maximizes its impact and reach through providing and promoting a positive FVRL experience.

FVRL Strategic Directions are developed for three to five years. The draft *Strategic Directions* below provide direction for 2016-2018.

1. **Customers**
Provide collection, services, and facilities to enhance the customer experience and increase customer engagement.
2. **Staff**
Create an agile organization by building capacity with FVRL staff.
3. **Technology**
Plan for and provide innovative technologies to advance library operations and services.
4. **Communication**
Communicate and celebrate the achievements, multi-cultural, and intergenerational value of libraries.
5. **Collaboration**
Work collaboratively with local government, community and other partners.

Financial Management Policy

By Nancy Gomerich, Director of Finance
Meeting of September 21, 2016

PURPOSE

To encourage organization-wide, wise financial decision making that results in long term financial sustainability and efficient and effective management of FVRL assets.

INTRODUCTION

This Financial Management Policy (“policy”) fulfills one of the goals of the 2017 financial planning process. As a recognized best practice of a quality financial planning process, this policy will form a cornerstone of FVRL overall financial management practices.

The policy was developed in partnership with FVRL member finance officers (three meetings) who provided significant input into the final draft. The substantially final version of the policy was circulated to all member finance officers with the specific request to advise if there were any sections of the policy that they did not concur with; no advice was received. The policy was also reviewed and refined with FVRL executive management.

While completion of this policy is a significant event, the policy will be reviewed each year during the annual budget process and is expected to be further refined and revised as circumstances warrant. Notably, the policy contains some details that, ultimately, would be better reflected in a management procedure. However, because time did not permit the development of this supporting document, these adjustments will occur as part of the annual process.

OVERVIEW

This Financial Management Policy is relatively self explanatory and should be read in full.

The policy covers the following topic areas:

- **Purpose** - details the purpose and intended results of the policy implementation.
 - **Responsibilities** - details the roles and responsibilities of FVRL staff and the Board.
 - **Principles** - details seven fundamental and important key principles that outline FVRL’s general approach to financial issues and practices.
 - **Annual Budget** - details the annual budget development process, content, monitoring, reporting, and amendment requirements. Also details a requirement for a “structurally balanced” budget which is intended to ensure that revenues will be sufficient to meet expenditure requirements over the long term.
-

- **Long Term Financial Plan** - details the purpose, scope and development process, with a focus on incremental development.
- **Sources and Uses of Funds** - details various guidelines and requirements respecting various revenues and expenses and other sources and use of funds. Of particular interest is the section on Reserves and Surplus that:
 - ✓ Sets out the requirements of five (5) reserves including the addition of a new reserve: *I(dea) Centre and Innovation*.
 - ✓ Revises the terms of the *Municipal Surplus Reserve* to include a 50% allocation of BOTH a salary and benefit surplus and a deficit, with the ability to fund any ending deficit over a three year period, or longer with Board approval.
 - ✓ Identifies fine revenue as (one of) the source of funds for the *I(dea) Centre and Innovation Reserve* and the *Library Collections Reserve*, with the funding to be phased in over a period of time (plan for Board consideration with the 2017 Budget).
- **Definitions** - defines various terms used throughout the policy.

RECOMMENDATIONS

THAT the Financial Management Policy be approved.

THAT the Funding Formula Policy be rescinded.

THAT the Fees for Service - Fines Policy be rescinded.

THAT the Municipal Surplus Reserve Policy be rescinded.

APPENDICES

Appendix A: Library Act, Relevant Sections (for reference)

Appendix B: Funding Formula Policy

Appendix C: Fees for Service - Fines Policy

Appendix D: Municipal Surplus Reserve Policy

APPENDIX A

LIBRARY ACT Excerpts For Reference

The following excerpts from the Library Act apply specifically to Fraser Valley Regional Library's financial management policies and practices. These sections are:

- 24 Sharing the cost of library service
- 25 Budget and financing
- 26 Expenditures and financial statements
- 46 Free basic public library service
- 47 Enforcement of library rules

Part 3 – Regional Library Districts

24 Sharing the cost of library service

- (1) In this section, “converted value of land and improvements” means the converted value of land and improvements within the meaning of the Community Charter.
- (2) The cost of providing library service must be apportioned
 - (a) 1/2 on the basis of the converted value of land and improvements of each municipality and of the electoral participating areas of each regional district, represented on the library board, and
 - (b) 1/2 on the basis of the population of each municipality and of the electoral participating areas of each regional district, represented on the library board, unless a proposal is adopted under subsection (3).
- (3) If at least 2/3 of the municipalities and regional districts represented on the library board adopt a proposal on apportioning the cost of providing library service, the proposal binds all the municipalities and regional districts represented on the library board.
- (4) A proposal adopted under subsection (3) may be changed or cancelled by a resolution adopted by at least 2/3 of the municipalities and regional districts represented on the library board.

25 Budget and financing

- (1) In each year the library board must prepare and approve a budget for providing library service in the next financial year.
- (2) Before March 1 of the year for which the budget is approved, the library board must provide a copy of the budget to each of the municipalities and regional districts represented on the library board.

- (3) The approved budget must show the share of the cost of providing library service that was apportioned under section 24 to each of the municipalities and regional districts represented on the library board.
- (4) The secretary to the library board must provide to each of the municipalities and regional districts represented on the library board a certificate of the amount shown under subsection (3) in the budget for that municipality or regional district.
- (5) Each municipality and regional district represented on the library board must pay the amounts certified under subsection (4) to the library board in equal installments on March 1, June 1, September 1 and December 1 of each year.
- (6) The library board may borrow money needed to meet its current expenditures if the amount borrowed
 - (a) is not more than 50% of the revenue the library board is to receive from all sources in the current year to cover those expenditures, and
 - (b) is repaid when the anticipated revenue is received.

26 Expenditures and financial statements

- (1) The library board has, subject to the approved budget, exclusive control over the expenditure of
 - (a) all money provided to it for library purposes by the municipalities and regional districts represented on the library board,
 - (b) all money given to the library board,
 - (c) the revenue derived from any source, including
 - (i) fees,
 - (ii) fines, and
 - (iii) money recovered by the library board for detention, damage or loss of library materials, and
 - (d) all money received by the library board under an agreement to provide library service.
- (2) The library board must
 - (a) prepare annual financial statements to be audited by the auditors appointed by the library board, and
 - (b) provide a copy of the audited financial statements to the municipalities and regional districts represented on the library board.

Part 5 - General

46 Free basic public library service

- (1) A library board must not charge for
 - (a) admission to any part of a building used for public library purposes, or
 - (b) using library materials on library premises.
- (2) A library board must allow residents and electors of any area served by the library board to do the following free of charge:
 - (a) borrow library materials that are normally lent by the library and that belong to prescribed categories of library materials;
 - (b) use reference and information services as the library board considers practicable.
- (3) A library board may charge fees for services not required to be provided free of charge under this section, including for the use of services described in subsection (2) by anyone who is not a resident or elector of an area served by the library board.

47 Enforcement of library rules

A library board may

- (a) impose fines for breaches of the library rules,
- (b) suspend library privileges for breaches of the library rules, or
- (c) exclude from the library anyone who behaves in a disruptive manner or damages library property.

APPENDIX B

FVRL FUNDING FORMULA POLICY

(Approved July 23, 2013)

British Columbia's regional libraries – of which Fraser Valley Regional Library (FVRL) is one – receive funding from several sources, with approximately 80% from member local governments and approximately 10% from the Province of BC. The balance is made up of fines and fee revenues, product sales, various grants, and fundraising endeavors.

LOCAL GOVERNMENT FUNDING

The Province of BC's *Library Act* sets out the default method of sharing the cost of library services between the member municipalities and regional districts of a regional library and states that members can either use the *Act's* funding formula or may change it with a two-thirds non-weighted vote by members.

In 2013 FVRL's Board approved a funding formula that provides a fairer allocation of the budget based upon the level of service and usage at each member's libraries. This approach gives local governments more control over their budget assessment and allows them to determine the level of service provided to their community.

OVERVIEW OF COST ALLOCATIONS

1. Direct Charges

Direct charges incurred by individual libraries are used as much as possible to enable local control.

2. Usage Allocations

Where the usage statistics are available, reliable, and indicative of usage, this method of cost allocation is used (e.g., computer operations, vehicle operations, and Human Resources, and Payroll).

3. Allocation Based Upon Population

For cost centres relating to products and services to customers where reliable usage statistics are not available, the costs are allocated on a *per capita* basis according to the BC Statistics for service area populations (e.g. library materials, Outreach Services' home delivery, system-wide programs, and Public Library InterLINK fees).

4. **Allocation for Administration**

The remaining system-wide support services based at FVRL's Administrative Centre, including the Administrative Centre building costs, are allocated according to the library's share of the budget up to that point.

5. **Implementation of 2013 Funding Formula Changes**

The 2013 funding formula changes are being phased in over two years, 2014 and 2015.

6. **Members Without Libraries**

As a regional library, Fraser Valley Regional Library is able to extend library service to local governments without libraries in their community. This arrangement gives their residents full access to FVRL library services and, because FVRL is a member of Public Library InterLINK, they also enjoy access to library services at other InterLINK libraries.

- a. **Metro Vancouver:** Barnston Island residents in Electoral Area A of Metro Vancouver receive their library service through FVRL. Given that the Barnston Island population is small, Metro Vancouver is charged a minimum assessment of \$2000 per year for this library service. Barnston Island library card holders generally use Walnut Grove or Muriel Arnason Libraries – and probably use Surrey libraries the most.
- b. **Harrison Hot Springs:** With active library users and a larger population than Barnston Island, the Village of Harrison Hot Springs is charged for library service based on its previous year's assessment plus an adjustment that reflects FVRL's overall average increase. Its residents typically visit libraries in Agassiz and Chilliwack.

FRASER VALLEY REGIONAL LIBRARY FUNDING FORMULA SUMMARY	
LIBRARY COSTS	
Salaries and Benefits	Direct charge to library
Photocopiers	Direct charge to library
Building	Direct charge to library
Capital Assets	Direct charge to library
Promotion	Direct charge to library
Programs	Direct charge to library
Postage	Direct charge to library
Office Supplies	Direct charge to library
SHARED SERVICES COSTS	
Library Materials + Wages	Per Capita Allocation
Client Services Wages + FVRL-Wide Programs	Per Capita Allocation
Outreach Services Wages	Per Capita Allocation
Public Library InterLINK Fees	Per Capita Allocation
Computer Operations + Wages	No. of Computers/Self-Check Units
Vehicle Operations + Wages	No. of Deliveries
Human Resources + Wages	No. of FTEs
Communications + Wages	Percentage of Total Library Costs
Collection Agency Fees	Percentage of Total Library Costs
Content Insurance	Percentage of Total Library Costs

APPENDIX C

FEE FOR SERVICE - FINES POLICY

(Effective November 26, 1997)

Fees for service, fines for overdue materials and any related charges to patrons for library services will be charged in accordance with relevant legislation. These fees, fines and charges will be reviewed regularly by library administration to ensure they are fair, cost effective and reflect industry standards.

APPENDIX D

MUNICIPAL SURPLUS RESERVE

(Effective October 27, 2004, Amended April 30, 2008)

TERMS OF REFERENCE

Fraser Valley Regional Library may generate budget surpluses in library staff salaries and benefits for a variety of reasons (e.g., gapping due to vacancies, staffing efficiencies). These savings are to be calculated after the completion of the annual audit. Fifty percent (50%) of these savings will be allocated to the Municipal Surplus Reserve Accounts. Expenditures from these reserves will be used only to provide or enhance library services and/or facilities for customers of Fraser Valley Regional Library as per the Board-approved Procedure.

PROCEDURE

Calculation of the Surplus and Transfer to Reserve

1. After the annual audit is approved, the Director of Finance will present to the Library Board a report identifying the difference between the budgeted and actual expensed salaries and benefits for each library.
2. The Library Board will approve the transfer of 50% of the savings identified in the report to individual Municipal Surplus Reserves.
3. These individual reserves will be invested by FVRL in individual Municipal Finance Authority savings accounts. Any interest earned by the account will remain with the Reserve.

Eligible Uses of Reserve Funds

According to the Terms of Reference for the Municipal Surplus Reserves, funds must be used to provide or enhance library services to customers of Fraser Valley Regional Library. Examples of expenditures include staffing, equipment, collections, and furnishings.

Withdrawal of Reserve Funds

1. The library manager and local government staff develop a specific plan and budget.
2. The plan and budget are approved by the local government:
 - a. For budgets under \$10,000, local government approval may be indicated by the proposal being co-signed by the designated local government manager and the library manager.
 - b. For budgets of \$10,000 and over, a council motion must indicate local government approval of the proposal.

3. The plan and budget, accompanied by the indication of local government approval, are submitted to the Library Board to request a motion authorizing release of reserve funds.
4. The purpose of the Library Board review is to ascertain that the plan and budget meet the Board-approved Terms of Reference.

Release of Funds

1. With Board approval, the funds are removed from the Municipal Finance Authority savings account into the FVRL operating account.
2. A separate fund is set up for the approved project and the approved budget funds are entered. Expenses related to the plan are paid from this fund.
3. Any surpluses remaining when the project is completed will be returned to the Municipal Surplus Reserve.
4. If, upon implementation of the project, the costs prove to be higher than initially estimated, the library manager and local government manager will: (a) assess the situation; (b) determine the additional funding that is required; (c) determine which funding source will be used.
5. Additional funds to complete the project may be withdrawn (if available) from the Municipal Surplus Reserve with a new, approved request.
6. If the additional funds bring the project total over \$10,000, council approval is required.

Ownership and Insurance

If the project involves enhancements to some aspect of the library that is owned by the local government (e.g., building, counter, furnishings), FVRL may choose to gift the enhancements to the local government, which then will include the enhancements in its insured values, as per the Operating and Services Agreement.

Fraser Valley Regional Library

DRAFT

FINANCIAL MANAGEMENT POLICY

September 21, 2016



TABLE OF CONTENTS

PURPOSE	4
RESPONSIBILITIES.....	5
REPORTING AND POLICY REVIEW	6
PRINCIPLES	7
ANNUAL BUDGET	9
Certain Financial Decision To Be Deferred To The Annual Budget Process	9
Structurally Balanced Budget	9
Development Process	10
Content	11
Service Level Increases Or Decreases.....	12
Monitoring and Reporting.....	13
Amendment	14
LONG TERM FINANCIAL PLAN.....	15
Purpose	15
Scope	15
Development Process	16
SOURCES OF FUNDS	17
Member Assessment: Funding Formula	17
Grant Revenue	20
One-Time Revenues	20

Donation Revenues.....20

Sponsorship Revenues 21

Fees and Charges 21

Fines and Replacement Fees 21

Reserves and Surplus..... 22

Debt 28

USE OF FUNDS..... 29

 Employee Salaries and Benefits 29

 Non-Current Liabilities..... 29

 Investments..... 29

DEFINITIONS.....30

PURPOSE

The purposes of this policy are to:

- Direct and encourage effective and wise decision making on financial management issues in support of:
 - member-determined, quality service provision that meets the needs of member communities,
 - achievement of corporate strategic plan priorities, and
 - long term financial sustainability.
- Enhance and support the financial framework and system of internal controls to support the safeguarding and efficient stewardship of assets.

As a result of purpose achievement:

- FVRL will be in a position to meet financial obligations and take advantage of opportunities that arise.
- Financial assets will be used efficiently for library purposes.
- Member-determined service levels will be met and will be sustainably funded.
- Member's assessment will be stable, equitable, predictable and affordable.

RESPONSIBILITIES

FVRL DIRECTOR OF FINANCE

- Responsible for the overall implementation, maintenance, monitoring and reporting requirements of this policy.
- Responsible to develop, monitor and maintain an effective, supporting, system of internal controls.
- Responsible for ongoing communication of the requirements of this policy and the system of internal controls to the Board and all staff (in particular, management).

FVRL MANAGEMENT

- Responsible to review, be familiar with, and comply with, the intent and requirements of this policy.
- Responsible for ongoing communication of the intent and requirements of this policy to their staff team members, as appropriate, based on their level of responsibility and job duties.

FVRL BOARD

- Responsible to review, consider, and revise this policy (with the support of management) as necessary to meet the needs of FVRL and served communities.
- Responsible to be familiar with, and consider, the intent, requirements, and purpose/objectives of this policy when making decisions that impact FVRL. Regardless, decisions should be made in the best interest of FVRL which, by definition, includes the interests of its members and the communities served.
- Responsible to consider the financial implications of all decisions made and their likely impact on FVRL's budget and member assessment, and long term financial sustainability.

REPORTING AND POLICY REVIEW

This policy shall be reviewed and either reconfirmed or amended by the Board at the start of the annual financial plan development process.

In support of the Board's review, the Director of Finance will prepare a report to the Board:

- Highlighting the main contents and requirements of this policy.
- Identifying and recommending any policy revisions.
- Stating that the requirements of this policy have been met, as may be reasonably asserted based on the Director's knowledge and overview of operations, and/or detailing any requirements that have not been met.
- Where policy targets are stated, the extent to which the targets have been met (a plan to achieve the target(s) will be developed for consideration by the Board as part of that annual financial plan process).

PRINCIPLES

TRANSPARENCY – Financial policies, practices, and results shall be regularly and openly communicated in an unbiased manner.

ACCESSIBILITY – Services shall be accessible by all and, accordingly, in addition to those legally required to be free under the *Library Act* (i.e., admission and use of library materials), library programs and other services shall be provided free of charge or for a nominal fee that is equal to, or less than, the direct (i.e., excluding overhead) service costs.

VALUE FOR MONEY FOCUS – Service efficiency, economy, and effectiveness improvements shall be deliberately sought and implemented.

LONG TERM VIEW – All decisions should consider the impacts on FVRL and its served communities' long term sustainability considering financial, environmental and social impacts. If not feasible to select the most sustainable option, decisions must be at least a “step in the right direction” in the sense that they move FVRL and/or its served communities towards long term sustainability and do not limit future choices by making significant financial commitments or investments. It is recognized that, in most cases, the decision made will not be the “most sustainable” one from the financial, environmental and social perspectives, but will involve a trade-off between these values.

CONTINUOUS, INCREMENTAL IMPROVEMENT – The financial systems and processes shall be continuously and incrementally improved.

ADOPTER OF PROVEN TECHNOLOGY – FVRL will use proven technology to both enhance service levels and customer experience and contain/minimize costs. Investments in new technology, which comes with potential risks and costs of failure, will be employed strategically where the identified benefits outweigh the likely/potential costs.

COMMUNITY PARTNER - FVRL shall be a valued and vital community partner, actively working with members to address FVRL customer needs. FVRL's primary role is to provide information and/or to connect customers with available community services, maintaining a focus as a facilitator and resource centre, and not as the direct service provider for other than core library services.

REGIONAL SERVICE, MODIFIED TO MEET LOCAL COMMUNITY NEEDS - FVRL shall provide a quality, consistent, and distinct brand of library services (core services) to all member communities. Within these parameters, service delivery methods, service levels, and focus will be modified and adjusted to meet local community needs as determined by its members and respective community needs.

ANNUAL BUDGET

CERTAIN FINANCIAL DECISION TO BE DEFERRED TO THE ANNUAL BUDGET PROCESS

Where possible, all decisions respecting service level and/or other changes that will have a material, ongoing financial impact on member assessment must be deferred to the annual budget process.

STRUCTURALLY BALANCED BUDGET

The annual budget will be structurally balanced such that reoccurring operating revenues will equal or exceed:

- Recurring operating expenses, excluding amortization expense, *plus*
- Debt principle repayment(s), *plus*
- Materials capital expenditures, *plus*
- An annualized allocation to fund capital expenditures (other than materials) necessary to maintain service levels as identified in the respective long term capital plan (referred to as the Capital Funding Envelope).

Operating revenue and expenses are those sources and uses of funds that meet the definition of revenues and expenses under Public Sector Accounting Board (PSAB) standards.

If a structural imbalance occurs, a plan will be developed and considered during the annual budget process to bring the operating budget back into balance.

DEVELOPMENT PROCESS

The annual budget process shall generally be developed as follows:

January - April

- Review and update of FVRL strategic plan.

May - June

- Review of FVRL financial condition.
- High-level financial forecast of budget revenues and expenses, and likely impacts on total member assessment.
- Review and revision/confirmation of existing financial management policy.
- Request for Board and member¹ direction to identify priorities, maximum member assessment impacts, and other key directives (including changes in service levels) sufficient to guide the development of a draft budget that should meet Board approval.
- Board to provide specific direction for the development of Service Level Reduction Packages, if desired. If no direction is provided, the draft budget will be comprised of a Base Budget plus any number of optional Service Level Enhancement or Reduction Packages developed at the discretion of management.
- Process to include a Board presentation and consultation with member finance officers.

July-August

- Budget preparation and finalization by staff.
- Process to include proactive actions by FVRL library managers and senior staff to communicate corporate strategic plan priorities, supporting work-plan(s) and any related implications, to member staff liaison(s), with the objective to both better inform and meet

¹ Individual Member direction respecting direct library branch services only, in accordance with the *Member Library Service Level Increase and Reduction Requests Policy*.

member/community needs, and to identify options to further enhance achievement through partnership.

September

- Draft budget review with member finance officers.

October

- Draft budget review and deliberations with Board.

November

- Board deliberations and selection of a preferred Board-proposed budget.

December or January (of applicable budget year)

- Board weighted vote on proposed budget.

CONTENT

The draft financial plan should:

- When meaningful, be presented as a base budget plus optional service enhancement or reduction additions.
- Detail financial impacts and reasons for material changes on the major revenue and expense categories, and summarize the primary drivers of change in member assessment.
- Detail all material service levels and/or service delivery methods, changes.
- Identify:
 - cost containment or reduction, and/or
 - revenue supporting or enhancement, initiatives undertaken in the last fiscal period, and being considered or planned for the coming fiscal period.

SERVICE LEVEL INCREASES OR DECREASES

Service level increases or decreases may be made on a temporary or trial basis at the discretion of the responsible manager.

Service level increase(s) or decrease(s), considered in total for each FVRL service area² that are:

- intended to be ongoing,
- material (>\$10,000 annually), *and*
- that will require/result in an increase or decrease in member assessment,

must be identified in the annual budget process or otherwise, for consideration and approval by the Board and individual member (for individual library branch services only).

Service level increases must:

- first seek options to fund within the existing funding levels, either through gains in efficiency and/or discontinuance of lower priority service(s).

- not be implemented without an identified funding source which may include one or a combination of new revenue sources, reduction in other service costs, and/or an approved increase in member assessment.

In any case, managers must communicate, in advance, any material (>\$10,000 annual impact) and other potentially sensitive service level changes, both temporary and ongoing, to their respective director who, at their discretion (erring on the side of “over-communicating”), will inform the Chief Executive Officer, the Board and/or impacted members.

² FVRL service areas for the purposes of this policy are: Direct Library Branch Services for each member, Library Collections Materials Purchases (capital and operating), Administrative Centre Support Services, and the annual Capital Reserve Allocations (“Capital Funding Envelopes”). Service areas do not include capital expenditures (except for materials) and debt repayment expenses/expenditures.

MONITORING AND REPORTING

FVRL Director of Finance

- Is responsible for designing, implementing, and monitoring a system of budget internal controls and reporting designed to support budget compliance and minimize potential shortfalls.
- Must notify the Chief Executive Officer and the Board as soon as s/he is aware that, despite best efforts, the net operating budget (being net operating expenses) is expected to exceed budget by greater than \$125,000 (being about 0.5% of total net operating expenses), inclusive of a funding plan for the shortfall.
- Must prepare a forecast of actual revenues and expenses for the fiscal period, identifying and explaining anticipated budget variances, in a report to the Board each September.
- Must prepare annual financial statements and a supporting report that identifies and explains FVRL ending financial position and results of operations (including material budget variances), in conjunction with the annual financial statement audit.

FVRL Managers and Directors

- Have primary responsibility for monitoring and managing their division's/department's financial performance within their approved net operating and capital budgets, and in accordance with all applicable policies and procedures.
- Must notify the Director of Finance as soon as s/he is aware that, despite best efforts, the division/department's net operating budget or total capital expenditures, are expected to materially exceed (>\$10,000) budget.

AMENDMENT

Once approved by the Board, the budget is not required to be amended.

However, specific Board approval by resolution is required in advance of committing to the related expenditures:

- if the total net operating budget is expected to be over budget by greater than \$125,000 (being about 0.5% of net operating expenses).
- if total capital expenditures³ are expected to be over by greater than \$50,000 and funding cannot be made from within the net operating budget.
- for capital expenditures⁴ over \$50,000 not in the Board approved budget, or that are generally included in the Board approved budget but are materially different in scope.

³ Excluding materials capital expenditures as they are included in the net operating budget (see definitions section).

⁴ Excluding materials capital expenditures as they are included in the net operating budget (see definitions section).

LONG TERM FINANCIAL PLAN

PURPOSE

The primary purpose of the long term financial plan is to support long term financial sustainability.

More specific objectives/benefits include:

- To improve financial decision making; by providing a longer term perspective.
- To improve the annual budget quality by providing context and better informing annual forecasts.
- To identify potential future financial risks and opportunities and related impacts, in a timeframe that allows the development and implementation of related strategies to minimize the risks and maximize the opportunities.
- To provide members with long term financial projections to be used for their own planning purposes.

SCOPE

To include all of the following components:

- High level, long term (ten year minimum) financial projections, gap/issue identification and analysis, and supporting strategy development.
- Five year operating and capital plan detailing:
 - Primary sources and uses of funds
 - Key financial indicators
 - Overall impacts on Member Assessment
 - Supporting financial strategies
- Separate, supporting financial policies.

- Separate, supporting lifecycle capital plans for all major asset categories (Information Technology and Administrative Centre and Equipment) and Library Collections (new libraries, special additions, contingency needs, etc.).
- Separate, limited scope, Library Branch lifecycle capital plans to facilitate communication of Library Branch capital needs that are the direct responsibility of, and owned by, members:
 - Plans to include *only* the branches' furniture and equipment and limited building renovations that may be identified to better meet customer needs on the assumption of maintaining the same/similar level of service.
 - Plans are not to contemplate or suggest when significant space additions or new libraries are required, or to address the capital replacement or major upgrade needs of the building.

DEVELOPMENT PROCESS

The long term financial plan shall be developed incrementally over a number of years.

SOURCES OF FUNDS

MEMBER ASSESSMENT: FUNDING FORMULA

The competing objectives of the funding formula are:

- To provide a fair allocation of the budget based upon the level of service and usage at each member's libraries in order to provide members with greater control over their budget assessment and to allow them to determine the level of service provided to their community.
- Simplicity and understandability, to minimize administrative costs and time.
- Predictability of assessment impacts to support members' ability to manage fee impacts.

BASIS OF COST ALLOCATIONS

- **Library Branch Revenues and Expenses (Direct Services)**
 - Direct revenues raised, and costs incurred, by individual libraries are charged to the respective member as much as possible.
- **Shared Services**
 - *Usage Allocations:* Where usage statistics are available, reliable, and indicative of usage, this method of cost allocation is used (e.g. Information Systems Operations, Shipping Operations, Human Resources and Payroll).
 - *Allocation Based Upon Population:* Where reliable usage statistics are not available for cost centres relating to products and services to customers, the costs are allocated on a *per capita* basis according to the BC Statistics for service area populations [e.g., Support Services (library materials), Outreach Services' home delivery, system-wide programs and services, and Public Library InterLINK fees].

- **Administration and Overhead**

The remaining system-wide support services based at FVRL's Administrative Centre, including the Administrative Centre building costs, are allocated according to the member's share of the budget up to that point.

- **Shared Employee Salary and Benefit costs ("Other Benefit Costs")**

The following employee salary and benefit costs are shared equally across all employees based on the total of that employee's other budgeted salary and benefit costs:

- Employee Future Benefits - e.g. retirement benefits, supplemental vacation and longer-term sick leave.
- Maternity top-up benefits.
- Casual employees salary and benefits for initial training and when not filling a temporary position.
- Other unionized employee salary and benefits when acting for FVRL as a whole for a period of time expected to exceed ten (10) working days in any fiscal year, as approved by the Chief Executive Officer.
- Travel and other non-salary and benefit expenses incurred as a result of the above.

- **Members Without Libraries**

- ***Metro Vancouver (Barnston Island, Electoral Area A)***

Given the small Barnston Island population, Metro Vancouver is charged a minimum assessment of \$2,000 per year for library services. The \$2,000 per year fee is allocated against the budget assessment of members with libraries, according to their share of the budget up to that point.

- ***Harrison Hot Springs***

With active library users and a larger population than Barnston Island, the Village of Harrison Hot Springs is charged for library service based on its previous year's assessment plus an adjustment that reflects FVRL's overall average increase/decrease to all members. The Village's assessment is allocated against the budget assessment of members with libraries, based on the Village's usage (circulation) of that member's library(ies) in the previous year.

FRASER VALLEY REGIONAL LIBRARY FUNDING FORMULA SUMMARY	
LIBRARY COSTS	
Salaries and Benefits	Direct charge to library
Photocopiers	Direct charge to library
Building	Direct charge to library
Capital Assets	Direct charge to library
Promotion	Direct charge to library
Programs	Direct charge to library
Postage	Direct charge to library
Office Supplies	Direct charge to library
SHARED SERVICES COSTS	
Library Materials + Wages	Per Capita Allocation
Customer Services Wages + FVRL-wide Programs	Per Capita Allocation
Outreach Services Wages	Per Capita Allocation
Public Library InterLINK Fees	Per Capita Allocation
Computer Operations + Wages	Number of Computers and Self-Check-Out Units
Vehicle Operations + Wages	Number of Deliveries
Human Resources + Wages	Number of FTEs
Communications + Wages	Percentage of Total Library Costs
Collection Agency Fees	Percentage of Total Library Costs
Content Insurance	Percentage of Total Library Costs

GRANT REVENUE

Staff may apply for grants that address FVRL goals and priorities and for which the benefits outweigh the costs. Grants that also address broader goals and priorities of local members are preferred.

All grant applications must be approved by the Chief Executive Officer, subject to review of a grant synopsis report that outlines the FVRL and member goals and priorities addressed, as well as immediate and ongoing costs and benefits.

ONE-TIME REVENUES

One-time revenues—such as proceeds from asset sales, debt refinancing, significant fee revenue spikes and similar revenues—shall not be used to fund ongoing operating expenses.

One-time revenues may be used to fund one-time operating expenses, capital expenditures, early debt repayment and/or to replenish reserves or surplus to target levels.

DONATION REVENUES

Donation revenues are not typically used to fund ongoing operating expenses. Donation revenues may be used to:

- fund one-time operating or capital expenses;
- fund distinct new, or existing ongoing programs or services, where the donation revenue source is expected to be sufficient and ongoing in the normal course of operations, either through funding provided by a dedicated endowment fund, or individual or corporate donor.

Ongoing funding arrangements for donations over \$10,000 annually must be approved in advance by the Chief Executive Officer.

SPONSORSHIP REVENUES

Sponsorship revenues are similar to donation revenues but do not qualify for a charitable tax receipt. The sponsor receives the benefit of public recognition of the sponsorship. Benefits are negotiated and may include a variety of recognition services, including naming privileges for the funded program, service or capital expenditure. All sponsorship revenues must be approved by the Chief Executive Officer.

FEES AND CHARGES

Universal access for all is a central value of FVRL. Accordingly, fees and charges are not set to generate a net profit but, rather, to cover related direct costs, adjusted as necessary in response to market, social, and other factors. Direct costs are the costs of materials, labour, and supplies incurred as a direct result of the service provision. Such costs do not include organizational overhead (i.e., building or management costs).

All new fees must be approved by the Board. Once approved by the Board, fees will be reviewed and updated normally every five years via a Fee Review Report to the Board. In the interim years, fees may be adjusted annually to reflect the change in inflation, at the discretion of the Chief Executive Officer.

Fees and charges are of low/nominal value and may be reduced or waived in accordance with administrative principles set by the Chief Executive Officer, in consideration of the individual circumstances of the customer and other relevant factors.

FINES AND REPLACEMENT FEES

Universal access for all is a central value of FVRL. Accordingly, fines and replacement fees are set to encourage the prompt return of materials in undamaged condition for the greater benefit of all customers.

Such fees are not set to be punitive for customers and may be reduced or waived in accordance with administrative principles set by the Chief Executive Officer, in consideration of the individual circumstances of the customer and other relevant factors.

RESERVES AND SURPLUS

The maintenance of various surplus and reserves are best practices that support both long and short term financial sustainability. Proactive management and use of reserves and surplus support economic, efficient, and effective operations, and are fundamental to achieving lowest cost and predictable cost-levels to members over time.

In addition to the maintenance of an unappropriated general surplus account, FVRL maintains the following set of reserve accounts:

- Information Technology Investment

- Buildings, Equipment and Vehicles

- Member - Salary and Benefit

- Library Collections

- i(dea)Centre and Innovation

To the degree that any of the above stated surplus and reserves target ending or annual funding levels (as stated below) are not met, recommendations to meet shall be developed, and considered by the Board in conjunction with the annual budget process.

SURPLUS	
Description	Accumulated net financial assets since the inception of FVRL that have not been “appropriated” into a Reserve Fund.
Required Use of Funds	<ul style="list-style-type: none"> • Fund one-time or periodic operating or capital expenses. • Phase in significant increases in member assessment. • Finance operations prior to receipt of planned revenues. • Provide a level of self-insurance against material, unexpected events for which insurance is either not economical or cannot be purchased.
Requirements to Use	Board approval via annual budget process or separate resolution.
Funding Source and Annual Requirement	No specified annual funding source or requirement.
Funding Target	5% or more of normalized annual operating expenses (about \$1.3M).

RESERVE: INFORMATION TECHNOLOGY (IT) INVESTMENT	
Description	<ul style="list-style-type: none"> • Used to fund 100% of IT capital expenditures. • IT capital expenditures do not include certain assets that are the sole responsibility of individual members at members’ libraries, including: <ul style="list-style-type: none"> ○ All self check-in units ○ Computer desks, chairs, furniture, etc. ○ Library building computer wiring and necessary building renovations to support
Required Use of Funds	To provide sufficient funding to meet all annual IT capital requirements as per the IT Long Term Capital Plan.
Requirements to Use	Board approval via annual budget process or separate resolution.
Funding Source and Annual Requirement	Member assessment - a set annual contribution to Reserve.
Funding Target	<ul style="list-style-type: none"> • \$775,000 (2015 dollars) per year, adjusted by inflation annually. • Target update and sufficiency review completed every 3-5 years.

RESERVE: BUILDING, EQUIPMENT AND VEHICLES	
Description	<ul style="list-style-type: none"> • Used to fund 100% of FVRL asset capital expenditures, other than IT and materials assets. • Includes: <ul style="list-style-type: none"> ○ Administrative Centre component replacement, upgrade or addition (e.g. roof, HVAC, flooring, lighting, etc.) ○ Administrative Centre furnishings (tables, chairs, desks, etc.) ○ Administrative Centre equipment (photocopiers, postage machine, etc.) ○ Cash registers at Library branches ○ Photocopiers at Library branches ○ Vehicles • FVRL assets do not include Library branch building and equipment other than IT assets, cash registers, and photocopiers.
Required Use of Funds	To provide sufficient funding to meet annual asset capital requirements (other than IT and materials), as per the Building, Equipment and Vehicles Long Term Capital Plan.
Requirements to Use	Board approval via annual budget process or separate resolution.
Funding Source and Annual Requirement	Member assessment - a set annual contribution to Reserve
Funding Target	<ul style="list-style-type: none"> • \$89,500 (\$62,500 Administrative Centre and Equipment + \$27,000 Copiers, 2015 dollars), adjusted by inflation annually. • Target update and sufficiency review completed every 5-7 years.

RESERVE: LIBRARY COLLECTIONS	
Description	Used to fund periodic and/or one-time collection addition needs.
Required Use of Funds	<p>To provide sufficient funding for:</p> <ul style="list-style-type: none"> • Spending in excess of budget in a fiscal period, resulting from longer and unpredictable materials delivery schedules. • One-time or periodic, specific collection additions and/or general annual budget increase. • Share of new library collection initial purchase.
Requirements to Use	Board approval via annual budget process or separate resolution.
Funding Source and Annual Requirement	<ul style="list-style-type: none"> • 75% of fine revenue (to be phased in over a number of years, as approved by the Board during the annual budget process). • Materials budget surplus in a fiscal period. • Periodic allocation of the annual operating surplus as approved by the Board.
Funding Target	<ul style="list-style-type: none"> • \$X (target not yet set) per year, adjusted by inflation annually. • Target sufficiency review completed every 5-10 years.

RESERVE: MEMBER SALARY AND BENEFIT	
Description	<ul style="list-style-type: none"> • Reserve holds a portion of actual salary and benefit surplus/deficits incurred at member library branches. • Surplus balance to be used by the respective members, for library services that would not normally be funded by FVRL. • Deficit balances, to be ultimately funded by the respective member over-time. • Funds from this reserve are accounted for as conditional grants. • All assets purchased with conditional grants from this reserve are owned by the respective member who is fully responsible for all related maintenance, insurance and other ongoing and replacement costs. • Independent, individual reserves are maintained for each member.
Required Use of Funds	<ul style="list-style-type: none"> • To provide or enhance library services to customers of FVRL. Examples of expenditures include one-time or periodic operating costs (including staffing) and/or capital expenditures (e.g. equipment, collections, furnishings or library building renovations/additions). • To fund: <ul style="list-style-type: none"> ○ Time-limited and/or special assessments by FVRL, or ○ Phase-in impacts of significant (beyond 10%) assessment increases.
Requirements to Use	<ul style="list-style-type: none"> • For expenditures less than, or equal to \$10,000, approval by respective member finance officer and library manager. • For expenditures greater than \$10,000, approval by respective member council and FVRL Board. • All payments are paid as grants upon proof of approved expenditure.
Requirements to Fund Deficit Reserve Balance	<p>The intent is for all member deficit balances to be funded over time through achievement of surpluses in future years. Accordingly, a member may maintain a deficit reserve balance for up to five years (or longer with Board approval). In any case, any deficit balance must be fully paid should a member sever services with FVRL.</p>

Reserve Balance Annual Adjustment	Each year, following completion of the annual audit, each member’s reserve shall be adjusted by 50% of the extent to which annual actual salary and benefits are less than, or greater than, the approved budget for that Member’s Library Branches considered in total.
Funding Target	None

RESERVE: i(dea)Centre AND INNOVATION	
Description	To provide financial support for i(dea)Centre initiatives and other initiatives that seek to improve customer service and/or organizational value (effectiveness, efficiency and economy).
Required Use of Funds	Fund time limited operating and/or capital expenses to investigate, test and/or implement select initiatives.
Requirements to Use	Executive management team <u>or</u> Chief Executive Officer approval.
Funding Source and Annual Requirement	<ul style="list-style-type: none"> • 25% of fine revenue (to be phased in over a number of years, as approved by the Board during the annual budget process). • Periodic allocation of annual operating surplus, as approved by the Board.
Funding Target	None

DEBT

Short Term Debt (Less Than One Year)

With the approval of the Director of Finance, short term debt, to a maximum of \$6M (equal to about 3 months normal net operating expenses), may be borrowed to finance operating requirements in recognition that member assessment funds over 90% of net operating costs and is paid on a quarterly basis, at the end of each quarter.

Long Term Debt (Including Capital Leases)

Long term debt shall only be incurred for capital purposes and the debt term shall not exceed the useful life of the capital works for which it is incurred.

Annual debt servicing expenditures on long term debt shall be no greater than the target of 10% of "Revenue." Revenue is that reported in the last audited financial statements, excluding transfers (grants) for capital purposes with further adjustments to normalize revenue to remove significant one-time amounts.

To the degree that target is not met, recommendations to meet the target shall be developed, and considered by the Board in conjunction with the annual budget process.

All long term debt must be approved by resolution of the Board.

USE OF FUNDS

EMPLOYEE SALARIES AND BENEFITS

All employee positions that become vacant (i.e., incumbent employee retires, leaves FVRL, or otherwise gives up ownership of/right to position) must be reviewed to identify options to improve position or organizational effectiveness and/or reduce financial impacts.

Review and recommendations regarding positions and use of funds are to be completed by the respective manager in consultation with the supervising director. Approval of recommendations by the Chief Executive Officer must be received prior to a recommendation's implementation.

The requirements of this section do not apply to page, temporary or casual/on-call positions, which shall be reviewed and position replacements filled in accordance with the requirements of the supervising director.

NON-CURRENT LIABILITIES

Member assessment fees shall be set to fully fund the amount of all non-current liabilities (e.g., post-retirement benefits, longer term sick leave) as applicable attributed to, and estimated to be, costs of providing services in the respective year in accordance with Public Sector Accounting Board Standards.

To the extent that non-current liabilities have not been funded in past years, recommendations to fund the accrued but unfunded balance shall be developed and considered by the Board in conjunction with the annual budget process.

INVESTMENTS

Cash investments will be made first to protect and maintain principal and then to maximize returns.

Liquidity of investments will align with capital and operating needs.

Investments are strictly limited to the types of investments that may be invested by BC municipalities under the *Community Charter*.

At least 80% of available cash investments shall be made with the Municipal Finance Authority of BC.

DEFINITIONS

BASE BUDGET

A base budget is a budget that will fund the same level of services as provided in the prior year, plus changes thereto specifically approved by the Board, but not yet fully implemented (e.g. approved fee increase, approved new service) or resulting from capital expenditures in the prior year (e.g. building of a new library). The base budget is equal to the prior year's budget adjusted to reflect:

- Current year costs and revenue changes due only to growth, inflation, contract/price changes, etc., to support the same level of service as provided in the prior year.
- Service changes already approved by the Board.
- Removal of one-time items.

Annualized changes in services or fees that took place part way through the prior year.

CAPITAL FUNDING ENVELOPE (CFE)

A fixed, annualized amount that, if funded, would be sufficient to fully fund the related capital expenditures. Typically developed by major asset category as part of the development of the respective long term capital plan.

LIFECYCLE COSTS

Lifecycle costs are the total cost of an asset throughout its life including planning (engineering and design), construction/acquisition, operation, maintenance, rehabilitation, and disposal costs.

MEMBER

A member is a municipality or regional district which has entered into an agreement under the *Library Act* to be a participant in the Fraser Valley Regional Library District.

NET OPERATING BUDGET / NET OPERATING EXPENSES

Net operating budget/net operating expenses is equal to total operating expenses excluding amortization expenses, plus materials capital expenditures, less all operating revenues other

than member assessment. Operating revenue and expenses are those sources and uses of funds meeting the definition of a revenues and expenses under Public Sector Accounting Board Standards.

PUBLIC SECTOR ACCOUNTING BOARD

The Canadian Accounting Board that sets financial reporting standards for Canadian government and not-for-profit organizations. Provincial legislation requires all provincial organizations, local governments and not-for-profits, to prepare annual audited financial statements in accordance with Public Sector Accounting Board standards.

RESERVES

Reserves:

- are funds that would otherwise be part of surplus, that have been designated by decision of the Board and/or management to be used for a specific purpose.
- are usually backed by actual cash resources but at any point in time may be backed by accounts receivable.
- may be redirected at any point in time by the Board to another purpose.
- balances either were specifically budgeted for or were created via a transfer from available surplus funds.

SERVICE LEVEL REDUCTION, ENHANCEMENT OR FEE CHANGE, DECISION PACKAGE

A decision package is an independent service change request. A decision package can be for either service enhancements or reductions, or fee change proposals.

- **Service Enhancements** detail proposed increases in service levels over the prior year's budgeted service levels
- **Service Reductions** detail proposed decreases in service levels over the prior year's budgeted service levels

- **Fee Change** details proposed **new** fees or increases in existing fees **not** already approved by the Board but **not** due to growth

Decision Packages may be for one-time items (e.g., Library 25th Anniversary Celebrations) or for ongoing items (e.g., new Librarian position). Decision packages should be independent of other budget items and be material (>\$10,000) to the decision making process.

SURPLUS

Surplus is accumulated financial assets resulting from past (i.e., since the inception of FVRL) total revenues being in excess of total expenses, less any funds that have been “appropriated” into a Reserve Fund. Financial assets include all assets that are cash or will be cash in the normal course of operations. They do not include capital assets, prepaids, or inventory.

A surplus:

- is usually backed by actual cash resources but at any point in time may be backed by accounts receivable.
- is funds that may be used for any legal purpose of FVRL.
- can be created intentionally (e.g., by specifically budgeting and funding an addition to) or unintentionally due to actual net operating expenses coming in less than budget.

SUSTAINABILITY

Sustainability is the ability to endure and thrive.

- **Sustainable Community**
A sustainable community is broadly defined as “...meeting the needs of the present generation without compromising the ability of future generations to meet their own needs.” The three main pillars, or areas of consideration/need, of a sustainable community are the economy, environment and social:

- **Economy:** the need to be financial and economically viable.
- **Environment:** the need for the natural resources to be protected and to function at a high level.
- **Social:** the need for individual and overall social wellbeing, including public health and safety.

A sustainable community is a community with a robust, resilient economy serving a strong, equitable society within a highly functioning natural environment.

Also see definition of Sustainability and Financial Sustainability.

- **Financial Sustainability (For Non-Profits)**

Financial sustainability (for non-profits) is the ability to maintain an organization's services in accordance with its mission over the long term. Sustainable organizations have the ability to seize opportunities and react to unexpected threats while maintaining the general operations of the organization (referred to as financial resilience). An organization will not be sustainable if it does not provide social value at least equivalent to its costs.

VALUE FOR MONEY

Value for Money (VFM) is defined as the achievement of the 3E's - Economy, Efficiency and Effectiveness.

- **Economy:** minimizing the cost of resources ('doing things at a low price').
- **Efficiency:** performing tasks in the best possible manner with the least waste, including using requisite knowledge, skill, and industry ("doing things the right way").
- **Effectiveness:** the extent to which goals and objectives are met ('doing the right things').

Value for Money is about delivering low cost services in the best possible manner that meet the needs and priorities of the community in a way that respects and properly values the environment in which the service is delivered.

Materials Expenditures Overview

By Nancy Gomerich, Director of Finance
and Dean Kelly, Manager of Support Services

Meeting of September 21, 2016

BACKGROUND AND PURPOSE

The purpose of this report is:

1. to provide some insight into materials spending and impacts between 2010 and 2016, and
2. to support a more informed decision making process respecting materials spending levels for the 2017 Budget.

Given limits in data and analysis, the findings in this report are intended to provide a reasonable perspective—not a conclusive one—on materials spending levels and impacts based on available evidence and logical thinking.

2010 is chosen as the starting point for analysis because:

- data prior to this date is not reliable and/or readily obtained,
- the Canadian:US exchange rate at year end was on par (yearly average 0.97), and
- there were no new library or significant one-time materials purchases made in this year.

Accordingly, 2010 serves as an excellent base line for this analysis.

SUMMARY OF FINDINGS

Materials inventory is fundamental to library services and has a relatively short lifespan of three to seven years on average. Consequently, to support high customer satisfaction and maintain FVRL as a valued community resource that is “worth the cost,” continued and sufficient re-investment is required to sustain service levels.

Actual materials dollar spending from 2010 to 2016 has increased. However, a variety of factors indicate that expenditure levels, in real terms, in total, and particularly for core materials items (i.e. physical and audio visual materials), have not increased or may actually have decreased. As a result, fewer items are on the shelves.

A lower real investment in materials means a “less attractive and/or useful” collection for library users which, intuitively and based on both FVRL and third-party data analysis, results in lower usage. Lower usage is reflected in circulation and other key measures of customer satisfaction and overall organizational value.

In other words, **increased investment in materials should lead to increases in circulation and other key measures and, ultimately, to increased customer satisfaction and organizational value.** Third party studies support this conclusion.

MATERIALS SPENDING 2010-2016

From 2010 to 2016 actual materials spending has grown at an annual rate of about 1.90% or 0.90% on a *per capita* basis – a total increase over this period of about 12% annually or 5.40% *per capita*.

Over this period, materials purchasing power has been reduced. This means that fewer materials can be purchased *with the same* amount of budget dollars in 2016 as compared to 2010. The decrease in purchasing power is believed to be primarily driven by:

1. the significant drop in the Canadian:US exchange rate, which is a primary driver in the cost of library materials, and
2. the relative higher cost of e-books compared to print.

From 2010 to 2015, the Canadian:US exchange rate, dropped by 19.35%¹. While it is likely that the full drop in the exchange rate has not been fully incorporated into materials costs, it is notable that overall inflation (Consumer Price Index for Canada) has increased by 8.67% or 1.73% per year over the same period.

- If the drop in the Canadian:US exchange rate was fully incorporated into the cost of materials, actual materials *per capita* spending would need to have increased by 19.35% from 2010 to 2015 in order to maintain the same level of spending on materials.
- If the cost of materials was only impacted by general inflation equivalent to CPI, actual materials *per capita* spending would need to have increased by 8.67% from 2010 to 2015 in order to maintain the same level of spending on materials.

As stated in the first paragraph, *per capita* materials spending increased by only 5.40% between 2010 and 2016.

Accentuating the exchange/inflation impact is increased spending on e-books. E-books tend to be more expensive than print and don't usually result in an equivalent corresponding reduction in print volumes required to meet demand.

- From 2010 to 2015, actual spending on e-books (primarily) and electronic databases has grown from 11.5% to 19% of total materials spending.
- This has resulted in actual lower *per capita* spending on other materials in 2015, as compared to 2010 (See Table A on the next page).

¹ Directly or indirectly the price of library materials is closely related to the value of the Canadian:US exchange rate. Based on the average exchange rates in 2010 and 2015 of 0.9710 and 0.7831 respectively. The 5 and 10 year historical averages are 0.847 (being a 12.78% drop over 2010) and 0.925 (being a 4.74% drop over 2010), respectively. The current forecast for fiscal 2017 is 0.80¹ (being a drop of 17.6% over 2010).

TABLE A: Materials Expenditures

Year	Population (BC Stats) (1)	TOTAL Materials Expenditures (2)	A+B+C	A	B	C
			TOTAL Materials Expenditure Per 1000 Persons	PHYSICAL & AUDIO/VISUAL Materials Expenditure Per 1000 Persons	EBOOK & ELECTRONIC DATABASES Materials Expenditure Per 1000 Persons	PERIODICALS Materials Expenditure Per 1000 Persons
2010	686,441	3,674,413	5,353	4,441	618	293
2011	690,065	3,776,072	5,472	4,370	777	325
2012	698,716	4,110,661	5,883	5,003	582	298
2013	704,725	3,839,896	5,449	4,231	920	298
2014	712,650	4,138,454	5,807	4,428	1,021	357
2015	722,327	4,051,456	5,609	4,275	1,070	264
2016 (3)	729,550	4,115,711	5,641	4,300	1,076	265

(1) 2016 estimated growth rate of 1%. 2015 actual was 1.36% and 2014 actual was 1.12%.
 (2) 2016 is approved budget, all others are actual expenditures (some over and others under that years budget).
 (3) 2016 spending split on materials types assumed to be the same as 2015 actual.

MATERIALS SPENDING IMPACTS

Any evaluation of materials spending levels must consider related impacts on customer satisfaction and FVRL’s overall community value.

Assessing customer satisfaction and community value levels is complex and would consider a number of perspectives and measures, both qualitative and quantitative. Given the complexity and time requirements of completing such an assessment, analysis in this report is highly limited to a simple examination of one of the recognized key measures: total circulation and use of electronic databases.

Circulation and use of electronic databases has decreased over the period by about 3.70% or 8.50% on a *per capita* basis. The decrease likely is due to a variety of factors including:

1. changes in how customers use materials,
2. accuracy of and changes in data collection, and
3. materials expenditure levels.

The point of this report is to provide evidence to support the latter, logical assertion: **circulation is directly impacted by materials spending.**

Analysis of FVRL circulation in relation to materials spending from 2010 to 2015 suggests that circulation does move in relation to real materials spending. Over this period of time:

- Total material and audiovisual material items purchased decreased by approximately 2.6%.
- Decreased purchase of items occurred in all material/audiovisual categories, except juvenile and teens print books, where items purchased increased.
- Circulation decreased in all categories except juvenile and teens print books.
- Circulation increased for juvenile and teen print books.

CONCLUSION

Impacts on circulation generally followed the level of investment made in the materials items purchased.

FVRL analysis reflects recently published findings by the Institute of Museum and Library Services (IMLS),² which is the primary source of federal support through grant funding, data and policy analysis for libraries and museums in the United States. Based on examination of fiscal 2012 data from 97% of the 123,000 public libraries in the US, IMLS found that circulation moved in relation to the level of overall library spending in general.³

We found that as investments, such as revenue, staffing, and programs, increased, so did critical use measures, such as visitation and circulation. In the same way, as investments were reduced, mostly in reaction to post-recessionary budgetary reductions, we saw decreases in library use.

² The Institute of Museum and Library Services (IMLS) is an independent federal agency in the United States. Every other year, the IMLS asks librarians in all 50 states about the state of their enterprise. Because these reports take a long time to create and process, the most recent data, and the source of the empirical findings cited in this report, are for the fiscal year 2012.

³ See the 2016 Atlantic News article (<http://www.theatlantic.com/technology/archive/2016/04/americans-like-their-libraries-but-they-use-them-less-and-less-pew/477336/>) for more information and for links to access the IMLS and other relevant studies.

MATERIALS SPENDING - 2017 BUDGET

It is fully respected that the 2017 materials budget will be determined by the Board in the context of FVRL's and our members' overall budgets.

With this caveat, the following table estimates the resulting *per capita* spending levels with comparisons to 2010 levels, for increases in the materials budget ranging from 0% to 4%.

Notably, even with a 4% increase in the materials budget in 2017, total spending—in real terms and/or on a *per capita* basis—likely still would be below 2010 spending levels. That is, the total *per capita* increase in spending from 2010 to 2017 would be 8.52% as compared to the change in general inflation of 8.67% and the drop in the Canadian:US exchange rate of 19.35% between 2010 and 2015.

Table B: 2017 Budget - Materials Spending			
M.A.* Increase over 2016	Per Capita Budget (Per 1000 Persons)**	Annual Increase in Per Capita Spending from 2010	Total Increase in Per Capita Spending from 2010
4% increase	5,809	1.18%	8.52%
3% increase	5,753	1.04%	7.48%
2% increase	5,697	0.90%	6.43%
1% increase	5,641	0.76%	5.39%
0% increase	5,586	0.61%	4.35%
*M.A. = Member Assessment			
** Assumes a 1% increase in population in 2017 over 2016.			

Uke 'n Play

By Heather Scoular, Director of Customer Experience
Meeting of September 21, 2016

We are pleased to announce FVRL will launch a lending collection of 50 ukuleles this fall!

Partnering With Our Customers, For Our Customers

FVRL is partnering with the Coquitlam Ukulele and Tiny Instrument Enthusiasts Circle (CUTIE Circle) to provide this exciting collection. CUTIE will give FVRL a gift of 50 ukulele kits and assist with the instrument maintenance. Through CUTIE's generous donation FVRL will provide our customers with access to both the intellectual rewards of musical literacy as well as the social and emotional rewards of creating music together.

Music in the Library

Music is already alive and well in our libraries. We lend music, both in CD and sheet music forms as well as streaming audio through *Naxos*. We also offer access to music in other ways. Terry Fox and Tsawwassen Libraries host ukulele circles and Maple Ridge Library will host a *Pianos on the Street* piano during the off season, beginning this fall. Our new ukulele lending collection is another way can provide access to music for our customers.

What's in the Ukulele Kit?

Each *Uke 'n Play* ukulele kit will include an ukulele, soft ukulele case, digital tuner, beginner ukulele book and a tote bag to keep all the pieces together.

Timeline

We hope to have the kits ready for lending by the end of September.

The Library of Things

FVRL is in good company in lending ukuleles. Many libraries such as Vancouver Public Library (with their Musical Instrument Lending Library) and Sacramento (with their Library of Things) are embracing the opportunity to provide customers with access to new experiences by lending various things.

Read. Learn. Play.

We value our new partnership and the ability to provide our customers with opportunities to read, learn, and play that they may not otherwise experience. In this sharing economy our customers are looking to FVRL to provide those opportunities.
