



MANAGEMENT REPORT

DATE: October 20, 2016
AUTHOR: Jacqueline van Dyk – *Director, Library Services*
MEETING DATE: October 27, 2016
TO: NVDPL Board
FROM: Jacqueline van Dyk – *Director, Library Services*
SUBJECT: **FINANCE & INFRASTRUCTURE COMMITTEE UPDATE**

SUMMARY

This report highlights the work completed by the Finance & Infrastructure Committee to October 19, 2016. The updated work plan, on page 2, shows the completed items as well as the remaining tasks as outlined in the FIC's Terms of Reference.

PURPOSE

This report is for information.

ATTACHMENTS

This report includes the following appendix:

- 1. Approved Finance & Infrastructure Committee Minutes – July 13, 2016*

FIC WORK PLAN – TO DATE OCTOBER 19, 2016

COMMITTEE RESPONSIBILITIES	Quarter 1 Meeting Date: March 21	Quarter 2 Meeting Date: April 20	Quarter 3 Meeting Date: July 13	Quarter 4 Meeting Date: October 19
Terms of Reference	<ul style="list-style-type: none"> Review Terms of Reference 		<ul style="list-style-type: none"> Review Terms of Reference 	
Finance & Budgetary Duties	<ul style="list-style-type: none"> New Trustee / Committee Orientation re. Library and District Financial Obligations and Processes 	<ul style="list-style-type: none"> Review 2016 Q1 Financial Results & Budget Variance Analysis 	<ul style="list-style-type: none"> Review 2016 Q2 Financial Results & Budget Variance Analysis 	<ul style="list-style-type: none"> Review Q3 Financial Results & Budget Variance Analysis Review Proposed 2017 Operating and Capital Budget Submissions for Recommendation to Board
Fundraising & Donations		<ul style="list-style-type: none"> Review Q1 Donation and Fundraising Fund Activity 		
Governance & Policy Development	<ul style="list-style-type: none"> Review 2015 Audited Financial Statements for Recommendation to Board Review of HR & Payroll Internal Audit 	<ul style="list-style-type: none"> Review 2015 Statement of Financial Information (SOFI) for recommendation to Board Review and Prioritize List of Policies suggested for future consideration Consider / Recommend / Develop New and/or Updated Policies 	<ul style="list-style-type: none"> Review New and/or Updated Policies brought forward by Director and CFO for Recommendation to Board Consider / Recommend / Develop New and/or Updated Policies 	<ul style="list-style-type: none"> Conduct Committee Self-Assessment Review 2016 Audit Planning Package
Infrastructure: Facility, Equipment & Technology, and Library Services				<ul style="list-style-type: none"> Review and Prioritize 2017 Capital Projects for DNV Council Review



FINANCE & INFRASTRUCTURE COMMITTEE MEETING 2nd QUARTER

WEDNESDAY, JULY 13, 2016 – 5:00 PM

Lynn Valley Library – Boardroom

Suite 300-1277 Lynn Valley Road, North Vancouver, BC

MINUTES

ATTENDEES

Library Board

Jim Hanson – Committee Chair
David Porter – Board Chair
Allison Rzen – Trustee

Library Staff

Jacqueline van Dyk – Library Director
Corinne McConchie – Mgr, Collections
Deborah Hudson – Business Manager

Guests

Andy Wardell – DNV, Director of Financial Svs.

REGRETS

Library Board

Ken Lim – Trustee

Library Staff

Leanne Erickson – Executive Assistant

1. COMMITTEE CHAIR CALLED MEETING TO ORDER – 5:02 PM

2. ADOPTION OF AGENDA

MOVED by David Porter and SECONDED by Allison Rzen

THAT the agenda be adopted. (F-16-07-01)

MOTION CARRIED.

3. ADMINISTRATION

3.1 Approval of previous minutes – April 20, 2016

MOVED by Allison Rzen and SECONDED by David Porter

THAT the Minutes from April 20, 2016 are approved. (F-16-07-02)

MOTION CARRIED.

3.2 FIC Work Plan – to date June 30, 2016

Board Chair David Porter commented that he likes the format of the new work plan that allows the committee to view the work that's already been done along with the work that still needs to be done, all on one page in one glance.

4. COMMITTEE ACTION ITEMS

4.1 Motion Required

4.1.1 Updated FIC Terms of Reference

Library Director Jacqueline van Dyk reported that the revisions to the Terms of Reference came about after reviewing the 1st Quarter results and that they now clarify that the FIC is not responsible for fundraising. FIC's oversight role continues by an annual review of donations and fund raising revenues and disposition of donated funds. The Committee expressed approval of the updated FIC Terms of Reference.

MOVED by David Porter and SECONDED by Allison Rzen

THAT the updated Terms of Reference for the Finance & Infrastructure Committee, are adopted. (F-16-07-03)

MOTION CARRIED.

4.1.2 2nd Quarter Financial Results for 2016

Andy Wardell, DNV Acting Chief Finance Officer walked the Committee through the report entitled, "North Vancouver District Public Library: Report on Operations – as at June 30, 2016". He noted that the majority of the Central Services variance of \$75,000 is attributable to the vacant Business Manager position (\$52,000). Innovation and Learning is favourable by \$29,000 due to timing of computer equipment maintenance and software licence purchases. Welcoming Initiatives and Community Connections are favourable by \$18,000 due to factors related to salaries and vacancies. Board surplus one time projects are favourable by \$54,000, including the Board's \$50,000 contingency funding, and \$4,000 related to the timing of smaller projects.

MOVED by David Porter and SECONDED by Allison Rzen

THAT the Finance and Infrastructure Committee receive the NVDPL 2nd Quarter Financial Report. (F-16-07-04)

MOTION CARRIED.

4.1.3 Review Policy and New Management Guideline: B-FIN-12 PROCUREMENT, PURCHASING AND PAYMENT APPROVAL

Corinne McConchie, Manager of Collections Management and Access presented the edited policy and accompanying management guidelines, including the new MG-FIN-12.3 LIBRARY COLLECTION MATERIALS AND RESOURCES for the Committee's approval and recommendation to the Board. Corinne reported that she had an interest in seeing a new management guideline added under this policy as the content had not been previously addressed. Staff consulted with Andy Wardell to compile these documents for presentation to the Committee. Andy Wardell added that District procurement staff conducted research on the topic of procurement in the library sector noting technology has and will continue to change how libraries procure. Separation between the types of procurement (collection materials and other) is generally the norm for Libraries across Canada.

There will be one set of Management Guidelines for General Acquisitions, and another set of Management Guidelines for Collections Acquisitions, with the thresholds the same under both. A competitive bidding process will be encouraged through the new guidelines. The guidelines for Collections Acquisitions were not included in this meeting's package, as more work needs to be done on the existing draft. Corinne noted that this missing policy is a key part of the policy set. Andy added that it will be business as usual until the new policy is in place and that the support of District professional procurement staff will add value for the Library. He noted that the policies and management guidelines are subject to an annual review by the Finance and Infrastructure Committee. David expressed his satisfaction on this point.

The Committee expressed approval of the updated policy, the updated management guidelines, and the introduction of the new management guideline. Corinne clarified that according to the approval structure, FIC is able to *approve and adopt* Management Guidelines but must *recommend* the approval and adoption of *policy* to the Board.

MOVED by David Porter and SECONDED by Allison Rzen

THAT the updated B-FIN-12 PROCUREMENT, PURCHASING & PAYMENT APPROVAL be recommended to the Board for approval and adoption AND THAT existing 6.1 SIGNING AUTHORITY be removed;

AND

THAT the Finance and Infrastructure Committee approve and adopt:

- **MG-FIN-12.2 PROCUREMENT: OTHER THAN LIBRARY COLLECTION MATERIALS AND RESOURCES**
- **MG-FIN-12.3 PURCHASING & PAYMENT APPROVAL AUTHORITY – LIBRARY COLLECTION MATERIALS AND RESOURCES**
- **MG-FIN-12.4 PURCHASING & PAYMENT APPROVAL AUTHORITY – OTHER THAN LIBRARY COLLECTION MATERIALS AND RESOURCES (F-16-07-05)**

MOTION CARRIED.

5. DISCUSSION

5.1 Service Level Agreement for IT Services (DNV/NVDPL)

Jacqueline van Dyk provided a verbal report, noting that at the last Board meeting, there was a request to discuss the Service Level Agreement (SLA) for IT Services at the next FIC meeting. She added that the NVDPL Manager, Innovation and Learning Adam Farrell, DNV Manager, IT Services Mike Senior and that it is almost complete.

Andy Wardell noted that the SLA will support a replacement plan for information technology.

Board Chair David Porter suggested that the SLA include language around a guaranteed absolute top level Wi-Fi speed for the library so that any down-time or service-level gaps will be attended to promptly. He noted that in-house SLA's can often be problematic as it is always more difficult internally to promise a specific service level. David Porter also recommended that the SLA include information on who to call, what to do, and an idea of the time needed to rectify any given situation. He encouraged Andy to relay this message to Mike Senior so that it is included in the SLA. Andy agreed to do so.

David Porter recommended that the Library take action in two steps: first, that the Library move quickly to server hosting by the DNV; second, that the Library continue discussions toward the development of an SLA, specifying ongoing levels of service, *after* the move. He reiterated that the SLA the Library comes up with needs to be representative of how the Library deals with down time and service gaps, and that it specifies how quickly the problems need to be rectified, including who to call, what to do, and how long it will take.

ACTION: Library Staff will work with DNV staff to have a final draft of the Service Level Agreement for IT Services completed for the next meeting of the Finance & Infrastructure Committee held on October 20, 2016.

MOVED by David Porter and SECONDED by Allison Rzen

THAT the Finance & Infrastructure Committee approves the migration of the new server with the District of North Vancouver;

AND

THAT there continues to be a plan for ongoing discussion on the Service Level Agreement for IT Services. (F-16-07-06)

MOTION CARRIED.

5.2 North Shore Community Foundation

As requested at the April 20th meeting of the FIC, Library Staff reached out to the North Shore Community Foundation for an update on the status of the Library Endowment Fund. Jacqueline van Dyk reported that the current Library Endowment Fund is in the range of \$15,000 and that we have yet to receive the letter from the Foundation which states the fund's earnings for the

year-ending March 31, 2016. The letter is typically received in July or August. It was noted that the return on the Library's investment in the fund last year was approximately 5%, which is very good in this economy. Nevertheless, the Committee asked that Library Staff conduct additional research with the assistance of the DNV Finance Department to determine the Foundation's standing with the Canada Revenue Agency (CRA), and its ultimate stability. It was agreed that NVDPL Business Manager Deborah Hudson would undertake to research the foundation.

Committee Chair Jim Hanson observed that if the NVDPL could build up a large enough endowment fund, that it would give the library much greater financial independence. He noted that strong endowment funds have become the financial strength behind many universities. The philosophical question to be asked is how much of the Library's reserves it should consider adding to the endowment each year. Jim Hanson added further that with a long-term direction that over time, a legacy could be created through the endowment that could greatly benefit the community.

Allison Rzen wondered whether the Friends of the Library might wish to donate fundraised money to the Library's Endowment Fund. Jacqueline van Dyk suggested that the Friends of the Library generally prefer to approve specific purchases with the monies raised through activities of the Friends. Following further discussion the Committee agreed to re-invest in the fund any funds generated in 2016, and to revisit the subject of the Library Endowment Fund at a future meeting once further details of its financial standing have been established.

ACTION: Business Manager Deborah Hudson to conduct further research on the North Shore Community Foundation's financial standing and relationship with the NVDPL, and to bring the matter back to the Finance and Infrastructure Committee for further ongoing general discussion regarding role the Library Endowment Fund.

MOVED by David Porter and SECONDED by Allison Rzen

THAT the NVDPL re-invest back into the Library Endowment Fund any monies received in interest in 2016 from the Fund's managing body, the North Shore Community Foundation.

(F-16-07-07)

MOTION CARRIED.

It was further clarified that fundraising is not the role of the Finance and Infrastructure Committee. Andy Wardell suggested that the Finance and Infrastructure Committee might wish to take its recommendations regarding the Library Endowment Fund to the Library Board for general approval. There was general agreement.

ACTION: The Finance and Infrastructure Committee will take to the Library Board its recommendation to re-invest back into the Library Endowment Fund any monies received in interest in 2016 from the Fund's managing body, the North Shore Community Foundation.

5.3 2017 Capital Budget Requests

Jacqueline van Dyk provided a verbal report on the 2017 Capital Budgets, noting that the requests are in alignment with the updated Strategic Plan. In part the capital requests reflect the need for the NVDPL to “catch up” in the area of digital technology. Andy Wardell noted that it will take a couple of years to catch up, eventually building resilience in the area of technology. He suggested thinking of Information technology as a utility that just keeps running, and requires ongoing maintenance.

Jacqueline van Dyk added that, in alignment with the Library’s Strategic Plan and desire to do more in the digital realm, exciting new ideas are being proposed as part of the 2017 capital requests, including the development of a Digital Creation Lab or “Story Lab”, in which patrons would have the opportunity to use a green screen, record podcasts, record Talking Books for the visually challenged, digitize photos and documents, and share their creations with the community. The Digital Creation Lab would be located across from the existing Tech Classroom, which would also be updated as part of the project to create a more effective flexible space with laptops, fold-up tables, and stackable chairs. The Tech Classroom would also be made available for holding lectures and training workshops, including the possibility of bringing technology “guests” from the District to hold a “GIS Day” for instance, and to provide opportunities for student tech volunteers to show patrons how to use digital equipment.

Jacqueline van Dyk noted that there have been many requests from patrons for access to Lynda.com, which would provide patron online access to a wide range of technology and creative training programs, and that it may be possible for the Library to re-allocate funds from the Capital Budget to the Operating Budget, so that the Library will be able to accommodate this request.

ACTION: Corinne McConchie to look into the possibility of re-allocating funds from the Capital Budget to the Operating Budget in order to provide access to Lynda.com for NVDPL patrons.

The Committee was supportive of the idea of the Digital Creation Lab and discussed the possibility of partnering with other tech providers and/or obtaining additional funding from other sources such as grants or funding from the Friends of the Library.

ACTION: Deborah Hudson to look into the UBC Irving K. Barger Digital Learning Centre to see if there is potential to obtain a grant.

Jacqueline van Dyk described facilities currently available at North Van City Library and at the Vancouver Public Library, which are similar in spirit to what the NVDPL’s “Story Lab” would be. The point was made that NVDPL would carve out its own unique niche. David Porter was very supportive of the idea and understands that these types of facilities are in use full-time, and that people will be lining up to have access to good quality cameras and mixers etc. It was further noted that there may be some entrepreneurial opportunities for the NVDPL in relation to the use of the Digital Creation Lab, such as the sale of branded USB keys, and charges for extended use of the space.

In relation to the 2017 Capital Budget request, Allison Rzen inquired whether anything more specific will need to be submitted to the District by September. Andy Wardell noted that DNV Manager, Financial Planning Rick Danyluk will be sending out the initial letters the week of July 18th, providing high level guidelines for the completion of Business plans and the submission of the Capital Budget Requests. The process will look similar to last year, and will hit the ground running in September. The DNV will plan for public input into the Budget in December, and for the 2017 Budget to be approved in January. Andy Wardell noted that in working toward the establishment of Asset Management Plans for the Collection and for IT, that the Library has already begun the work to articulate financial requirements for 2017 and beyond, toward the development of a 10-year capital plan.

The Committee had a brief discussion on the next scheduled meeting and the possibility of holding a second Q2 meeting to discuss the 2017 Capital Budget. It was decided that there should be an additional FIC meeting held in either late August or early September.

ACTION: Deborah Hudson or Leanne Erickson to send a Doodle Poll to the FIC to decide on a date for an additional Q2 meeting to discuss the 2017 Capital Budget Requests sometime in late August or early September.

6. ADJOURN – 6:28 PM

MOVED by Allison Rzen

THAT the meeting of the Finance & Infrastructure Committee be adjourned. (F-16-07-08)

MOTION CARRIED.

Committee Chair

Date

Director, Library Services

Date