

REGULAR MEETING OF THE FRASER VALLEY REGIONAL LIBRARY BOARD

Wednesday, October 26, 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. 3 | 2.011 Minutes | Enclosure:
◆ September 21, 2016 Meeting Minutes |
| p. 9 | 2.012 Overview of Library Activities | Enclosure:
◆ Library Reports |
| p. 28 | 2.013 Activity Report | Enclosure:
◆ Activity Report |
| 3.00 | APPROVAL OF AGENDA
<i>Motion</i> | THAT the Agenda be approved as circulated. |
| 4.00 | PRESENTATION | |
| p. 30 | Reading Link Challenge
<i>Information</i> | Christine Conroy, Events Specialist, and Jacquelynne Garden, FVRL Reading Link Challenge Coordinator

Enclosure:
◆ 2015-2016 Reading Link Challenge Report |
| 5.00 | NEW BUSINESS | |
| 5.01 | 2016 Budget Variance Report at September 30, 2016 | Nancy Gomerich, Director of Finance

THAT the “2016 Budget Variance Report at September 30, 2016” be received for information. |
| p. 38 | | Enclosure:
◆ 2016 Budget Variance Report at September 30, 2016 |
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5.02	Draft 2017 Budget <i>Motion</i>	Nancy Gomerich, Director of Finance
		THAT the proposed 2016 budget be recommended to FVRL member councils.
	p. 43	Enclosures: ◆ Draft 2017 Budget
5.03	Gift Acceptance Policy <i>Motion</i>	Scott Hargrove, Chief Executive Officer
		THAT the proposed Gift Acceptance Policy be approved.
	p. 57	Enclosure: ◆ Proposed Gift Acceptance Policy
6.00	MOVE TO <i>IN CAMERA</i> SESSION <i>Motion</i>	THAT the Board move to <i>In Camera</i> session.
7.00	OTHER BUSINESS	
8.00	AROUND THE TABLE	
9.00	QUESTIONS	
10.00	FOR YOUR CALENDAR <i>Information</i>	FVRL BOARD MEETING Wednesday, November 23, 2016 – 9:00 am FVRL Administrative Centre 34589 DeLair Road, Abbotsford, BC V2S 5Y1
11.00	ADJOURNMENT <i>Motion</i>	THAT the meeting of FVRL Board be adjourned.

REGULAR MEETING OF THE FRASER VALLEY REGIONAL LIBRARY BOARD

Wednesday, September 21, 2016

FVRL Administrative Centre
34589 DeLair Road, Abbotsford, BC V2S 5Y1

Attendees from the Board

Mayor John Van Laerhoven, District of Kent (Chair)
Councillor Petrina Arnason, Township of Langley
Councillor Les Barkman, City of Abbotsford
Councillor Corisa Bell, City of Maple Ridge
Director Bill Dickey, Fraser Valley Regional District
Councillor Bill Dingwall, City of Pitt Meadows
Councillor Heather King, Corporation of Delta
Councillor Megan Knight, City of White Rock
Councillor Gayle Martin, City of Langley
Councillor Chuck Stam, City of Chilliwack
Mayor Wilf Vicktor, District of Hope

Regrets

Director Maria Harris, Metro Vancouver
Councillor Sonja Reyerse, Village of Harrison Hot Springs

Absent

Councillor Laura Dupont, City of Port Coquitlam
Councillor Jenny Stevens, District of Mission

Attendees from Staff

Scott Hargrove, Chief Executive Officer
Heather Scoular, Director of Customer Experience
Irene Geng, Office of the CEO | Donor Relations
Sandi Burgess, Library Manager—Delta
Jo-Ann Sleiman, Acting Deputy Manager—City of Langley and Port Coquitlam
Emily Duquette, Marketing Coordinator
Nicole Glentworth, Library Manager—Chilliwack & Upper Fraser Valley
Shawna Kristin, Manager—Maple Ridge & Pitt Meadows
Dean Kelly, Manager of Support Services
Devan Mitchell, Deputy Manager of Information Technology and Finance
Courtney Novotny, Manager—Mission Library & Outreach Services

CUPE Local 1698

Laurie Dyck
Dennis Neumann

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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 9:07 am.

2.00 APPROVAL OF CONSENT AGENDA

It was **MOVED** Councillor Barkman, **SECONDED** Councillor Stam, **THAT** the consent agenda be approved as circulated.

CARRIED

16.09.21/01

Consent Agenda Approved

3.00 APPROVAL OF AGENDA

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

CARRIED

16.09.21/02

Agenda Approved

4.00 MOVE TO IN CAMERA SESSION

It was **MOVED** Councillor King, **SECONDED** Councillor Dingwall, **THAT** the Board move to *in camera* session.

CARRIED

16.09.21/03

Move to *In Camera* Session

The regular meeting of the Board reconvened at 10:12 am.

5.00 BUSINESS ARISING FROM THE MINUTES

5.01 Strategic Planning Update

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

Ken Roberts summarized highlights of the process. He added that the strategic plan will include some measurement tools and that the intent is to ensure measurements are relevant and true, as well as impactful. Every objective will have a person from the senior management team who will be responsible for shepherding it through and making it successful.

Ken Roberts further offered his perspective as an outsider that, if he had a concern about the strategic plan, it would be about the capacity limitations of FVRL's senior management to achieve the goals and objectives of the strategic plan because they have so many daily responsibilities. FVRL could move faster as an organization as it empowers more staff, and this requires teaching people how to do that work. He

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cautioned against front-ending the work with the inability to do it, and suggested that anything that can be done to increase capacity should be done as soon as possible. He also recommended a graduated implementation phase for the strategic plan because FVRL does not have many staff who are in a position to take on those projects.

Board members expressed their support for the work on FVRL's strategic plan to date, and look forward to a document to share with local governments and the public that ensures people know what FVRL does and why it's important to fund libraries.

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

CARRIED

16.09.21/04

Strategic Planning Update Received

5.02 **2016-2018 Strategic Directions Revision**

Scott Hargrove, Chief Executive Officer, in response to the Board's request to reference FVRL's multi-cultural offerings in its strategic planning, proposed that the 2016-2018 Strategic Directions include "multi-cultural" in Strategic Direction 4.

It was **MOVED** Councillor Dingwall, **SECONDED** Director Dickey, **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."

CARRIED

16.09.21/05

2016-2018 Strategic Directions Revision Approved

5.03 **Tree Removal at Administrative Centre**

Scott Hargrove, Chief Executive Officer, reported that a City of Abbotsford arborist inspected the trees on the parking lot perimeter at FVRL's Administrative Centre. The inspection revealed that the trees are on City of Abbotsford property and, therefore, the City's responsibility to maintain. As a result, City crews heavily pruned the trees. The arborist's assessment was that the trees are healthy, an assessment which differs from the engineer's report FVRL received several months ago and which had been shared with the City of Abbotsford.

6.00 **NEW BUSINESS**

6.01 **Financial Management Policy Report and Draft Financial Management Policy**

Nancy Gomerich, Director of Finance, described the proposed financial management policy as a framework for FVRL's financial sustainability and the cornerstone of its internal control system. Having this policy is recognized as implementing best practices

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and was developed in consultation with finance directors of FVRL member local governments. The intent is to review the policy annually as part of the budget process.

It was **MOVED** Councillor Martin, **SECONDED** Councillor Knight, **THAT** the Financial Management Policy be approved.

CARRIED

16.09.21/06

Financial Management Policy Approved

It was **MOVED** Councillor King, **SECONDED** Councillor Bell, **THAT** the Funding Formula Policy be rescinded.

CARRIED

16.09.21/07

Funding Formula Policy Rescinded

It was **MOVED** Councillor Martin, **SECONDED** Councillor Knight, **THAT** the Fees for Service - Fines Policy be rescinded.

CARRIED

16.09.21/08

Fees for Service - Fines Policy Rescinded

It was **MOVED** Director Dickey, **SECONDED** Councillor Arnason, **THAT** the Municipal Surplus Reserve Policy be rescinded.

CARRIED

16.09.21/09

Municipal Surplus Reserve Policy Rescinded

6.02 Materials Expenditures Overview

Nancy Gomerich, Director of Finance, provided a summary of the Materials Expenditures in response to the Board's request.

It was **MOVED** Director Dickey, **SECONDED** Councillor Dingwall, **THAT** the Materials Expenditures Overview be received.

CARRIED

16.09.21/10

Materials Expenditures Overview Received

6.03 Municipal Reserve Request

Nancy Gomerich, Director of Finance, outlined the request from the City of Abbotsford to use its Member Salary and Benefit Reserve funds for a renovation at Clearbrook Library.

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It was **MOVED** Mayor Vicktor, **SECONDED** Councillor Barkman, **THAT** \$100,000 from the City of Abbotsford's Member Salary and Benefit Reserve be approved for the renovation of Clearbrook Library.

CARRIED

16.09.21/11

Approved

6.04 Uke N Play

Heather Scoular, Director of Customer Experience, highlighted a new, soon-to-launch program of lending ukuleles for three-week loans to FVRL customers. Already excitement for the opportunity is evident and the ukuleles will contribute to musical literacy in our communities.

It was **MOVED** Councillor Barkman, **SECONDED** Councillor Arnason, **THAT** the Ukulele Project Report be received.

CARRIED

16.09.21/12

Ukulele Project Report Received

7.00 OTHER BUSINESS

There was no other business.

8.00 AROUND THE TABLE

Councillor Bell reported that Maple Ridge Library gave out an astounding 150 medals to Summer Reading Club qualifiers.

Councillor Martin welcomed new acting deputy library manager Jo-Ann Sleiman to her role. She was pleased to announce that the City of Langley's recent community survey revealed a 91% satisfaction rate with its library, with 58% of respondents saying they are "very satisfied" with their library.

Councillor Knight stated that White Rock Library kicked off the City's two-month Festival of the Arts and featured artists set up and working in the library with fabrics, wood, and other media.

Councillor Dingwall told of being a judge alongside Library Supervisor Sandy Richardson for the Pitt Meadows Days parade. Summer Reading Club was a great success as well.

Councillor Arnason described the Library Champions project in Township of Langley as well as her efforts to meet with key stakeholders to find ways to bring libraries into the community discussion.

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Mayor Van Laerhoven participated in reading a story during the summer at Storytime in the Park, and noted that Agassiz Library's program had attendees from Chilliwack, Rosedale, and Harrison Mills, as well as local residents.

98.00 **QUESTIONS**

There were no questions.

10.00 **NEXT MEETING**

The next meeting of the FVRL Board will be:

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

11.00 **ADJOURNMENT**

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

CARRIED
16.09.21/13
Adjournment

The meeting adjourned at 11:25 am

ABBOTSFORD LIBRARIES

By Hilary Russell, Library Manager
Meeting of October 26, 2016

POVERTY PREVENTION

FVRL and the Abbotsford Libraries play a strong role in supporting individuals and families who may be economically disadvantaged. We strive for open access for everyone to library services and materials by working to remove barriers associated with differences in economic levels, education, and physical and mental abilities.

Library cards are free to Fraser Valley residents of all ages, but even so, a library card is not a necessity. The library is open to anyone who wants to come in to the library and use our space and our materials for reading or studying or to attend our programs. A low-barrier card is available to community members who do not have a fixed address and have no current ID to show. This might include students, new immigrants, people who have just moved to the area, and especially those who have no fixed address. To reduce barriers for families, children's materials borrowed on a children's card will not be charged overdue fines. Programs and most services are free.

Free access to the Internet, the use of word processing stations, and staff assistance to make use of these tools is available to all. The Abbotsford Libraries support family literacy by running free early literacy Storytimes for preschool children; Reading Buddies read-together support for grades K-3; the Reading Link Challenge, a kind of team competition for middle grades; and the annual Abbotsford Family Literacy Celebration in late January.

Some of the most disadvantaged and vulnerable people in our communities are those who are homeless or in danger of homelessness and the Abbotsford Libraries try to work with individuals at all levels to help them find the resources that might make their lives better. This occasionally includes respectfully giving a customer the contact information for a community organization or program where that individual might receive a free meal, a hot shower, and a change of clothes. FVRL understands that assisting each individual to find what they need in order to improve their lives is one of the best ways to create a vibrant and healthy community.

FVRL and the Abbotsford Libraries know that we can help level the playing field for people at all economic and educational levels by giving free access to materials, services and programs that support the literacy and learning of all individuals in the community.

AGASSIZ LIBRARY

By Nicole Glentworth, Library Manager
Meeting of October 26, 2016

CLUBBING AT THE AGASSIZ LIBRARY

The Agassiz Library offers a variety of programs to cater to customers of all ages throughout the Agassiz, Harrison Hot Springs and areas beyond. Library staff has been instrumental in developing various clubs that pique the interest of many enthusiasts and followers.

One example of this is the Genealogy Club which attracts those who are intrigued by their family tree and using the library and our resources to find out where they came from.

The Book Club is another well attended group that meets once a month to discuss the plot of a pre-chosen title. This is yet another free program where any of the residents in the area may join the book club and enjoy the stimulating conversations around the title at hand as well as another opportunity to network and socialize in the library.

Yet another relatively new group is the Agassiz Library Writer's Circle which caters to those who love to put words on paper, create stories, or expose facts. No matter what their stage of expertise or what they like to write, customers come for the support, tips and feedback from other writers. This is the chance for customers to get busy on the writing they have always wanted to do and work towards publishing or improving their personal writing skills.

The library seeks to get groups of people with similar interests together and provide them with a place and the resources to expand their horizons.

CHILLIWACK LIBRARIES

By Nicole Glentworth, Library Manager
Meeting of October 26, 2016

CHILLIWACK LIBRARY OPENS ITS LOBBY TO THE COMMUNITY

With the relatively new layout of the lobby at the Chilliwack Library some community groups took advantage of the potential to reach every customer that walked through the doors of the library. Over the past few months the library hosted a number of groups including

- BC Assessment, who was there to answer any questions that customers may have about the assessment of their property value.
- Crimestoppers also informed customers about what was being done to make the downtown area of Chilliwack safe.
- The Chilliwack Cultural Centre informed those who visited their table about the programs they offer.
- Chilliwack Crime Prevention identified steps that can be taken to minimize crime in Chilliwack.
- The City of Chilliwack also brought in representatives to answer any questions that residents may have about the Organic Recycling Program which piqued the interest of customers as the Chilliwack Library is an active participant. This program is an initiative that will affect all residents of Chilliwack in the near future.

Groups have been approaching the library as they see the potential to reach a captive audience where they can answer questions on the spot thereby informing them about things that affect them directly.

DELTA LIBRARIES

By Sandi Burgess, Library Manager
Meeting of October 26, 2016

Summer Reading Club: Summer Reading Club was another resounding success in 2016. Participation was up at all Delta libraries, including a 32% increase in Tsawwassen. Overall, there were over 3,000 participants in Delta, including preschoolers, kids and teens.

Educational Programming: With summer behind us, the libraries in Delta have shifted into back-to-school mode. This involves modified traffic patterns and customer needs, as well as a renewed commitment to educational programming.

- **Community Emergency Response Team Training:** This year staff from George Mackie Library partnered with Delta Police, Delta Emergency Services, Delta Fire, St. John Ambulance, Delta School District and Delta Amateur Radio Society to deliver a special program for youth to be trained as members of a community emergency response team (CERT). Twenty-four students in grades 10 - 12 learned how to react in the event of a disaster, earning each a first aid certificate from St. John ambulance and seven volunteer hours towards their high school graduation in the process. This program provided an excellent opportunity to build relations with other Delta organizations. A second teen CERT program is currently being planned for Ladner in late January.
 - **Ukuleles:** Another excellent opportunity for learning arose with the launch of FVRL's new ukulele collection. Members of the Tsawwassen Library's Uke Group were on hand to lead a sing-a-long of old and new favourites that were enjoyed by all. There was substantial interest from customers hoping to take an instrument home with them after the event and we added them to the waiting list. The lucky few at the front of the line were very excited to borrow a ukulele to take home and try with their families.
 - **Culture Days:** Culture Days is a national annual event at the end of September intended to provide the public with opportunities to interact with arts and culture. This year, Delta libraries invited residents to partake in Word Play at their local Delta library branch. Our youngest patrons could create stories using magnetic words and phrases. Adults and teens participated in blackout poetry, crossword puzzles, word searches, and wrote their own 6-word memoir - an activity that requires a person to write a story that represents who they are using only 6 words. A favourite submitted by one of our newest staff members in Ladner was "Surrounded by books. Living the Dream!"
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On The Horizon: In the coming month, Delta staff is looking forward to participating in the Great BC ShakeOut, where we will be promoting emergency and earthquake preparedness information. For the first time ever, we will be encouraging customers to review “drop, cover and hold on” exercises and have a closer look at contents they should have on hand to be prepared for the first 72 hours after an earthquake occurs. We are also looking forward to hosting a book launch for local author Dave Stevens, whose book *Weirdly Wonderful A to Z* introducing children to some of the West Coast of Canada's unusual sea creatures. Additional programs include workshops on meaningful living and creative Halloween makeup.

HOPE LIBRARY

By Nicole Glentworth, Library Manager
Meeting of October 26, 2016

RHYMES ACROSS TIME

A new program called *Rhymes Across Time: Intergenerational Parent-Child Mother Goose* has proven to be a huge success in the three sessions in September. The program, which is aimed at children, takes place at the Fraser Hope Lodge, a residential care facility, and residents join in a part of this unique intergenerational experience.

There was an average attendance of 40, which included babies, toddlers, parents, and residents of Fraser Hope Lodge.

This is a community collaboration which involves Fraser Valley Regional Library, Hope Early Years, Fraser Health, Hope Community Services, Success x 6. It was informed by the success of a similar program held in Kamloops and it gives all those involved an opportunity to bridge the generational gaps while focused on literacy at a very young age.

CITY OF LANGLEY LIBRARY

By Jo-Ann Sleiman, Acting Library Manager
Meeting of October 26, 2016

CELEBRATING WITH THE LANGLEY COMMUNITY

Since marking the completion of another successful summer of reading in August with the many children, teens and adults who took part in FVRL's 2016 Summer Reading Club, the City of Langley Library hasn't stopped celebrating. From squishy science and painted rocks to ukulele recitals and coffee with friends, we have found many ways to enjoy ourselves with our customers this fall.

Campbell Valley: City of Langley Library joined its counterparts in the Township of Langley in September to take an FVRL contingent to the Campbell Valley Country Celebration. Events like this allow the library not only to celebrate with its community, but also to connect with those who may never have crossed the threshold of an FVRL library. Amid the llamas, music, country fair food, and men on stilts, staff talked to hundreds of interested fairgoers about local programming, services and events; about FVRL-wide literacy initiatives like *1000 Stories Before Kindergarten*, *Reading Link Challenge* and *Read, Learn, Play with Your Baby*; and about the robust digital content available to FVRL customers.

Science Literacy Week: Continuing the fun, children enthusiastically embraced *Gross-Out Science*, where they learned about the not-quite-liquid, not-quite-solid properties of slime, which miraculously forms when the molecules in a few common substances meet. Those who were less concerned with viscosity and molecule bonding focused on the sheer pleasure of the gloriously squishy substance oozing through their fingers.

Culture Days: Library staff organized some special activities in the library to help the community celebrate Culture Days. As a warm-up to the main attraction, preschool children used paint to transform rocks into magnificent pieces of art. We then welcomed a young but magnificently skilled trio from the Langley Ukulele Ensemble, who entertained customers with a surprisingly eclectic mix of ukulele music. The concert coincided with the FVRL system-wide launch of its ukulele lending initiative, which has caught the interest of the public, with a long list of holds already far exceeding the collection of 50 available instruments.

Customer Appreciation Day: Most recently, library staff and Friends of the Library volunteers acknowledged the beginning of Canadian Library Month by celebrating with our cherished customers. Guests took part in prize draws and a mini scavenger hunt while sharing a leisurely cup of coffee and learning about our collection and our many programs and services from library staff and Friends.

Taking time away from our packed schedule of core programming to mark special occasions with our customers allows the library to highlight particular services and areas of the collection, form relationships with those who may not be fully aware of what the library has to offer, spark the interest of people of all ages, and provide positive and formative experiences for children, bonding them with the library and with reading.

TOWNSHIP OF LANGLEY LIBRARIES

By David Thiessen, Library Manager
Meeting of October 26, 2016

ENVIRONMENTAL AWARENESS MONTH

September was environmental awareness month at Township Libraries. Langley Environmental Partners (LEPS), a leading environmental organization in the Fraser Valley for over twenty two years, provided two educational displays.

The *Waterwise* display offered information to the public on how to cut back on water at home during summer months, and the *Grow Healthy Grow Smart* display featured chemical free products people could use on their lawns. Customers were also welcome to take sample drought tolerant grass seed packages provided by the Township of Langley.

We also featured a strong emerging interest in community gardens. There are 13 community gardens in the Township and interest is keen enough to warrant a gardening club, hosted by Murrayville Library

Staff also participated in the Township's annual Rivers Day, providing a staffed tent offering crafts, book displays for children and adults, and library bag giveaways for those showing their library cards. There were 133 entries for the prize basket, 50 library bags given away, and more than 50 themed crafts made by children.

Interest in sustainability and quality-of-life over sheer financial considerations is growing. In addition, environmentally-friendly communities are increasingly attractive to business and industry, bringing employment and additional wealth to the community.

MAPLE RIDGE PUBLIC LIBRARY

By Shawna Kristin, Library Manager
Meeting of October 26, 2016

ART AT THE LIBRARY

Fall has seen the arrival of a number of collaborative community art projects at Maple Ridge Public Library. The addition of the participatory art to the library is helping to meet our community's desire for creativity. Participatory art is an approach to art in which the audience is directly engaged in the creative process. This involvement is creating experiences for our customers to unleash their creative energy and get inspired.

- ***Defining Moments***

A beautiful display called *Defining Moments* was installed in the foyer and will stay at the library until the end of the year. *Defining Moments - Tell Us Yours!* is a participatory public art project where members of the community submit anonymously what they consider to be an experience, moment, or life-changing encounter from their past that set them off on a new path, forged an important belief, or inspired a deeply-held philosophy. Local artists Roger Chen & Wan-Yi Lin are collecting contributions to help them create a show based on the public feedback that will run at The ACT Art Gallery in Summer 2017.

- ***Pianos in the Street***

Pianos in the Street has moved inside Maple Ridge Public Library for the winter. *Pianos on the Street* aims to build community links and enhance connectivity through art and music. The piano, which was housed at Memorial Peace Park Bandstand for the summer, has found shelter in the library for the cold, wet months. Decorated by Maple Ridge Artist in Residence, Robi Smith, the piano has become a significant feature of the downtown core and will be returned to the bandstand in the spring after its library sojourn.

- **Artists in the Library on Culture Days**

To celebrate Culture Days, Maple Ridge Public Library hosted an *Artists in the Library* program. Local artists and craftspeople gathered in the library foyer to work on their art while the public watched, asked questions and sometimes participated. There was someone throwing pottery on a wheel, artists carding and spinning wool, as well as rug

hooking, jewelry making, painters, knitting and much more. It was a very successful event with something of interest for everyone, regardless of age.

Participatory art at the Maple Ridge Public Library enhances the customer experience and increases customer engagement. At the same time, it allows us to continue working collaboratively with our community and other partners.

MISSION LIBRARY

By Courtney Novotny, Library Manager
Meeting of October 26, 2016

The STEAM Station Takes Off!

STEAM (Science, Technology, Engineering, Art and Design, Math) is an educational movement being introduced in libraries and education systems across North America. The STEAM movement supports the development of skilled workers in the areas of science, technology,

engineering, art and design and math. To bring the STEAM concept to FVRL, Mission Library staff has developed *The Station*: an interactive exhibit and learning space.



Each month or so, library staff curate and set up a new exhibit, along with a display of appropriate materials from the FVRL collection. The September exhibit demonstrated the zootrope, which is a pre-film animation device that displays a series of

drawings or images. Customers were invited to create their own film strip that could be played on the zootropes on display.

October's exhibit is all about Mars and customers are enjoying analyzing the 3D-printed replicas of the Mars Curiosity Rover, Valles Marineris, Viking Rover and Hubble Space Telescope. There is also a mock-up of a spaceship control panel on display, which invites customers to turn each switch on and off. Mission's Community Librarian has also spent time interacting with customers at the Mars exhibit and during one interaction, answered one

young customer's questions about the control panel, which lead to a discussion about voltage and circuits. Sparking curiosity in our customers is a day well spent at the library.

The Station is intended to surprise, delight and inspire customers of all ages. Staff hopes that *The Station* will spark conversation between parents and children and among library customers. *The Station* is also meant to encourage learning and intrigue customers with topics and ideas they have never encountered before.



This type of learning environment ties in well to the new BC Curriculum, which suggests a mindset shift in BC Education and allows students to choose their own area of interest to focus on while they learn and explore big concept ideas.

Each exhibit is designed to provide information as well as an activity that encourages the learning to be applied right away. The Mars exhibit, for example, has supplies for customers to build their own Mars habitat out of Popsicle sticks and tissue paper, keeping in mind the need for oxygen, gravity, and related factors. This demonstrates the educational theory behind the fun exhibits and strengthens the value of this type of space in the library.

Staff also carefully selects library materials to display along with the exhibit to encourage customers to continue their learning at home and promote the depth and breadth of our library collection.

Staff continues to plan future *Station* exhibits and looks forward to continuing to spark curiosity, promote learning and connect with customers every single day. Stay tuned.

PITT MEADOWS PUBLIC LIBRARY

By Shawna Kristin, Library Manager
Meeting of October 26, 2016

Read. Learn. Play. at Pitt Meadows Public Library

Pitt Meadows Public Library has a meaningful and diverse role in the community. On a typical day, customers of all ages can be seen in the library reading books, writing letters, browsing magazines and newspapers, playing games, doing homework, using computers, holding meetings, checking out a ukulele, spending time with friends, participating in programs, or simply escaping the changing weather. Customers of all ages are coming to the library to *Read. Learn. Play.*

Read

- Literacy programs for our youngest customers continue to be extremely popular. Our Babytime (0 - 18 months) and Storytime (18 months and up) programs are in such high demand staff recently opened additional sessions. These programs are not only enjoyable for children and their caregivers, but they support early literacy. Research shows that children who are read to regularly starting at an early age are more likely to excel when they start school.
- The library continues to be a place for information gathering. Customers of all ages come through our doors to find facts and information and to get referrals and advice. Staff supports literacy in customers of all ages. High rates of literacy contribute to the overall health and well being of the community.

Play

- This fall welcomed the return of our regular programs, including our Family Drop-In Lego and Games program. This program brings many eager customers through our doors on Saturday afternoons. Our programming room is set up with a variety of board games, cards and bins of Lego. Customers of all ages join us for an hour or just a few minutes. Some play as a family, while others introduce themselves and connect with fellow community members.
 - Recently, Pitt Meadows Public Library was a destination for local scavenger hunt put on by Help Portrait Ridge Meadows. This family-friendly event that brought many people
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through our doors that might not normally visit the library. It was a chance for staff to answer a variety of questions about the library and show off our collection and resources that participants might not know existed.

Learn

- The Pitt Meadows Friends of the Library held their annual Quiz Night. It was another successful fundraising event for Friends. The turnout was impressive and it was inspiring to see the variety of attendees. A good time was had by all.

TERRY FOX LIBRARY

By Jo-Ann Sleiman, Acting Library Manager
Meeting of October 26, 2016

LIBRARY / COMMUNITY COLLABORATION

Beyond the traditional offerings of a city library – the quality programs for all, the extensive print and digital collections, the up-to-date information and referral, and the unyielding support of life-long literacy – the Terry Fox Library also operates as a thriving centre of community collaboration and connection, a place where people and organizations can come together to learn, teach, cooperate, inspire and form relationships.

Pro-D Day: Terry Fox Library was one of the stops on School District 43’s inspired Amazing Race tour of Port Coquitlam. Seventy-seven high school teachers visited the library for a quick talk highlighting online resources and opportunities for partnership. The library and school district already enjoy strong ties through their mutual support of childhood learning and literacy development, connecting through programs like *Reading Link Challenge* and *Summer Reading Club*, and through outreach to Strong Start centres and *Welcome to Kindergarten* events. In spite of these existing ties, teachers were surprised at what they didn’t previously know about the library’s services.

Arts and Technology: Taking part in BC’s Culture Days celebrations, the library tied up a month-long exhibition of paintings from the Art Focus Riverview collection on September 30 with a day-long visit from five local Art Focus artists. Delighted customers engaged with the artistic process, asking questions, watching demonstrations of painting technique and viewing examples of the artists’ work. On the same day, over one hundred people stopped by to learn about 3D printers from local 3D designer and builder Graeme Bennett.

Music in the Library: A contingent from Coquitlam Ukulele Tiny Instrument Enthusiasts (CUTIE) regaled joyful customers gathered for coffee and snacks during the library’s Customer Appreciation Day event. The group’s organizer has been vital to both the formation of Terry Fox Library’s own popular monthly Ukulele Jam program and FVRL’s larger Ukulele lending initiative.

Latch On! Well over one hundred babies, parents, friends and siblings participated eagerly in a festive celebration of Canadian Breastfeeding Week at the library.. The event was organized in collaboration with Fraser Health, La Leche League, West Coast Families, Douglas College and other local organizations, and included presentations, door prizes and a mini library Babytime. Library staff was thrilled to note that the event brought in a number of newcomers who became library members during their visit.

These recent examples of collaboration took place against a wider backdrop of ongoing large and small initiatives, gatherings, tutoring sessions, demonstrations, conversation circles, book club meetings, job tours, colouring congregations and many other encounters that serve to connect the Port Coquitlam community.

WHITE ROCK LIBRARY

By David Thiessen, Library Manager
Meeting of October 26, 2016

THE SIXTH ANNUAL *OUTSIDE THE BOX CELEBRATION OF ART AND FIBRE*

The sixth annual month-long *Outside the Box Celebration of Art and Fibre* was kicked off at the Grand Opening on September 2, 2016. In partnership with artistic director, Alicia Ballard, it was coordinated and hosted by the White Rock Library and the Friends of the White Rock Library.

The purpose of *Outside the Box* is to celebrate and promote awareness of the rich versatility and history of art in fibre and textiles ranging from fine art to everyday functional items.

The Grand Opening featured the "Touch of Green" art display by the Cutting Edge Mixed Media Art Group, where each artist incorporates a particular piece of green fabric into their design. It also featured First Nations dancer Shyama-Priya, who entertained and educated the audience of 50 people with her colourful handmade regalia and inspiring pow wow dance journey.



The celebration, lasting throughout September, provided attendees a wide variety of art shows and talks as well as art demonstrations on the art of spinning yarn and weaving beautiful objects put on by the Weavers and Spinners Guild. Multi-media art displays were also a feature attraction.

Strong creative communities are known to attract business and industry, bringing employment and additional wealth to the community. Industries of our emerging economy value quality-of-life issues for their employees, and are attracted to communities, regardless of their geography, that actively support arts and culture.

LIBRARY LIVE AND ON TOUR

By Courtney Novotny, Library Manager
Meeting of October 26, 2016

ON THE ROAD AGAIN

Please welcome **Janeen Parent** as FVRL's new Community Development Specialist, working with Library Live and On Tour (LiLi).

Janeen is a librarian who started her career with FVRL in 2006 as a page. Janeen has experience coordinating large scale events, such as Eid and Diwali in Maple Ridge. Her community development experience includes library outreach in the Downtown Eastside of Vancouver through the Vancouver Public Library.

Word has spread quickly that LiLi was up and running again and Janeen is busy coordinating bookings and connecting with new and existing community contacts.



Watch out for LiLi's return to a community near you!

FRASER VALLEY REGIONAL LIBRARY

LIBRARY ACTIVITY SUMMARY REPORT as of end of Q3 2016

CIRCULATION OF MATERIALS	YEAR TO DATE		
	2016	2015	% Change
Print Circulation	3,219,526	3,319,426	-3.0%
Adult Books	1,447,562	1,491,984	-3.0%
Children & Teen Books	1,589,177	1,629,078	-2.4%
Magazines	182,787	198,364	-7.9%
Audio/Video Circulation	1,538,161	1,642,030	-6.3%
Audiobooks	122,085	131,071	-6.9%
DVDs	1,287,704	1,369,165	-5.9%
Music CDs	128,372	141,794	-9.5%
Total Physical Circulation	4,757,687	4,961,456	-4.1%

USE OF ELECTRONIC RESOURCES	YEAR TO DATE		
	2016	2015	% Change
Online Resources	434,688	416,114	4.5%
eBooks & Downloadable Audiobooks	332,892	335,592	-0.8%
Electronic Databases	101,796	80,522	26.4%
<i>ALL CIRCULATION</i>	<i>5,192,375</i>	<i>5,377,570</i>	<i>-3.4%</i>

CUSTOMER ACTIVITIES	YEAR TO DATE		
	2016	2015	% Change
Holds	1,109,585	1,089,741	1.8%
Programs (Number of)	5,816	5,712	1.8%
Program Attendance	183,789	157,084	17.0%

Notes

- Online learning service Lynda.com has been a popular addition to our electronic databases offerings.
- Program attendance more accurately reports the success of Summer Reading Club.

FRASER VALLEY REGIONAL LIBRARY
LIBRARY YEAR-TO-DATE USAGE as of end of Q3 2016

MEMBER	LIBRARY	CIRCULATION		2016 vs 2015		HOLDS		2016 vs 2015	
City of Abbotsford	Abbotsford	225,837		-3.2%		6,740		-3.3%	
	Clearbrook	591,997	827,577	-5.6%	-5.0%	16,589	23,919	-7.5%	-5.8%
	Mount Lehman	9,743		-10.0%		590		18.0%	
City of Chilliwack	Chilliwack	376,149		-6.7%		12,565		-0.4%	
	Sardis	230,919	630,873	-1.6%	-4.8%	6,839	21,241	-7.9%	-0.7%
	Yarrow	23,805		-3.2%		1,837		36.6%	
Corporation of Delta	George Mackie	200,928		-5.8%		7,980		13.6%	
	Ladner Pioneer	138,301	495,497	-3.4%	-4.8%	5,340	20,418	4.1%	1.4%
	Tsawwassen	156,268		-4.6%		7,098		-11.2%	
District of Hope	Hope	50,324		-9.0%		2,997		-14.2%	
District of Kent	Agassiz	63,220		-7.3%		4,169		3.9%	
City of Langley	Langley City	147,386		9.0%		7,935		29.6%	
Township of Langley	Aldergrove	95,779		-5.7%		3,689		-1.7%	
	Brookwood	51,957		-7.2%		1,876		-10.3%	
	Fort Langley	33,415	657,505	1.6%	-3.9%	1,389	22,821	3.9%	-5.9%
	Murrayville	119,216		-9.3%		4,846		9.7%	
	Walnut Grove	203,019		2.3%		6,549		-8.9%	
	Muriel Arnason	154,119		-5.8%		4,472		-18.0%	
City of Maple Ridge	Maple Ridge	309,963		-2.8%		11,867		12.6%	
District of Mission	Mission	231,965		-3.7%		7,844		-3.8%	
City of Pitt Meadows	Pitt Meadows	94,616		-8.8%		5,024		0.1%	
City of Port Coquitlam	Terry Fox	273,019		0.2%		11,089		15.4%	
City of White Rock	White Rock	144,280		-9.2%		7,969		-9.0%	
Fraser Valley R. D.	Boston Bar	8,240	14,389	7.5%	4.2%	932	1,868	-3.1%	7.2%
	Yale	6,149		0.1%		936		19.8%	
Outreach Services		40,294		-13.9%		11,808		-5.2%	
Administrative Centre		24,466		3.1%		10,591		3.2%	
Website Customer Self Service		752,313		-4.1%		938,025		2.1%	
		4,757,687		-4.1%		1,109,585		1.8%	

Reading Link Challenge 2015 -2016 Report

Jacquelynn Garden,
FVRL Reading Link Challenge Coordinator
and
Christine Conroy
FVRL Events Specialist

2015 -2016 READING LINK CHALLENGE REPORT

Submitted by Jacquelynne Garden, FVRL Reading Link Challenge Coordinator
Christine Conroy, FVRL Events Specialist

Each fall, grade four and five students in the Fraser Valley and other communities in British Columbia gear up for the excitement that is Reading Link Challenge (RLC). RLC is a province-wide program that promotes the “sport of reading.” It combines the elements of a classic reading program with competition to encourage reading as a fun and recreational activity. Participating children of all reading abilities develop teamwork skills, reading retention and solidify the enjoyment of reading.

Fraser Valley Regional Library takes a leadership role in RLC. An FVRL librarian is the RLC Coordinator for the province, liaising with other library systems and community partners. The coordinator oversees all aspects of the program. FVRL also hosts and maintains the RLC website (www.readinglinkchallenge.ca) to conveniently locate the program’s documents for easy access by all participating libraries, and creates marketing materials for the program.

Interested students form teams of six players. Each team is responsible for knowing the contents of six chosen books. Kids receive the books in November and there is much excitement in the buildup before the book titles are announced on November 1. Kids then read and become familiar with the books until February. All teams then participate in one or more levels of challenges at schools and local libraries, and in some regions like Fraser Valley, a Community Challenge. Winning teams go to the Grand Challenge to compete with winning teams from Surrey, Coquitlam and North Vancouver City Libraries.

RESEARCH AND BENEFITS

Reading Link Challenge promotes the public library and encourages children to develop a lifelong habit of reading for pleasure. Children also develop 21st century social and emotional skills from their RLC teamwork experience. RLC includes children who may not be the strongest readers or have the opportunity to be part of a team; the program accepts any grade four or five student, creating enthusiastic readers and team players.

Research has shown that book clubs, of which RLC utilizes a comparable structure, have a positive effect on middle school students. In their research paper, *The Effects of Book Clubs on the Reading Attitudes of Middle School Students*, Whittingham and Huffman examined book clubs as a way of advancing adolescent literacy. They pointed to previous research including Mitchel and Harris (2001) that found:

Book clubs that emphasize reading as an experience rather than an academic task can attract students, even reluctant ones, to participate because they view the club as a social event rather than the typical demands of daily classroom assignments.

Whittingham and Huffman’s own study also reported similar results that, “finding opportunities for struggling readers to become involved in book clubs and having other students serve as models are key factors to success.”¹

PARTNERSHIPS

RLC fulfilled FVRL’s Strategic Direction to “work collaboratively with...community and other partners.” FVRL has created and maintained strong relationships with community partners to support Reading Link Challenge. FVRL works with teachers and school librarians from nine local schools districts to engage and energize students to participate in the program. University of the Fraser Valley (UFV), Kwantlen Polytechnic University (KPU) and United Library Services (ULS) are also RLC partners.

Forty-three student volunteers from UFV’s Library Technician program participated in making RLC a success this year. These students read the six chosen books and created over 90 questions per book for the challenges and tie breakers. The students also volunteered at the school and library level challenges.

For the past seven years Kwantlen Polytechnic University has hosted an RLC event. This year they hosted Fraser Valley Regional Library’s Community Challenge. This partnership is part of what makes RLC a fantastic and exciting event for students and families. KPU Library staff secure the Langley Campus auditorium, aid with set up and take down, and provide the sound

technician. KPU also provides wonderful gift bags for the team members, special signage denoting each team, and an audience door prize.

United Library Service provides a generous 40% discount on all RLC book purchases. Their generosity extends to donating new books as prizes for all children who participate in the Community and Grand Challenges.

RLC BEGINNINGS

Reading Link Challenge traces its history back to the late 1930's when The Battle of the Books, a weekly radio show, used a quiz bowl format to test children's knowledge of literature. In the 1990s a few American libraries adapted the program for grade four and five students. In 2002 Coquitlam and Port Coquitlam libraries joined RLC, and in 2004 the entire Fraser Valley Regional Library came on board. In subsequent years other library systems have also joined.

2015-2016 OVERVIEW

Thirteen BC library systems participated in the fourteenth annual Reading Link Challenge. The program continues to grow and 2015-2016 saw the largest participation ever!

Total Participation	2016	2015	% Increase
Total Number of Kids	4908	4032	22
Total Number of Teams	818	685	19
Total Number of Schools	174	155	12
Total Number of Library Systems	13	13	0

FVRL Participation	2016	2015	% Increase
Total Number of Kids	2574	2406	7
Total Number of Teams	429	401	7
Total Number of Schools	96	96	0

FEEDBACK AND COMMENTS FROM TEACHERS

Sixty teachers from across the province completed a survey. While 174 schools participated, not all library systems opted to participate and send the survey to their schools but instead completed their own local surveys.

The top three benefits of RLC as chosen by teachers:

- Supports teambuilding and healthy competition
- Supports student appreciation of literature
- Strengthens school and student ties with the public library and community

BOOKS

This year's books were a popular combination of reading levels, boy/girl interest, characters from multicultural backgrounds and titles including Canadian content. Overall, the feedback about the books from teachers and children was very positive.

- *The Strange Case of Origami Yoda* by Tom Angleberger
- *Zach and Zoe and the River Rescue* by Kristin Butcher
- *The Vanishing Coin* by Kate Egan
- *Escape from Mr. Lemoncello's Library* by Chris Grabenstein
- *Flora & Ulysses* by Kate DiCamillo
- *Athlete vs. Mathlete* by WC Mack

AUTHOR VISITS

Each year, as part of FVRL's author program, FVRL hosts a local author to visit schools and libraries participating in RLC. This year Kristin Butcher, author of *Zach and Zoe and the River Rescue*, spoke to 1,151 children and teachers at nine presentations in nine FVRL communities over five days in February 2016. She also spoke to students at schools in Coquitlam and North Vancouver. Teachers and students commented on how much these visits are enjoyed and appreciated as a tie-in to the books and are a hallmark of the program.

COMMUNITY AND GRAND CHALLENGES

This year nine teams from the nine participating communities competed in the FVRL Community Challenge, which took place April 27 at Kwantlen Polytechnic University Auditorium in Langley.

The top three Community Challenge winners were:

- 1st place: Winning Wonders, Castle Park Elementary, Port Coquitlam
- 2nd place: Escapees from Mrs. DeGroot's Library, Langley Christian School, Langley
- 3rd place: Reading Wizards, Ecole Elementaire Ladner Elementary, Delta

On May 4 the Grand Challenge was hosted by Port Moody Public Library (with assistance from Coquitlam Public Library) and took place at the Inlet Theatre in Port Moody. The top two teams from each of the five Community Challenges met for the final showdown.

The top three Grand Challenge winners were:

- 1st place: The Book Battlers, Cloverdale Traditional School, Surrey
- 2nd Place: Winning Wonders, Castle Park Elementary, Port Coquitlam
- 3rd place: Escapees from Mrs. DeGroot's Library, Langley Christian School, Langley

Hosting duties for the Grand Challenge continues to rotate as new library systems become comfortable with the program. Next year, Surrey Public Library will host.

The RLC team is very proud of all kids participating. We were especially delighted that two teams from FVRL placed in the Grand Challenge.

CONCLUSION

Reading Link Challenge continues to engage and educate kids in grades four and five. Children expand their reading skills in their middle years as well as develop 21st century collaboration skills and critical thinking skills. Through RLC, FVRL grows its partnership with other BC libraries, schools and community partners. We expand the knowledge of our libraries, our programs and our collections to an ever wider audience. RLC is a fun, exciting, yet educational program. Reading Link Challenge creates positive memories and relationships for all that participate cultivating the customers of the future.

QUOTES FROM TEACHERS

“I can't say enough about the benefits of Reading Link. The program allows students of all reading abilities to be successful. My English language learners and reluctant readers were so successful as they were motivated by their peers and working on a collaborative team. My gifted students were challenged and they set such high goals for themselves. Their motivation was very high and it brought their team together. It was a memorable season, and the students are already asking about next year.”

– Meadowridge School, Independent School in District 42

“It's another way to encourage reading, and exposing kids to books they might not have read.”

– Sardis Elementary, SD 33 Chilliwack

“Preparing for the challenge provides opportunities for students to get together and build relationships while talking about books. ... Thank you for all the work you put into organizing the challenges. Every student group I have worked with has thoroughly enjoyed preparing for their challenges!”

– McCloskey Elementary, Delta

“Connecting with kids over great literature and watching them get excited about reading!”

– Terry Fox Elementary, Abbotsford

“I like the format, makes it easy for lots of kids to participate at the school level.”

– Eric Langton Elementary, SD 42

“RLC gets kids who aren't normally involved in "team" extracurricular events excited about competing.”

– Forest Park School, SD 68

“The questions over the past two years have been well levelled to give the students a feeling of success. It's exciting for them to be affirmed that they really do remember a lot from the books (not just the team that goes on to represent our school at the next level of competition). I'm very grateful to the public libraries for this program.”

– West Bay/Westcot School, West Vancouver (SD 45)

“I also love that we have an author visit each year. It's a great way for students to connect even more with the novels.”

– Unity Christian School, Chilliwack

¹ Whittingham, J. L., & Huffman, S. (2009). The effects of book clubs on the reading attitudes of middle school students. *Reading Improvement*, 46(3), 130-136.

2016 Budget Variance Report – At September 30, 2016

By Nancy Gomerich, Director of Finance

Meeting of October 26, 2016

PURPOSE OF THIS REPORT

The purpose of this report is to provide insight into what the year-end financial results for fiscal 2016 likely will be in comparison to the budget, and the primary reasons for budget variances.

Please refer to the attached Forecast Statement of Operations which details anticipated annual revenues, expenses and the resulting surplus/(deficit), based on actual revenues and expenses at September 30th.

FINANCIAL FORECAST SUMMARY

Forecast operations are expected to result in a reported annual surplus of \$876,851 for fiscal 2016, as compared to a budgeted annual deficit of (\$90,453)¹. The annual surplus is 3.35% of 2016 budgeted operating expenses.

The forecast annual surplus of \$876,851 is a positive variance (i.e. is better than) budget by \$967,304 ($\$876,851 + \$90,453$) or 3.70%. The positive variance is primarily due to lower anticipated actual expenditures in salary and benefits, as compared to budget.

See Attachment A for the forecast Statement of Operations (“Statement”).

Table A, on the next page, provides a summary of the most significant reasons for the variance, as detailed in this Statement.

-
1. The budget deficit of (\$90,453) is due to revenues raised in the year not being sufficient to fully provide for amortization expense.
 - Amortization expense is a proxy for the use of tangible capital assets (i.e. library materials, information systems hardware and software, building, equipment etc.) that are consumed in the year to provide services.
-

TABLE A Explanation of Positive Budget Variance		
Revenue or Expense Item	Financial Impact (rounded)	Reason for Financial Impact
Fines	(\$10,000)	Reduction of 2.8% over budget. Reflects continued industry downward trend.*
Fees & Other Revenues	35,000	<ul style="list-style-type: none"> • \$20,000 net additional interest revenue due to higher cash balances (\$5,000) and fact that interest earned on reserves was <u>not</u> budgeted for (\$15,000).* • \$10,000 lower US cash holding loss due to closer management of US cash balances held.* • \$5,000 additional book sale revenues.*
S&B – AC Office	350,000	Positive variance of about 7.5%. Primarily due to five positions not being filled for all or part, of the year. (positions in Marketing, Outreach, IT, Administration not filled for most of year, and LiLi position not filled for about one-half of year).
S&B - Libraries	585,000	Positive variance of about 4.5%. About 1.25% of variance due to significantly poorer vacancy posting fill rates (about 13% unfilled vs. about 8% in 2015). Remainder due to a number of positions not being filled for part of the year and some position replacements at lower pay grades.
Municipal Surplus Grants	(170,000)	These grants are Board approved payments to Members from their Municipal Surplus Reserve; this expense is funded from the respective Member’s reserve and not FVRL as a whole.
FVRL Building	25,000	Due primarily to lower maintenance costs and close/focused management of necessary work.
Information Systems	82,000	<ul style="list-style-type: none"> • \$18,000 due primarily to fewer device replacements (less failure). • \$65,000 lower computer dataline cost; primarily due to planned upgrade in line speed that is not yet available.
Furniture & Equipment	17,000	Lower copier repairs and operation costs, and lower postage machine costs; due to replacements.*
Human Resources	(58,000)	Due primarily to significant additional internal training targeting all staff, including training on customer service, respectful workplace, supervisor skills, and the bi-annual staff day.
Consulting	43,000	Primarily due to lower spending on consulting fees in administration (about \$25,000) and finance (\$33,000) less additional spending on legal issues (\$15,000).
Vehicle Operations	25,000	Lower overall costs in all areas.*
Inter-Link	11,000	Lower actual cost consistent with prior years.*
<i>Net Other</i>	<i>22,304</i>	
TOTAL	\$967,304	Positive Budget Variance

*2017 Budget adjusted to reflect lower future costs, or higher revenues, in these service areas.

Variance Impact on FVRL Unappropriated Surplus

Adjusting the \$967,304 positive variance to account for:

- the fact that the municipal surplus grants will be funded from the respective Municipal Surplus Reserve (plus \$150,000),
- the transfer of interest revenue to the reserves (less \$15,000),

leaves an unencumbered cash surplus balance of \$1,102,304.

Of this amount, with Board approval:

- \$292,500 will flow to Member’s Municipal Surplus Reserves (50% of their respective salary and benefit surplus), and
- the remaining \$809,804 will flow into unappropriated surplus.

This will bring the forecast balance of unappropriated surplus to \$1,150,753 or 4.4% of budgeted operating expenses. The recently approved *Financial Management Policy* set a *minimum* target for FVRL unappropriated surplus balance of 5% (about \$1.3M).

BUDGETED CAPITAL EXPENDITURES AND RESERVE TRANSFERS

Capital expenditures and planned reserve funding for IT, materials purchases and the Administration Center building and equipment are expected to be within, and very close to, set budgets.

CONCLUSION

Continued direction to staff for cost containment and implementation of efficiencies over the past two years has improved and, in all likelihood, will continue to improve, FVRL’s financial position.

Forecast results are based on September actuals, and the best available information at the date of this report. *It is expected that actual results will be different, possibly materially different, than forecast results.*

RECOMMENDATION

THAT the “2016 Budget Variance Report at September 30, 2016” be received for information.

ATTACHMENTS

Attachment A: 2017 Forecast Statement of Operations

Attachment A: 2017 Forecast Statement of Operations

			<i>"Good"=Positive; "Bad"=Negative</i>	
	2016 Budget	2016 Forecast Actual	Variance (2016 Actual to Budget)	
			\$	%
REVENUES				
Member assessments	23,972,713	23,972,713	0	0.00%
Government grants	1,425,500	1,421,400	(4,100)	-0.29%
Donations	150,000	155,000	5,000	3.33%
Fines	355,909	345,000	(10,909)	-3.07%
Fees and other revenues	178,915	213,748	34,833	19.47%
	26,083,037	26,107,861	24,824	0.10%
EXPENSES				
Salaries and benefits*	18,358,989	17,423,989	935,000	5.09%
Library materials*	1,006,792	1,006,792	0	0.00%
Operations (see schedule)	3,045,553	3,049,073	(3,520)	-0.12%
Library interlink	120,000	109,000	11,000	9.17%
Amortization	3,642,156	3,642,156	0	0.00%
	26,173,490	25,231,010	942,480	3.60%
ANNUAL SURPLUS/(DEFICIT)	(90,453)	876,851	967,304	
Surplus or Variance Total Budgeted Operating Expenses		3.35%	3.70%	
* 2016 Budget reallocated to maintain comparability to actual forecast				

Attachment A: 2017 Forecast Statement of Operations (continued)

			<i>"Good"=Positive; "Bad"=Negative</i>	
	2016	2016	Variance (2016 Actual to Budget)	
	Budget	Forecast Actual	\$	%
OPERATIONS SCHEDULE				
Administration & board expenses*	87,022	83,805	3,217	3.70%
Banking*	46,000	44,412	1,588	3.45%
Municipal surplus reserve grants	0	170,000	(170,000)	n/a
Interest on capital lease	13,550	13,550	0	0.00%
FVRL administration building	355,600	330,891	24,709	6.95%
Information systems	908,200	826,200	82,000	9.03%
Furniture & equipment	95,203	78,100	17,103	17.96%
Human resources*	222,900	281,232	(58,332)	-26.17%
Library programs	279,290	272,915	6,375	2.28%
Marketing	170,308	164,645	5,663	3.33%
Office supplies	270,179	262,863	7,316	2.71%
Other library-based expenses	12,081	8,000	4,081	33.78%
Postage and courier	49,951	46,735	3,216	6.44%
Milage, meeting and miscellaneous	84,373	84,386	(13)	-0.02%
Professional fees	162,305	119,018	43,287	26.67%
Telephone & fax	101,141	99,314	1,827	1.81%
Vehicle operations	187,450	163,007	24,443	13.04%
	3,045,553	3,049,073	(3,520)	-0.12%
* 2016 Budget reallocated to maintain comparability to actual forecast.				

Proposed 2017 Budget

By Nancy Gomerich, Director of Finance
Meeting of October 26, 2016

PURPOSE OF THIS REPORT

To provide an overview of the Proposed 2017 Budget (“budget”).

EXECUTIVE SUMMARY

The Proposed 2017 Budget provides two options for Board consideration:

Option 1: BASE

An increase in total Member Assessment of \$744,326 or 3.10% over 2016.

Option 2: BASE + Additional 2% on Materials (bringing to 4%)

An increase in total Member Assessment of \$825,600 or 3.44% over 2016.

Option 1 maintains 2016 operations with the exception of spending levels for materials due to the significant impacts of the US:Canadian exchange rate in recent years.

Option 2 provides additional funding for materials, reducing the impact of the US:Canadian exchange rate.

Both Options:

- Include an increase of 0.73%, being year two of a three-year phased funding increase for IT capital spending as per the IT Long Term Capital Plan necessary to sustain current IT services.
- Are less than the May 2016 Board report forecast rate increase of 3.45% to 4.30%.
- Are based on estimates for salary and most benefits rate changes, which compose about 70% of total operating expenditures. As union negotiations are pending, details of these assumptions are deferred to the *in camera* meeting, *Proposed 2017 Budget Report*.

In 2017, in addition to member assessment, each member will be charged their 1/10 share of the actuarial-determined unfunded future benefit liability for post retirement and longer-term sick leave benefits, to the extent that it cannot be fully funded from the respective Municipal

Salary and Benefit Reserve. In 2017 only the City of White Rock and Village of Harrison Hot Springs will be assessed for this past service cost, in the amount of \$7,824 and \$516 respectively.

Under the Library Act, and as confirmed by legal counsel, the budget for any year must be approved by the Board before the end of the immediately preceding year. The recommended approach to achieve approval prior to December 31 is to hold the weighted vote at the November 2016 meeting, with selection of the Board-preferred budget option at the October 2016 meeting.

2017 BUDGET IMPROVEMENTS

At the start of the 2017 budget process (cf. May Board Report - *2017 Budget Overview*), three goals were set targeting various improvements:

1. a long term capital plan for FVRL's Administrative Centre and equipment;
2. an overall financial management policy;
3. a high-level five-year financial budget forecast.

Targets 2 and 3 have been met. The Financial Management Policy was approved by the Board at the September Board meeting, and the later forecast is included in this report.

Target 1 has been deferred to the 2018 budget process for the following reasons:

- a comprehensive condition assessment of the Administrative Centre building found it to be a quality building that has been well maintained, with no major near-term needs;
- the reality that, despite the likely identification of longer-term funding requirements, there are other priority financial issues to be addressed with the limited budget funds.

BUDGET DEVELOPMENT PROCESS

Overview

The budget development process for fiscal 2017 was similar to the prior year:

- All department budgets were prepared by the department managers, following guidelines and targets set by the executive management team with support from the finance department.
- Upon completion, the manager-prepared budgets were reviewed by their respective director and the finance team to ensure that they met the set guidelines and targets.
- The submitted budgets were then finalized by the executive management team.

Guidelines and Targets

Guidelines and targets set by the executive management team included:

1. continue with the implementation of the integrated service experience at the libraries, with a focus on increasing efficiencies and improving value with the same/similar resourcing level;
2. consider and support FVRL strategic plan directions and initiatives;
3. maintain existing service levels;
4. department budget net expense submissions—before salary and benefit increases—to be no greater than the 2016 budget net expense submissions plus 1%, or 2% for materials; and
5. all new services and/or enhanced funding requirements to be identified separately.

Board and Member Finance Officer Communication

Communications, outside of FVRL staff included:

- May Board Report, *2017 Budget Overview*, including a review of FVRL's financial position and a high-level 2017 financial forecast, presented to both the Board and the member finance officers.
- Three meetings with member finance officers to develop the Financial Management Policy, which solidified the budget framework, process and related financial principles and policy that have guided the 2017 budget development.
- An early October meeting with member finance officers presenting the draft proposed budget and key components thereof.

BUDGET FINANCIAL OVERVIEW

The Proposed 2017 Budget provides two options for Board consideration:

Option 1: BASE

An increase in total Member Assessment of \$744,326 or 3.10% over 2016.

Option 2: BASE + Additional 2% on Materials (bringing to 4%)

An increase in total Member Assessment of \$825,600 or 3.44% over 2016.

Table A on the next page further explains these options. See also the *in camera* meeting, *2017 Proposed Budget Report*, for additional details.

TABLE A			
Budget Option	2016 Member Assessment	Change From 2016 Budget	
		Dollar	Percentage*
2016 Budget	\$23,972,712	n/a	n/a
OPTION 1: 2017 BASE Budget			
On-going revenue and expense requirements* <ul style="list-style-type: none"> • 2017 provincial grants at 2016 levels • FVRL fine revenues remain steady • 2016's public service levels are maintained or increased • Includes impact of inflation/cost escalations (but excluding the full impact of the US:Cdn exchange rate on material purchases) • Staffing full time equivalents maintained • Salary and most benefit rate increases, are estimated 	\$24,507,710	\$534,998	2.23%
Plus: IT Capital "Catch-up" Funding; Year 2 of 3 <ul style="list-style-type: none"> • As per the <i>IT Long-Term Capital Plan</i> • Necessary to <u>sustain current</u> IT services 	24,682,460	174,750	0.73%
Plus: Fine Revenue Trsfr. to Reserves; Year 1 of 10 <ul style="list-style-type: none"> • The <i>Financial Management Policy</i> identifies fine revenues as a funding source for the Library Collections Reserve (current balance about \$38,000) and the i(dea)Centre & Innovation Reserve (Current balance of \$0), with funding to be phased in over a number of years • Reduces reliance on a decreasing, volatile funding source for on-going operations 	24,717,038	34,578	0.14%
OPTION 1 TOTAL	\$24,717,038	\$744,326	3.10%
OPTION 2: Additional 2% for Materials (total increase in materials spending of 4%)	24,798,312	81,274	0.34%
OPTION 2 TOTAL	\$24,798,312	\$825,600	3.44%

*Percentage and dollar change from 2016 budget shown for each line-item is the impact of the *additional* expenditures included in that line-item, as compared to the immediately preceding line-item.

CAPITAL EXPENDITURES

Included in both option are the following capital expenditures:

Information Systems	
150 Monitors*	45,000
75 Personal computers*	68,000
185 Public internet terminals*	84,000
25 Laptops & projectors*	24,000
25 Library digital signboards	38,000
Software licensing (500)	38,000
25 Network switches	63,000
Total	360,000
* portion only	

AC* Building & Equipment	
AC - Flooring	100,000
AC - Mens washrooms	20,000
AC - repave parking lot	25,000
AC - misc building work	25,000
AC - misc office equipment	15,000
Vehicles - upgrade box	5,000
Libraries - replace cash registers	35,000
Total	225,000
* AC = Administration Building	

- IT expenditures are all regular, cyclical refresh/upgrade works.
- Administrative Centre works continue workspace improvements started in fiscal 2016.
- All capital expenditures are fully funded from their designated Reserve.

HIGH-LEVEL FIVE YEAR FINANCIAL BUDGET FORECAST

- For perspective, a 1% increase in Member Assessment raises an additional \$240,000 per year.
- This forecast is very high-level and will be refined through the development of a more detailed long-term financial plan in coming years.

TABLE B High Level Five Year Financial Forecast - Average Member Assessment Increase						
		2017	2018	2019	2020	2021
Maintain Operations	(1)		2.17%	2.17%	2.17%	2.17%
IT Capital	(2)		1.00%			
AC Building & Equip. Capital	(3)			0.55%	0.55%	0.55%
Service Level Increases	(4)		0.27%	0.27%	0.27%	0.27%
			3.45%	3.00%	3.00%	3.00%

- (1) 2% per year based on current and forecast inflation/cost escalation rates.
Assume grants and other revenues, which compose about 8% of revenue remain unchanged. Assumes no increase in full time equivalent staff, meaning that services will be maintained, to an expanded customer base (due at a minimum to growing population), through gained efficiencies and cost savings in other areas.
- (2) Time limited phased rate increase for IT capital expenditures to sustain current services.
- (3) This estimate is **very high-level** as the necessary level of financial analysis has not been completed. The forecast considers:
- building replacement value,
 - components that would typically be replaced over the life of the building and their useful lives,
 - the current good condition of the building with no significant immediate-future needs, and

- that funding will be set only to maintain the existing building with no significant expansion (when such works are required funding would be sought via long-term debt).

Accordingly funding requirements can be phased in over a longer period of time.

- (4) Service level increases in a variety of areas are possible, including materials expansion to non-traditional items in response to sharing economy demands, expansion of community focused programming, expansion of information services, etc. Assumes a 0.25% annual average increase.

ATTACHMENTS

- Attachment A: 2017 Budget Options, Impacts by Member
Attachment B: 2017 Budget, Option 1, Member Assessment Worksheet
Attachment C: 2017 Budget, Option 1, Financial Statements-Statement of Operations
Attachment D: 2017 Budget, Option 1, Balanced Budget Reconciliation

Attachments B and C provide different perspectives on the proposed 2017 Budget. Both documents provide useful information, but are organized differently because they seek to fulfill different purposes.

Attachment B, Member Assessment Worksheet: The Member Assessment Worksheet identifies the key categories of revenues, expenses and other sources and uses of funds, broken out primarily by major service area. This format:

- Is both familiar to, and useful for, the Board in considering the respective budget increase.
- Supports application of the current funding formula that allocates the various categories to members in different ways.

Attachment C, Statement of Operations: The Statement of Operations summarizes the revenues, expenses and other sources and uses of funds, in the manner required under the accounting standards for the audited annual financial statements.

- This statement identifies the extent to which revenues of the period are sufficient to cover the costs of goods and services consumed in the period to deliver FVRL services.

Direct line-by-line comparison (agreement) between Attachment B and C is only possible for some line items due to the difference in how the items are summarized in order to meet the different requirements of these two documents.

Attachment D: Attachment D is a reconciliation from the Statement of Operations budgeted surplus to a “balanced budget” where total budgeted use of funds (i.e. expenses, transfers to reserves or surplus, or debt principle repayments) are fully offset by total budgeted source of funds (i.e. revenues, transfers from reserves and surplus, or debt). *This reconciliation demonstrates that the budget is balanced.*

ATTACHMENT A: 2017 BUDGET OPTIONS, IMPACTS BY MEMBER

	FVRD	Kent (1)	Hope	Chilliwack	Metro Vancouver	Harrison Hot Springs	Abbotsford	Mission
2016 Member Assessment*	248,530	299,571	318,178	3,022,326	2,000	61,346	3,883,431	1,324,647
2017 Member Assessment*								
<i>Option 1 - Base</i>	249,772	314,248	327,680	3,115,848	2,000	63,251	4,003,900	1,358,437
Dollar Change over 2016	1,242	14,677	9,502	93,522	0	1,905	120,469	33,790
Percent Change over 2016	0.50%	4.90%	2.99%	3.09%	0.00%	3.10%	3.10%	2.55%
<i>Option 2 - Base+2% for Materials (4%total)</i>	251,673	314,743	328,278	3,125,557	2,000	63,459	4,020,105	1,362,792
Dollar Change over 2016	3,143	15,172	10,100	103,231	0	2,113	136,674	38,145
Percent Change over 2016	1.26%	5.06%	3.17%	3.42%	0.00%	3.44%	3.52%	2.88%
<i>Unfunded Actuarial Liability Assessment** (for fiscal 2017 only)</i>	0	0	0	0	0	516	0	0

	Langley City (2)	Langley Township	White Rock	Delta	Port Coquitlam	Maple Ridge (3)	Pitt Meadows (4)	Total Member Assessment
2016 Member Assessment*	1,245,824	3,957,958	870,288	3,494,212	1,663,453	2,628,002	952,946	23,972,712
2017 Member Assessment*								
<i>Option 1 - Base</i>	1,290,285	4,081,349	896,641	3,599,167	1,708,504	2,718,761	987,196	24,717,038
Dollar Change over 2016	44,461	123,391	26,353	104,955	45,051	90,759	34,250	744,326
Percent Change over 2016	3.57%	3.12%	3.03%	3.00%	2.71%	3.45%	3.59%	3.10%
<i>Option 2 - Base+2% for Materials (4%total)</i>	1,293,311	4,094,504	898,750	3,610,473	1,715,405	2,727,942	989,319	24,798,312
Dollar Change over 2016	47,487	136,546	28,462	116,261	51,952	99,940	36,373	825,600
Percent Change over 2016	3.81%	3.45%	3.27%	3.33%	3.12%	3.80%	3.82%	3.44%
<i>Unfunded Actuarial Liability Assessment** (for fiscal 2017 only)</i>	0	0	7,824	0	0	0	0	0

ATTACHMENT A: 2017 BUDGET OPTIONS, IMPACTS BY MEMBER (continued)

Notes

* Member Assessment only. All options do not include a voluntary transfer, by the District of Maple Ridge, to FVRL for future self check-IN Unit (or other capital works) replacement (\$40,000 annually).

** An actuarial estimate of post retirement and longer-term sick leave costs (and other similar items), valued the amount owing to employees (i.e. the liability) for these benefits at about \$2M more than what FVRL had previously estimated, referred to as an “unfunded liability.” These costs are part of the costs of providing past services, even though they will be paid out in future years. In accordance with the May/2016 Board resolution, Members are required to fund their portion of the unfunded liability over a ten year period, either via any balance in their respective Municipal Salary and Benefit Reserve and/or an additional annual assessment.

(1),(2),(3),(4) Members will have a rate increase higher or lower than FVRL average overall increase of 3.10% due to:

- the impacts of the applied funding formula, and
- changes in revenues or expenses for direct services that differ from the FVRL average.

Note that while the percentage difference may seem significant, the actual dollar impact is often nominal. The primary explanation for those Members with rate increases higher than the 3.10 average (option 1) is as follows:

- (1) Kent - Higher (at 4.90%) due to a combination of: (a) Higher direct salary and benefits due in part to staff composition (increase in salary and benefits about 2.8% compared to average of 2.28%), impact about \$1,000; (b) Lower share of Harrison Adjustment (80% in 2016 to 76% in 2017), impact about \$2,500; and (c) Higher increase in population than average (was 5.18% increase compared to average of 1.86%), impact about \$1,700. If adjustments are made for these items, Kent’s increase would be 3.17% (i.e. very close to the 3.10% average). The additional dollar cost of being at 4.90% instead of 3.10% is \$5,391.
- (2) Langley City - Higher (at 3.57%) due primarily to higher increase in population than average; adjusting to average would bring the increase to 3.24%. The additional dollar cost of being at 3.57% instead of 3.10% is \$5,844.
- (3) Maple Ridge - Higher (at 3.45%) due primarily to higher salary and benefit increase due primarily to impacts of regular step increases for new senior positions; adjusting to average would bring increase to 3.13%. The additional dollar cost of being at 3.45% instead of 3.10% is \$9,298.
- (4) Pitt Meadows - Higher (at 3.59%) due primarily to higher population growth than average; adjusting to average would bring increase to 3.13%. The additional dollar cost of being at 3.59% instead of 3.10% is \$4,711.

ATTACHMENT B: 2017 BUDGET OPTION 1, MEMBER ASSESSMENT WORKSHEET

Description	FVRD	Kent (1)	Hope	Chilliwack	Metro Vancouver	Harrison Hot Springs	Abbotsford	Mission	Langley City (2)
DIRECT CHARGES									
Salary & benefits	86,269	213,131	191,519	1,793,053			2,242,255	801,909	735,345
Other direct charges	4,045	9,213	8,579	76,402			59,878	20,149	28,750
Subtotal: Total Direct Charges	90,314	222,344	200,098	1,869,455			2,302,133	822,058	764,095
LIBRARY REVENUE & PROVINCIAL GRANT									
Library Revenue (direct revenue)	(677)	(7,207)	(6,263)	(58,636)			(86,832)	(32,464)	(23,503)
Provincial Grant (allocated based on population)	(28,611)	(11,036)	(10,179)	(154,728)	(273)		(252,066)	(68,960)	(49,413)
Subtotal: Total Library Revenue & Provincial Grant	(29,288)	(18,243)	(16,442)	(213,364)	(273)		(338,899)	(101,424)	(72,916)
SHARED SERVICES (see basis of allocation below *)									
Information systems	15,391	50,021	46,173	284,735			300,126	115,433	176,997
Human resources & payroll	6,214	14,135	12,632	131,014			162,274	57,106	53,929
Vehicle/delivery operations	12,439	12,319	12,319	71,641			65,542	29,661	29,661
Support services (library materials, inter-library loans)	111,842	43,139	39,790	604,837	1,065		985,335	269,568	193,156
Customer Experience (programs, LiLi, outreach, interlink)	21,536	8,307	7,662	116,463	205		189,729	51,906	37,193
Donor relations	552	213	196	2,983	5		4,860	1,330	953
Corporate support (CEO, board, finance, building, system-wide)	15,900	23,068	20,999	199,119	70		254,898	86,489	82,145
Marketing & Communications	4,882	7,083	6,447	61,134	21		78,260	26,554	25,220
Subtotal: Total Shared Services	188,755	158,285	146,218	1,471,927	1,367		2,041,024	638,047	599,254
TOTAL BUDGET BEFORE ADJUSTMENTS	249,782	362,386	329,874	3,128,018	1,094		4,004,258	1,358,680	1,290,433
ADJUSTMENTS: (see basis of allocation below *)									
Adjustment for Minimum: Metro Vancouver to \$2,000	(9)	(13)	(12)	(115)	906		(147)	(50)	(47)
Adjustment: For Harrison Hot Springs Usage		(48,125)	(2,182)	(12,055)		63,251	(212)	(193)	(101)
2017 TOTAL ASSESSMENT	249,772	314,248	327,680	3,115,848	2,000	63,251	4,003,900	1,358,437	1,290,285
2017 Assessment Per Capita	15.55	50.73	57.35	35.87	13.07	45.90	28.30	35.09	46.52
Voluntary Transfer for library capital									
2017 TOTAL ASSESSMENT & TRANSFER	249,772	314,248	327,680	3,115,848	2,000	63,251	4,003,900	1,358,437	1,290,285
MEMBER ASSESSMENT COMPARISON TO PRIOR YEAR									
2016 Approved Member Assessment	248,530	299,571	318,178	3,022,326	2,000	61,346	3,883,431	1,324,647	1,245,824
Difference - \$	1,242	14,677	9,502	93,522		1,905	120,469	33,790	44,461
Difference - %	0.50%	4.90%	2.99%	3.09%		3.10%	3.10%	2.55%	3.57%
Incr/(Decr.) to Assessment to BE AVERAGE	6,461	(5,391)	360	162	62	(3)	(93)	7,270	(5,844)

ATTACHMENT B: 2017 BUDGET OPTION 1, MEMBER ASSESSMENT WORKSHEET (continued)

Description	Langley City (2)	Langley Township	White Rock	Delta	Port Coquitlam	Maple Ridge (3)	Pitt Meadows (4)	2017 TOTAL FVRL	2016 TOTAL FVRL	Difference \$ (2017-2016 Budget)	Difference % (2017-2016 Budget) / (2016 Budget)
DIRECT CHARGES											
Salary & benefits	735,345	2,321,516	538,917	2,060,467	930,367	1,482,766	555,766	13,953,279	13,642,578	310,701	2.28%
Other direct charges	28,750	70,838	21,010	52,561	23,625	65,359	67,341	507,750	530,806	(23,056)	-4.34%
Subtotal: Total Direct Charges	764,095	2,392,354	559,927	2,113,028	953,992	1,548,125	623,107	14,461,029	14,173,384	287,645	2.03%
LIBRARY REVENUE & PROVINCIAL GRANT											
Library Revenue (direct revenue)	(23,503)	(75,314)	(17,171)	(67,444)	(27,443)	(55,489)	(11,180)	(469,623)	(470,859)	1,236	-0.26%
Provincial Grant (allocated based on population)	(49,413)	(208,181)	(34,429)	(179,303)	(107,355)	(144,734)	(35,008)	(1,284,277)	(1,284,000)	(277)	0.02%
Subtotal: Total Library Revenue & Provincial Grant	(72,916)	(283,495)	(51,601)	(246,746)	(134,798)	(200,224)	(46,188)	(1,753,900)	(1,754,859)	959	-0.05%
SHARED SERVICES (see basis of allocation below *)											
Information systems	176,997	384,777	84,651	377,081	150,063	334,756	107,738	2,427,942	2,230,909	197,033	8.83%
Human resources & payroll	53,929	163,606	38,343	146,756	64,965	102,887	39,293	993,154	996,963	(3,809)	-0.38%
Vehicle/delivery operations	29,661	110,273	29,661	70,445	29,661	29,661	17,342	520,625	530,666	(10,041)	-1.89%
Support services (library materials, inter-library loans)	193,156	813,787	134,585	700,900	419,654	565,772	136,849	5,020,281	4,794,702	225,579	4.70%
Customer Experience (programs, LiLi, outreach, interlink)	37,193	156,697	25,915	134,960	80,806	108,941	26,351	966,670	970,251	(3,581)	-0.37%
Donor relations	953	4,014	664	3,457	2,070	2,790	675	24,761	24,683	78	0.31%
Corporate support (CEO, board, finance, building, system-wide)	82,145	259,821	57,084	229,122	108,762	173,078	62,848	1,573,403	1,545,023	28,380	1.84%
Marketing & Communications	25,220	79,771	17,526	70,346	33,392	53,139	19,297	483,074	460,990	22,084	4.79%
Subtotal: Total Shared Services	599,254	1,972,746	388,430	1,733,069	889,373	1,371,024	410,391	12,009,909	11,554,187	455,722	3.94%
TOTAL BUDGET BEFORE ADJUSTMENTS	1,290,433	4,081,605	896,756	3,599,350	1,708,567	2,718,925	987,310	24,717,038	23,972,712	744,326	3.10%
ADJUSTMENTS: (see basis of allocation below *)											
Adjustment for Minimum: Metro Vancouver to \$2,000	(47)	(150)	(33)	(132)	(63)	(100)	(36)	0			
Adjustment: For Harrison Hot Springs Usage	(101)	(106)	(83)	(51)		(64)	(78)	(0)			
2017 TOTAL ASSESSMENT	1,290,285	4,081,349	896,641	3,599,167	1,708,504	2,718,761	987,196	24,717,038	23,972,712	744,326	3.10%
2017 Assessment Per Capita	46.52	34.92	46.39	35.76	28.35	33.46	50.23	34.28		744,326	
Voluntary Transfer for library capital						40,000		40,000	40,000		
2017 TOTAL ASSESSMENT & TRANSFER	1,290,285	4,081,349	896,641	3,599,167	1,708,504	2,758,761	987,196	24,757,038	24,012,712	744,326	3.10%
MEMBER ASSESSMENT COMPARISON TO PRIOR YEAR											
2016 Approved Member Assessment	1,245,824	3,957,958	870,288	3,494,212	1,663,453	2,628,002	952,946		23,972,712		
Difference - \$	44,461	123,391	26,353	104,955	45,051	90,759	34,250		744,326		
Difference - %	3.57%	3.12%	3.03%	3.00%	2.71%	3.45%	3.59%		3.10%		
Incr/(Decr.) to Assessment to BE AVERAGE	(5,844)	(706)	624	3,355	6,511	(9,298)	(4,711)				

ATTACHMENT B: 2017 BUDGET OPTION 1, MEMBER ASSESSMENT WORKSHEET (continued)

Note: Member Finance Officers have been provided with a Detailed Member Assessment Worksheet that details the various line items that accumulate to the above shown categories, supplemented with explanations for all material changes for 2017 as compared to 2016.

*** Basis of Allocation**

Information systems - number of personal computers and self check-out units at Member Librar(ies).

Human resources & payroll - full time equivalent staff for budget year.

Vehicle/delivery operations - number of deliveries to library estimated for budget year.

Support services - population per BC Statistics.

Customer Experience - population per BC Statistics.

Donor relations - population per BC Statistics.

Corporate Support, Marketing & Communications - percentage of net budget before these service areas.

Adjustment: Metro Vancouver - percentage of budget before adjustments.

Adjustment: Harrison Hot Springs - circulation at Member Librar(ies) by Harrison residents.

(1), (2), (3), (4) See respective notes in Attachment A.

ATTACHMENT C: 2017 BUDGET, OPTION 1, FINANCIAL STATEMENT-STATEMENT OF OPERATIONS

<i>"Good"=Positive; "Bad"=Negative</i>				
Variance (b/w 2017&2016 Budget)				
	2016 Budget	2017 Budget-Option 1	Difference Dollar	Difference Percentage
REVENUES				
Member assessments	23,972,712	24,717,038	744,326	3.10%
Government grants	1,425,500	1,421,266	(4,234)	-0.30%
Donations	150,000	150,000	0	0.00%
Fines	355,909	345,789	(10,120)	-2.84%
Fees and other revenues	178,915	211,751	32,836	18.35%
	26,083,036	26,845,844	762,808	2.92%
EXPENSES				
Salaries and benefits	18,358,989	18,844,414	(485,425)	-2.64%
Library materials	1,006,792	1,039,000	(32,208)	-3.20%
Operations (Schedule)	3,045,553	3,011,055	34,498	1.13%
Library interlink	120,000	115,000	5,000	4.17%
Amortization	3,642,156	3,642,156	0	0.00%
	26,173,490	26,651,625	(478,135)	-1.83%
ANNUAL SURPLUS/(DEFICIT)	(90,454)	194,220	284,674	-314.72%

ATTACHMENT C: 2017 BUDGET, OPTION 1, FINANCIAL STATEMENT-STATEMENT OF OPERATIONS (continued)

Operations Expenses Schedule

			<i>"Good"=Positive; "Bad"=Negative</i>	
			Variance (b/w 2017&2016 Budget)	
	2016 Budget	2017 Budget-Option 1	Difference Dollar	Difference Percentage
Administration & board	87,021	88,280	(1,259)	-1.45%
Banking	46,000	47,000	(1,000)	-2.17%
Interest on capital lease	13,550	7,481	6,069	44.79%
FVRL AC building	355,600	359,542	(3,942)	-1.11%
Information systems	908,200	911,512	(3,312)	-0.36%
Furniture & equipment	95,203	76,307	18,896	19.85%
Human resources	222,900	223,944	(1,044)	-0.47%
Library programs	279,290	282,389	(3,099)	-1.11%
Marketing	170,308	165,307	5,001	2.94%
Office supplies	270,179	256,269	13,910	5.15%
Other library expenses	12,081	5,000	7,081	58.61%
Postage and courier	49,951	49,094	857	1.72%
Milage, meeting and misc.	84,373	90,371	(5,998)	-7.11%
Professional fees	162,305	172,655	(10,350)	-6.38%
Telephone & fax	101,141	102,659	(1,518)	-1.50%
Vehicle operations	187,450	173,245	14,205	7.58%
	3,045,552	3,011,055	34,497	1.13%

ATTACHMENT D: 2017 BUDGET, OPTION 1, BALANCED BUDGET RECONCILIATION

This schedule demonstrates that budgeted sources of funds equal uses of funds.

	2016 Budget	2017 Budget-Option 1	Variance (b/w 2017&2016 Budget)	
			Difference Dollar	Difference Percentage
ANNUAL SURPLUS/(DEFICIT)	(90,454)	194,220	284,674	-314.72%
Other Sources and Uses of Funds				
Remove non-cash items included in the surplus/(deficit):				
Amortization expense	3,642,156	3,642,156	0	0.00%
Prepaid expense				
Add-in cash transactions that are not revenues or expenses (not included in the surplus/deficit):				
Capital expenditures - materials	(3,108,919)	(3,157,985)	(49,066)	1.58%
Capital expenditures - other	(410,600)	(585,000)	(174,400)	42.47%
Lease principle payments - ERP	(93,300)	(97,063)	(3,763)	4.03%
Lease principle payments - ChargeBar	(67,800)	0	67,800	-100.00%
<i>For- Interest earnings</i>	0	(15,000)	(15,000)	
<i>For - AC Building & Equip Capital</i>	(89,483)	(90,379)	(896)	1.00%
<i>For - IT Capital</i>	(262,250)	(441,370)	(179,120)	68.30%
<i>For - i(dea)Centre</i>	0	(8,645)	(8,645)	
<i>For - Library Collections</i>	0	(25,934)	(25,934)	
Transfers to Reserves	(351,733)	(581,328)	(229,595)	65.28%
<i>For- IT Capital</i>	345,600	360,000	14,400	4.17%
<i>For - AC Building Capital</i>	50,000	205,000	155,000	310.00%
<i>For - AC Equipment Capital</i>	15,000	15,000	0	0.00%
<i>For - Shipping Capital</i>	0	5,000	5,000	
Transfers from Reserves	410,600	585,000	174,400	42.47%
Transfers from Unappropriated Surplus	70,050	0		
	0	0		

Proposed Gift Acceptance Policy

By Scott Hargrove, Chief Executive Officer
Meeting of October 26, 2016

BACKGROUND

Fraser Valley Regional Library is a registered charity and the Gift Acceptance Policy proposed in this report is one more step toward FVRL's fulfillment of Imagine Canada's *Standards Program for Canada's Charities and Nonprofits*. This proposed policy is based upon the sample policy recommended to FVRL by consultant Vivian Smith, CFRE and president, Liberty Quest Enterprises.

Imagine Canada is Canada's umbrella organization for charities and nonprofits, and defined a Canada-wide set of 73 shared standards for charities and nonprofits to strengthen capacity in five areas: Board governance, financial accountability and transparency, fundraising, staff management, and volunteer involvement. Regarding fundraising practices, Imagine Canada's standard states:

The organization has a gift acceptance policy, a policy on the treatment of restricted or designated gifts, and naming and endowment policies. The relevance and appropriateness of these policies are reviewed every three years by the board.

The proposed policy addresses gift acceptance as well as treatment of restricted or designated gifts.

Naming and endowment policies will be developed in the near future.

RECOMMENDATION

THAT the FVRL Board approve the proposed Gift Acceptance Policy.

PROPOSED GIFT ACCEPTANCE POLICY

GIFTS TO FRASER VALLEY REGIONAL LIBRARY

Fraser Valley Regional Library District (also referred to as Fraser Valley Regional Library, FVRL) encourages charitable gifts and sponsorships for programming, facilities, equipment, library materials, furniture, operations and endowments so long as they comply with the regulations of the Canada Revenue Agency (CRA) that govern charities. This includes gifts of cash, gifts-in-kind, securities, life insurance policies, artwork, annuities, trusts and bequests.

All donations shall be used to support FVRL's goals, as registered with CRA. FVRL will always encourage donations and sponsorships that are general in nature before recommending donations to restricted funds, endowments, special events or capital projects.

FVRL will provide reports including audited financial reports to supporters and provide additional detail regarding the use of donated funds if/when requested.

FVRL accepts and issues tax receipts for donations of \$20 and up.

POLICY RATIONALE

Gift policies are important in ensuring that donations are used to further the mission of FVRL and include appropriate consideration of donors' objectives. They provide clarification of the roles, responsibilities and expectations of both FVRL and its donors. Gift policies provide guidance for the FVRL Board decision-making and ensure that gifts to FVRL are made in accordance with legal and ethical regulations and guidelines. They promote consistent practices and exercise of fiduciary responsibility, and they protect FVRL from potential liability related to gifts that come with sometimes unforeseen financial consequences.

SUPPORTING DONOR-RELATED POLICIES

1. FVRL will abide by all laws, rules and regulations governing the charitable sector (particularly the Income Tax Act) and demonstrate its commitment to donors through an endorsement of the principles outlined in the Imagine Canada Standards Program for Charities and Nonprofits.
2. Persons acting on behalf of FVRL in all cases shall encourage donors to discuss their proposed gifts with independent legal and/or tax advisors of the donors' choice so as to

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ensure that donors receive a full and accurate explanation of all aspects of the proposed charitable gift.

3. Staff members are authorized to negotiate planned gift agreements with prospective donors, following guidelines approved by the FVRL Board. Gifts will be planned to benefit the community through FVRL and to effectively reflect donors' charitable interests.
4. Persons acting on behalf of FVRL shall inform, guide or otherwise assist donors who wish to support FVRL's activities, but never under any circumstances are they to pressure or unduly persuade.
5. FVRL will develop an agreement with all donors with respect to the name, nature and use of their gifts at the time a gift is made. A gift expressed unilaterally (such as a gift made by a Will) may create some difficulties for FVRL in that it will not have an opportunity to work with the donor to make the gift workable from FVRL's standpoint.
6. The FVRL Board reserves the right to decline acceptance of a gift based on:
 - a. lack of congruency with FVRL's mission;
 - b. desire of the donor to exert unacceptable conditions or controls over disbursement of the net income from the gift;
 - c. cost of ownership implications related to administration time, management and marketability of the gift;
 - d. unacceptable risks;
 - e. gifts that are illegal; or
 - f. other factors agreed to by the FVRL Board.
7. FVRL will not serve as executor of a donors' will.
8. Donors' wishes regarding recognition or anonymity regarding a gift will be respected, provided that any recognition is congruent with FVRL's usual standards of practice and legal requirements.
9. Appraisals for the purposes of establishing the amount of the charitable tax receipt shall be the responsibility of the donor of gifts-in-kind.

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GIFT ACCEPTANCE COMMITTEE

This committee will consist of the Chief Executive Officer, the FVRL Board Chair, and the Donor Relations Coordinator or designates. It will be responsible for making recommendations to the FVRL Board on the acceptance and designation of gifts.

THE NATURE OF PROPERTY GIVEN TO FVRL

1. FVRL routinely accepts only property that is readily marketable at reasonable cost such as cash, publicly traded securities, and deposit instruments of a government in Canada or financial institution. It is FVRL policy to convert all gifts immediately into cash, to be invested in accordance with the FVRL Board's investment policies.
2. FVRL recognizes that donors occasionally will wish to give property that is not described in the previous paragraph, such as real estate, works of art, private corporation shares, and residuary interest in trusts. While the FVRL is generally pleased to accept these gifts, it has to evaluate whether there may be hidden costs in accepting such property. It therefore reserves the discretion to decline a gift of property because of the nature of the property that is being offered.

Factors that FVRL will take into account are:

- a. the possibility that the nature of the property will prevent immediate realization;
- b. the likelihood that the value of the property will be a matter of differing opinions and the potential for a valuation dispute with CRA;
- c. the potential carrying cost and environmental risk associated with owning the property;
- d. the potential for controversy associated with owning the property; and
- e. whether a satisfactory arrangement can be made with the donor with respect to the costs of evaluation, maintenance and disposition.

In general FVRL expects the donor to bear the costs associated with the settlement of the gift to FVRL and the issuance of a receipt therefore, which includes the cost of valuation. FVRL will charge the proceeds of disposition of the gift, rather than its other funds or its general operating expenses, with the costs of maintenance and disposition of the property.

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3. FVRL also reserves the right to refuse or to accept property, the origin of which may bring the FVRL into dispute.
4. FVRL will not accept donations of any kind that are derived or reasonably believed to be derived from the proceeds of crime. The FVRL will not accept donations of any kind that it believes may be a scheme or part of a scheme to evade the payment of income tax.
5. FVRL will not accept donations from individuals, businesses or organizations whose actions, or actions of any parent or associated organization, are inconsistent with the mission of FVRL or the Library Act.
6. FVRL reserves the right to refuse any gift or donation which it believes offends generally accepted standards of morals or any gift or donation that it believes will harm the reputation of FVRL, render it open to public contempt, disgrace or criticism or which would hinder the mandate of FVRL.

ACCEPTABLE FORMS OF UNRESTRICTED GIFTS

1. **Cash** - Gifts by cash, cheque or credit card are accepted.
2. **Publicly Traded Securities** - Listed securities or securities actively traded over-the-counter are acceptable as outright gifts or payments toward pledges at their market value on the date of the gift. As a general rule, all marketable securities shall be sold upon receipt. Gifts will be reviewed prior to acceptance to determine that:
 - a. there are no restrictions on the security that would prevent converting those assets to cash,
 - b. the security is marketable and
 - c. the security will not generate any undesirable tax consequences.

FVRL reserves the right to seek outside professional counsel before making a final decision on accepting the gift. Every effort will be made to sell non-marketable securities as quickly as possible.

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3. **Closely Held Securities** - Closely held securities can be accepted subject to the approval of the FVRL Board. Gifts will be reviewed prior to acceptance to determine that:
 - a. there are no restrictions on the security that would prevent converting those assets to cash;
 - b. the security is marketable and
 - c. the security will not generate any undesirable tax consequences.

FVRL reserves the right to seek outside professional counsel before making a final decision on accepting the gift. Every effort will be made to sell non-marketable securities as quickly as possible.

4. **Books and audiovisual materials (CDs, DVDs, etc.)** - At its sole discretion, FVRL may accept donations of books and audiovisual materials, which are then sold at periodic book sales or donated to other local groups.
5. **Artwork** - All artwork being considered for donating to FVRL must be ready for display, and the cost associated with this may be part of the fair market value of the artwork. The FVRL Gift Acceptance Committee will approve all submitted work.

Accepted artwork will become the sole and exclusive property of FVRL and can be used for any purpose deemed acceptable by the Committee.

6. **Other Tangible Personal Property** - FVRL will use the following criteria, and additional criteria as appropriate, to determine the acceptance of tangible personal property other than books and audiovisual material:
 - a. Does the property fulfill the mission of FVRL?
 - b. Is the property marketable?
 - c. Are there any restrictions on the use, display or sale of the property?
 - d. Are there any carrying costs for the property?
7. **Real Estate** - Gifts of real estate may include developed or undeveloped property. The FVRL Board must approve a gift of real estate prior to acceptance.

FVRL reserves the right to seek outside professional counsel before making a final decision on accepting the gift.

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Criteria for acceptance of the property include:

- a. Is the property marketable?
 - b. Are there any restrictions, easements or other limitations associated with the property?
 - c. Are there carrying costs, which may include insurance, property taxes, mortgages or notes, associated with the property?
 - d. Does an environmental audit reflect that the property is not damaged?
-
8. **Gifts of Insurance** - Gifts of life insurance policies may be made by naming Fraser Valley Regional Library District as the owner and irrevocable beneficiary of the policies. If the donor does not elect to continue to make gifts to cover premium payments on the life insurance policy, FVRL may, upon the recommendation of the Gift Acceptance Committee, continue to pay the premiums or surrender the policy for its current cash value.
 9. **Bequests** - Donors are encouraged to make bequests to Fraser Valley Regional Library District under their wills and trusts. Such bequests will not be recorded as gifts until the gift is irrevocable.
 10. **Retirement Plan Beneficiary Designation** - Supporters are encouraged to name FVRL as beneficiary or contingent beneficiary of retirement plans. Such designations will not be recorded as gifts until such time the gift is irrevocable.
 11. **Corporate Matching Gifts** - Gifts received in cash from organisations or corporations to match gifts of cash or securities made by individuals who are associated with that corporation or organisation will be credited to the individual donor's original gift that is being matched.
 12. **Charitable Remainder Trusts** - Charitable remainder trusts provide a life income to donors or other named individuals with the remainder of the trust ultimately passing to FVRL. FVRL may accept designation as remainder beneficiary of a charitable remainder trust with the approval of the FVRL Board.

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RESTRICTED GIFTS

Major restricted gifts are those given for a specific purpose designated by the donor and require approval by the FVRL Board before acceptance. Depending on the restriction and the size of the gift, the FVRL Board will determine if the gift supports the mission of FVRL and whether the gift size and/or nature will be able to support the intention of the gift.

All restricted or designated donations shall be used for the purposes for which they were given unless FVRL has obtained appropriate authorisation to use them for other purposes. Alternative uses will be discussed where possible with the donor or the donor's legal designate.

If the donor is deceased or legally incompetent and FVRL is unable to contact a legal designate, the donation will be used in a manner that is as consistent as possible with the donor's original intent. If necessary, FVRL will apply to the courts or the appropriate regulatory body to obtain legal authorisation to use the donation for other purposes.

FVRL reserves the right to decline a gift if the restrictions of the gift will result in excessive capital or operating costs to be incurred by FVRL. In such cases, donors will be encouraged to consider alternate options.

A timeframe for the use of the restricted gift may be negotiated with the donor and incorporated into a Memorandum of Understanding.

UNRESTRICTED GIFTS

Unrestricted gifts will be placed in the General Operating Fund.

VALUATION OF GIFTS

FVRL's receipt for gifts of cash and publicly traded securities establishes the value of a donor's gift for tax purposes. In all other cases, it is incumbent upon the donor to secure independent expert appraisals to establish tax-deductible values. FVRL, as the donee, is not regarded as "independent" by the Canada Revenue Agency.

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EFFECTIVE DATE

This policy is effective October 26, 2016.

POLICY REVIEW DATE

This policy will be reviewed by the Board every three years.

LEGISLATIVE AND POLICY AUTHORITIES

Income Tax Act

Canada Revenue Agency

Imagine Canada