
Minutes of the VPL Board Services, Finance & Human Resources Committee Regular Meeting held on Wednesday, May 17, 2023 at 6:00 p.m. via Zoom video call.

Present: Tim Bottomer — Chair
Victor Huang
Kevin Lowe
Melody Ma
Ziming Yang

Management

Present: Christina de Castell — Chief Librarian & CEO
Kay Cahill — Director, Information Technology & Collections
Dawn Ibey — Director, Central Library & Public Service
Julia Morrison — Director, Corporate Services & CFO
Carol Nelson — Director, Planning & Communications
Balwinder Rai — Director, Human Resources

Staff: Liza Saayman — President, CUPE 391

Recording

Secretary: Chrysalyn Tolentino — Executive Assistant

INTRODUCTORY REMARKS

Committee Chair Bottomer acknowledged that our work takes place on the traditional and unceded homelands of the Musqueam, Squamish and Tsleil-Waututh Nations. He observed that the forest fires in Northern Alberta and BC are impacting Indigenous communities, and that climate change effects are being added to the issues we have left behind through colonialism.

ADMINISTRATION:**1. Approval and Additions to the Agenda**

Moved by Melody Ma

THAT the Committee approve the regular meeting agenda as received.

CARRIED UNANIMOUSLY

2. Minutes

The Chief Librarian & CEO presented the draft minutes of the Regular Meeting held March 15, 2023 for approval by the Committee.

Moved by Melody Ma

THAT the draft minutes of the Regular Meeting held March 15, 2023 be approved as received.

CARRIED UNANIMOUSLY

FINANCIALS

3. Review of External Audits and Evaluations

Julia Morrison, Director, Corporate Services & CFO presented a report that provides information about external audits and examinations that are conducted in relation to the Library's finances and operations for trustee information.

Trustee Huang asked if the Board receives any of the audit reports and associated action plans. Chief Librarian & CEO de Castell replied that the Board receives information about audits that are related to legislative compliance, including finance and privacy, and where there are significant risks. She noted that staff will bring a report on cybersecurity to the Board in the fall. Board Chair Lowe noted that receiving an annual report on audits and evaluations would be good governance practice. Chief Librarian & CEO agreed that it would make sense to report on audits annually going forward, and they can be expected to be back to a more regular schedule post-COVID.

Committee members sought background information on the reason for the Material Acquisition audit, and Chief Librarian de Castell noted that in 2014 there were questions around compliance with the Book Importation Regulation and efficiency of process, and these were the original reasons, while 2021 was a follow up on that. Trustee Huang asked if the Board could identify risk areas and request an audit, and Chief Librarian & CEO de Castell noted that Internal Audit meets with her annually to discuss areas of risks, and the Board's interest could be raised through this process. She also identified that the Board could request an audit through the City of Vancouver's Auditor General.

Trustee Huang noted that the SOFI was due to be filed on May 15. Director Morrison advised that staff requested for a variance for the deadline since we did not have a Board meeting in April, and this was granted.

After discussion, the following motion was raised:

Moved by Ziming Yang

THAT the Committee recommend that the Board receive this report for information

CARRIED UNANIMOUSLY

4. 2022 Statement of Financial Information

Julia Morrison, Director, Corporate Services & CFO presented the 2022 Statement of Financial Information for the year ending December 31, 2022 and its accompanying schedules. She noted that the background includes information about compliance with the Financial Information Act and the Library Act, and that the City does not require separate audited financial statements for the Library because the Library's financial numbers are fully contained within the City's financial accounting system (SAP), and are included in the City's financial numbers and SOFI which are audited annually by an external auditor. Director Morrison noted that staff conducted a review of other library systems and that some municipalities and regional libraries provide separately audited financial statements because they operate separately from their municipal governments, while those that are integrated financially handle their process like VPL. She noted that the 2022 SOFI makes clear that the Board Chair and Chief Librarian & CEO are signing off on the approval on behalf of the Board. Director Morrison also noted the differences between the Q4 2022 report previously received by the Board and the SOFI are due to year-end adjustments for deferred payroll costs, accruals and tangible capital assets that are not part of the budget.

Board Chair Lowe noted that staff consulted with the Province and asked for a brief overview. Chief Librarian & CEO de Castell confirmed that she consulted with the Province and they confirmed that VPL is meeting the requirements of both Acts and recommended that VPL add a paragraph to the management report explaining the approach to audits, which some other libraries provide. Director Morrison added that the City's Internal Audit found no issues, concerns or adjustments needed for the SOFI. She thanked trustees for bringing forth their suggestions to improve our process.

Trustee Huang queried a sentence in the management report indicating internal audit review was "as required by the Financial Information Act". Chief Librarian & CEO de Castell verified that the language had been reviewed and accepted by the Province. Trustee Huang offered to provide some further suggestions related to format and wording, and agreed with Director Morrison's suggestion that she incorporate these in the 2023 template.

Moved by Kevin Lowe

That the Committee recommend that the Board approve the financial statements and schedules included in the 2022 Statement of Financial Information, produced under the Financial Information Act, and that the Chair of the Library Board sign the approval on behalf of the Board

CARRIED UNANIMOUSLY

5. March 31, 2023 (Q1) Financial Operating Results

Julia Morrison presented the 2023 first quarter statement of revenues and expenditures and noted that the Library is over budget at the first quarter by \$157K due to expenditures that are lower than budget by \$126K (mainly in salaries and benefits), offset by revenues which are lower than budget by \$63K, and transfers to reserves that are higher than budget by \$220K. At the end of Q1, the library has spent 26.6% of its 2023 annual operating budget.

Committee members reviewed the report and asked if the additional funding received for 2023 from the City has been incorporated, which Director Morrison confirmed; sought information on variances in InfoAction revenue, and asked if the variance in salaries and benefits is expected to continue. Staff noted that the new positions have not been filled and a significant amount of training is anticipated that is expected to absorb most of the variances.

Moved by Kevin Lowe

THAT the Committee recommend that the Board receive the unaudited Statement of Revenues and Expenditures for the quarter ended March 31, 2023 for information.

CARRIED UNANIMOUSLY

6. 2022 YE Summary - Reserve for Library Gifts and Grants

Julia Morrison, Director, Corporate Services & Facilities presented to the Committee the summary of reserve funds as at December 31, 2022 and requests for approval for transfers from reserves for 2023 to support projects aligned with VPL's strategic priorities. She noted that in 2022, the total reserves balance is \$10,070,180 and VPL has sufficient funding to support the \$775,000 general reserve request that is being recommended. She observed VPL's obligation to spend the interest on reserves annually and challenges with this during COVID, and noted that capacity to undertake additional projects is expected again in 2023.

Board Chair Lowe noted that the total request amount under the Financial Implications section did not match the table, and staff indicated this was an error that will be corrected before the report goes to the Board. He asked about the items that were previously approved in 2022 why the Board would need to re-approve them. Director Morrison noted that the amount approved last year was different, and Chief Librarian & CEO de Castell added that the Financial Reserves Policy is not clear about whether approval by the Board is annual or indefinite, and that when the policy is next revised, staff would recommend clarifying this, as it is a regular question. Board Chair Lowe agreed that it makes sense to bring the items back given the policy is unclear, and that it would be helpful to update the policy, and to provide the amount approved in the previous year.

Trustees sought further information on the choice of consulting for the EDI project vs. full time staff, the total budget for the Inspiration Lab upgrades, timing for the Oakridge Branch equipment funding given the delayed opening, and how the priorities of the VPL Foundation would be affected if the projects received funding from reserves. Trustees inquired about establishing a consulting budget, noting its importance, and staff shared that VPL's consulting budget was eliminated in prior budget reductions.

After discussion, the following motions were raised:

Moved by Victor Huang

THAT the Committee recommend that the Board receive this report for information, and

THAT the Committee recommend that the Board approve transfers of up to \$775,000 from the general reserve, as outlined in the report.

CARRIED UNANIMOUSLY

ADJOURN

Moved by Melody Ma

There being no further business, the Chair declared the Regular meeting adjourned at 7:05 p.m.

Tim Bottomer, Chair

Christina de Castell, Secretary