



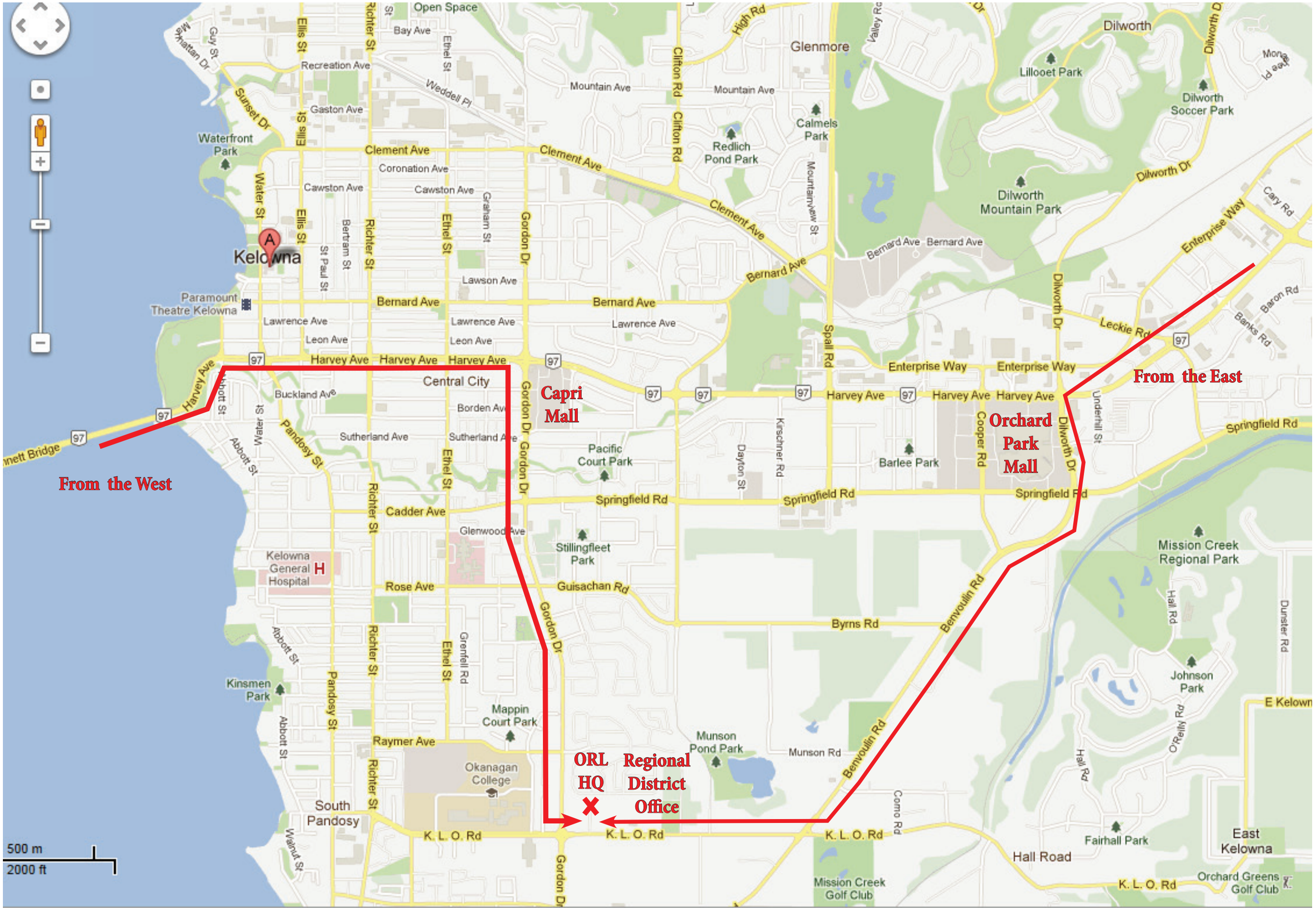
# **NOTICE OF MEETING**

Okanagan Regional Library Board  
will meet Wednesday, February 15, 2023  
Library Administration Building  
1430 KLO Road, Kelowna, BC

**New Trustee Orientation**  
**9:30 AM – 12:00 PM**

**REGULAR MEETING**  
**12:45 PM – 2:00 PM**

**IN-CAMERA MEETING**  
**2:00 PM – 2:30 PM**



From the West

Capri Mall

Orchard Park Mall

From the East

ORL Regional HQ District Office

500 m  
2000 ft



**AGENDA**  
**LIBRARY BOARD REGULAR MEETING**  
**TO BE HELD WEDNESDAY, FEBRUARY 15, 2023**  
**ORL HEADQUARTERS, 1430 KLO ROAD, KELOWNA, BC**  
**12:45 PM – 2:00 PM**

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*"The purposes of this (Library Act) are...to encourage the extension and use of public library service throughout British Columbia...to enable the delivery of public service in British Columbia...to support improvements in Public Library service."*

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9:30 am – 12:00 pm: New Trustee Orientation

12:00 pm – 12:45 pm: Lunch Break

CEO Danielle Hubbard will preside over the regular meeting until the election of the new Board Chair.

**1. ROLL CALL, ESTABLISH QUORUM**

*(A majority of all the members of the library board is a quorum: 13+)*

**2. CALL TO ORDER, INTRODUCE GUESTS**

**3. ANNUAL ELECTIONS AND APPOINTMENTS**

**3.1. Nominations Committee Report – David Mattes (attached pg. 4)**

**RECOMMENDATION 1**

**THAT the Nominations Committee Report be received for information.**

**3.2. Election of Library Board Chair and Vice Chair**

*Library Act Part 3 Section 19 (1)*

*The library board must elect a chair and a vice chair at the first meeting in each year.*

**a) Elect Board Chair**

Call nominations from the floor.

The newly elected Chair will preside over the remainder of the meeting.

**b) Elect Board Vice Chair**

Call nominations from the floor.

**3.3. Election of Library Board Officers**

*ORL Board Policy Section II: Board Organization and Structure*

*Standing Committees are the Policy and Planning Committee, the Finance Committee, and the Personnel Committee. Chairs of all Standing Committees are elected from amongst all members for a one-year term, at the first meeting of each year.*

Call nominations from the floor.

**a) Elect Finance Committee Chair**

**b) Elect Personnel Committee Chair**

**c) Elect Policy and Planning Committee Chair**

A committee volunteer sign-up sheet will be distributed at the meeting.

### 3.4. Appoint Signing Officers

#### ORL Board Policy Section II: Board Organization and Structure

*“Signing officers shall include the Secretary, plus the Chair or presiding officer at the meeting (usually the Vice-Chair) .... the signing officers shall include one of the Secretary to the Board, the Chief Financial Officer, the Directors of Public Services, the Director of Human Resources together with one of the Finance Committee Chair and the Board Chair.”*

#### RECOMMENDATION 2

*THAT the following positions be appointed as ORL Signing Officers for 2023:*

- a) Board Chair*
- b) Board Finance Committee Chair*
- c) ORL Chief Executive Officer/Secretary to the Board*
- d) ORL Chief Financial Officer*
- e) ORL Director of Public Services, North*
- f) ORL Director of Public Services, South*
- g) ORL Director of Human Resources*

### 4. ADOPTION OF THE AGENDA

#### RECOMMENDATION 3

*THAT the Agenda be adopted.*

### 5. ADOPTION OF THE PREVIOUS MINUTES (attached pgs. 5 – 7)

#### RECOMMENDATION 4

*THAT the Minutes of the Regular Library Board Meeting held October 5, 2022 be approved.*

### 6. STAFF REPORTS

#### 6.1. CEO REPORT – Danielle Hubbard (attached pg. 8)

##### RECOMMENDATION 5

*THAT the CEO Report be received for information.*

#### 6.2. CFO REPORT – Jeremy Feddersen

- a) **Financial Update Report to November 30, 2022** (File No. 100.44) (attached pgs. 9 – 16)

##### RECOMMENDATION 6

*THAT the CFO Report be received for information.*

- b) **Memo: Introduction to Investment Policy** (File No. 100.42) (attached pgs. 17 – 18)  
**Attachment: ORL Investment Policy Statement** (attached pgs. 19 – 24)

##### RECOMMENDATION 7

*THAT the Board receive the CFO Investment Policy for consideration; AND THAT the Board approve the use of reserve capital under the proposed policy to generate additional income for the Library system.*

*(By weighted vote)*

**7. STRATEGIC PLANNING REPORT – CEO Danielle Hubbard (attached pages 25 – 26)**

**RECOMMENDATION 8**

THAT the Board receive the CEO's Strategic Planning Report for consideration; AND THAT the Board move forward with the formation of a Strategic Planning Committee; AND THAT the Board approve the CEO's recommendation to contract the strategic planning consultant as set out in the Report.

(By weighted vote)

**8. ESTABLISH BOARD POLICY ON DELEGATIONS – CEO Danielle Hubbard**

**RECOMMENDATION 9**

THAT the Board refer the matter of establishing a delegation policy to the Policy and Planning Committee for the Board's consideration.

**9. TRUSTEE REPORTS**

An opportunity for board member to report on any library related activities in their region

**10. NEXT REGULAR MEETING - Wednesday, May 17, 2023**

**11. ADJOURN TO IN-CAMERA MEETING**

**BOARD NOMINATIONS COMMITTEE REPORT TO THE LIBRARY BOARD**

February 2023

Committee Members:

South: David Mattes  
 Central: Wayne Carson  
 North: Amanda Shatzko

<b>POSITION</b>	<b>NOMINEE FOR CHAIR</b>	<b>Committee Member Volunteers</b>
<b>Board Chair</b>	Loyal Wooldridge, Kelowna	n/a
<b>Board Vice Chair</b>		n/a
<b>Personnel Committee</b>		Myles Bennett, Osoyoos Sabrina Monteith, RDOS Sara Tronson, WFN Terry Condon, Peachland
<b>Finance Committee</b>		David Mattes, Oliver Tracy Henderson, Keremeos
<b>Policy &amp; Planning Committee</b>	Silvia Lindgren, Salmon Arm Loyal Wooldridge, Kelowna	Erin Trainer, Summerland John Manuel, Golden Myles Bennett, Osoyoos Silvia Lindgren, Salmon Arm
<b>Will sit on a committee as a member where needed</b>	Lori Mindnich, Lumby (will chair where needed)	Lori Mindnich, Lumby

*Note: These Minutes Have Not Yet  
Been Approved by the Library Board*

**DRAFT**  
**REGULAR LIBRARY BOARD MINUTES**  
**MEETING HELD WEDNESDAY, OCTOBER 5, 2022**  
**1430 KLO ROAD, KELOWNA, BC**

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*"The purposes of this (Library Act) are...to encourage the extension and use of public library service throughout British Columbia...to enable the delivery of public service in British Columbia...to support improvements in Public Library service.*

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**TRUSTEES IN ATTENDANCE:**

Tundra Baird, Enderby	Louise Wallace Richmond, Salmon Arm
Caleb Moss, Golden	Bob Evans, Sicamous
Loyal Wooldridge, Kelowna	Erin Carlson, Summerland
Sherry Philpott-Adhikary, Keremeos	Kari Gares, Vernon
Lori Mindnich, Lumby	Doug Findlater, West Kelowna
David Mattes, Oliver	Wayne Carson, RDCO
Brian Harvey, Osoyoos	Jay Simpson, RDCS
George Elliott, Princeton	Subrina Monteith, RDOS
Michael Brooks-Hill, Revelstoke	Amanda Shatzko, RDNO

**TRUSTEES ABSENT:**

Linda Fisher, Armstrong	Patrick Van Minsel, Peachland
Pat Cochrane, Coldstream	Todd York, Spallumcheen
Todd McKenzie, Lake Country	Sara Tronson, WFN

**ADMINISTRATIVE STAFF IN ATTENDANCE:**

Jeremy Feddersen, Chief Financial Officer  
Christine McPhee, Director of Public Services  
Danielle Hubbard, Director of Public Services  
Leslie Brecht, Director of Human Resources  
Jeff Campbell, Chief Technology Officer  
Michal Utko, Director of Marketing and Communications  
Leah Samson, Administrative Services Manager (Recording Secretary)

**GUESTS IN ATTENDANCE:**

Ashley Machum, PEA President, ORL Chapter  
Nicole Cabrejos, CUPE President, ORL Chapter

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**1. ROLL CALL / ESTABLISH QUORUM**

*(A majority of all the members of the library board is a quorum: 13+)*

Quorum was established with 18 Trustees in attendance.

**2. CALL TO ORDER / INTRODUCTION OF GUESTS**

Chair Sherry Philpott-Adhikary called the meeting to order at 10:06 AM and introduced the guests.

### 3. ADOPTION OF THE AGENDA

#### *MOTION # 1*

*It was moved and seconded  
THAT the Agenda be adopted.  
CARRIED*

### 4. ADOPTION OF PREVIOUS MINUTES

#### *MOTION # 2*

*It was moved and seconded  
THAT the Minutes of the Regular Library Board Meeting held August 31, 2022 be approved.  
CARRIED*

### 5. FINANCE COMMITTEE REPORT – Chair Doug Findlater

#### 5.1. 2023 Budget Vote (File 100.41) – CFO Jeremy Feddersen

Kelowna Trustee Loyal Wooldridge reported that he brought forward to Kelowna council for consideration a request to fund extension of the Peer Navigator Program for 2023. He requested that the Library Board consider bridge funding for Q1 2023.

#### *MOTION # 3*

*It was moved and seconded  
THAT the Board direct staff to allocate \$16,250 from the strategic planning reserve to fund the Q1 2023 Peer Navigator Program; AND FURTHER, THAT that the Board direct ORL staff to bring forward the Peer Navigator Program to City of Kelowna staff for consideration in their 2023 preliminary budget.  
By weighted vote  
Opposed: None  
Carried unanimously by weighted vote.*

#### *MOTION # 3*

*It was moved and seconded  
THAT the 2023 draft Budget be approved with a levy funding requirement of \$19,661,808 as presented in the August 2022 Budget Report.  
By weighted vote.  
Opposed: None  
Carried unanimously by weighted vote.*

#### 5.2. 2023 Library Levy Allocation Spreadsheet – CFO Jeremy Feddersen

#### *MOTION # 4*

*It was moved and seconded  
THAT the 2023 Library Levy Allocation Spreadsheet be received for information.  
CARRIED*



## 6. BOARD CHAIR REPORT – Sherry Philpott-Adhikary

### 6.1. Appointment of Nominations Committee

In accordance with Board Policy Section II.D., Chair Philpott-Adhikary appointed the following trustees to the Nominations Committee for 2022/2023:

- Central Okanagan Area: Wayne Carson
- North Okanagan Area: Amanda Shatzko
- South Okanagan Area: David Mattes

## 7. TRUSTEE REPORTS

An opportunity for board members to report on any library related activities in their region

Trustee Mattes congratulated the trustees who are up for municipal re-election and expressed appreciation for their work on the Library Board.

## 8. BOARD MEETING SCHEDULE – 2023

### *MOTION # 5*

*It was moved and seconded*

*THAT the Board Meeting Schedule for 2023 be approved as presented.*

*CARRIED*

## 9. NEXT MEETING – Wednesday, February 15, 2023

## 10. MOTION TO ADJOURN

### *MOTION # 6*

*It was moved and seconded*

*THAT the regular Board Meeting be adjourned.*

*CARRIED*

The meeting adjourned at 10:26 am.

## **CEO Report**

Danielle Hubbard, CEO of the ORL  
February 2023

### **Leadership & Strategy**

- Development of a 2023 Operational Plan completed
- Strategic Planning proposal developed for 2023
- Danielle represented the ORL at the Nov 2022 CULC conference
- Virtual registration in the Ontario Library Association Conference provided to all staff

### **Human Resources**

- Danielle Hubbard started as CEO of the ORL on November 1, 2022
- Mark Reinelt started as Director of Public Services - North on February 6, 2023
- System-wide on-call hiring completed in fall/winter 2022
- Joint Job Evaluation process underway with both CUPE and PEA
- Significant staff movement continues throughout the system

### **Public Services**

- Drag Story Time offered at the Kelowna Downtown Branch on January 28<sup>th</sup>
- Community Engagement training is underway for all front-line staff
- System-wide door count increased by 20%, from 893,265 in 2021 to 1,067,494 in 2022
- System-wide Customer Service training completed in fall 2022
- The Public Services department continues to follow the goals of the 2022 - 2023 Bridge Strategic Plan, including offering EDI Programming and Library of Things

### **Facilities**

- Renovations in Mission completed in fall 2022
- Renovations continue in Revelstoke
- The new West Kelowna branch is scheduled to open in fall 2023

### **Information Technology**

- Construction of a new website is underway
- Over 2,000 help tickets were resolved by the IT Department in 2022
- Scheduled replacement of hardware and upgrading of software continues
- Jeff represented the ORL at the Ontario Library Association conference in February

### **Marketing & Communications**

- External rebranding is set to be completed in 2023
- Michal handled significant media coverage and controversy during Drag Story Time

Respectfully submitted,  
Danielle Hubbard  
ORL CEO

# REPORT

File No. 100.44

To: Okanagan Regional Library Board of Directors  
From: Chief Financial Officer  
Date: February 15, 2023  
Subject: Financial Update Report to November 30, 2022 (11 Months)

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## RECOMMENDATION

That the Board receive the CFO's Financial Update Report to November 30, 2022 for information.

## BACKGROUND

The attached **Appendix 1** provides the Board with an interim financial report (receipts and disbursements) to November 30<sup>th</sup> along with the year-to-date (YTD), annual budget and other useful information such as variances. The report has been prepared on a modified cash basis, meaning not all accounting accruals have been made. This report will briefly discuss some of the financial information that staff felt may be of interest to the Board. Please note that this report is as at November 30, 2022, as the final adjustments required to bring the report to fiscal year end could not be completed.

## DISCUSSION

### Receipts – Tax Levy

There are variances that relate to the timing of this report, which are due to the timing of when the receipts are recorded vs. when they are budgeted to be received. As at year end, all tax levies have been received as expected.

### Receipts – Government, Grants and Own Resources

These other forms of income have been bolstered through increased interest revenue, which has been earned on our cash balance at RBC, as well as the COVID recovery grant that was received earlier in the year. This has resulted in an increase of revenue for this section even with the lost revenue that resulted from the ORL no longer collecting late fees. As the Board will recall, fines for late books and materials was paused early in the COVID pandemic; these charges have not yet resumed.

### Reserves and Internal Rent

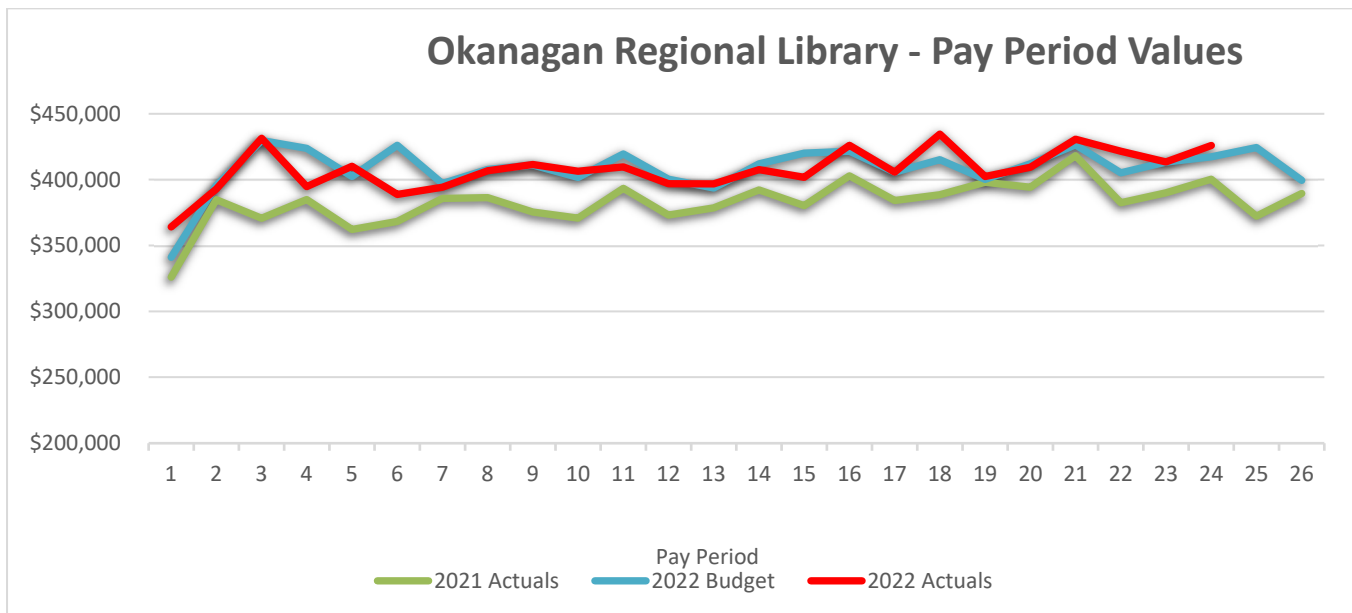
The transfers from reserves are accounting adjustments that relate to planned amounts drawn out of reserves for technology replacement, furnishings and amounts from the donation reserves for programming and capital expenditures. The transfer of these reserves will occur at year end.

Total receipts to November 30<sup>th</sup> are \$18,188,941

Disbursements

Remuneration and benefits continue to trend close to budget, though is trending to be under budget on the year as a whole. This is largely due to several unfilled positions that have been posted but not filled.

**Graph: Pay Period Values: 2021 Actual, 2022 Actual, 2022 Budget**



Rent is as expected, within less than half a percent variance between actual and budget. Long term debt, actuarial adjustments and interest currently have a variance, though this should not be the case at year end once final figures are entered. Property expenses are lower than expected, but these are not necessarily incurred evenly each month, so an increase in property activities prior to the end of year could reduce this variance.

The library materials, along with books and other physical materials, form the combined Library Collection budget. The exact mix between the two categories is determined by the Acquisitions team. Although library materials appears well over budget, the other component – books and other physical materials, is under budget. Taken together, given where we are in the year, overall spending in this area is a little higher than expected with an overall variance of 6.5% of budget. This is largely due to timing, and the final figures should trend close to budget.

**Table: Combined Library Collection Budget**

**Combined Library Collections Budget**

	ACTUAL YR. TO D	BUDGET YR. TO D	VARIANCE YR. TO D	BUDGET -YEAR--
LIBRARY MATERIALS	1,600,624	1,178,474	-422,150	1,285,608
BOOKS AND OTHER PHYSICAL MATERIALS	1,077,357	1,325,898	248,541	1,446,434
	2,677,980	2,504,372	-173,608	2,732,042

Other expenses as a whole make up less than 9% of the total budget, so variances within the individual line items are relatively insignificant. Technology expense is one line that appears a bit high, but as also mentioned in past updates, these expenses are often incurred in ‘lump sums’ or ‘batches’ so the expense will often veer over or under budget depending on the timing of these transactions. Marketing is expected to be over budget this year due to significant capital purchases for the service. These new items will increase efficiency throughout the system.

Total disbursements before capital expenditures and reserve transactions to November 30<sup>th</sup> are \$17,241,332.

The Capital Expenditure figures will come up as part of year-end process; these transactions are accounting adjustments related to reserve funded activities. The exception being Books and Other Physical Materials, which was previously discussed with the Library (electronic) materials. The above table (Combined Library Collection Budget on the previous page) is also a useful reference when considering this.

Total disbursements to November 30<sup>th</sup> are \$18,722,255

Total net receipts over disbursements to November 30<sup>th</sup> are \$-533,314. While this appears as though the ORL is operating at a deficit, this is ahead of the expected budget at this point in time, as levy revenue for the final quarter are recorded in December. Looking ahead to the end of the year, the ORL is expected to end in a surplus position.

**BUDGET AND COST IMPACTS**

There are no budget or cost impacts that would derive from this report.

**CONCLUSION**

The ORL’s financial results to November 30<sup>th</sup> are generally consistent with expectation and variances are explainable. There does not appear to be anything that requires specific Board attention at this time.

Signing off,



Jeremy Feddersen, CPA, CA  
Chief Financial Officer





**Okanagan Regional Library**

**Appendix 1**

**Interim Financial Report**

**(Receipts & Disbursements)**

**January 1, 2022 to November 30, 2022**

**OKANAGAN REGIONAL LIBRARY  
RECEIPTS & DISBURSEMENTS**  
For the 11 Months ending November 30, 2022

	ACTUAL YR.TO D	BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--
<b>RECEIPTS</b>				
<b>TAX LEVY ON MUNICIPALITIES AND REGIONAL DISTRICTS</b>				
ARMSTRONG, CITY	\$149,711	\$149,710	-\$0	\$199,614
CENTRAL OKANAGAN RD	\$316,605	\$316,605	\$0	\$316,605
COLDSTREAM, DISTRICT	\$479,289	\$479,289	\$0	\$479,289
COLUMBIA SHUSWAP RD	\$876,472	\$876,472	\$0	\$876,472
ENDERBY, CITY	\$83,785	\$83,785	-\$0	\$111,713
GOLDEN, CITY	\$251,638	\$251,638	\$0	\$335,518
KELOWNA, CITY	\$5,283,018	\$5,283,018	\$0	\$7,044,024
KEREMEOS, VILLAGE	\$44,067	\$44,067	-\$0	\$58,755
LAKE COUNTRY, DISTRICT	\$542,455	\$542,456	\$0	\$723,274
LUMBY, VILLAGE	\$56,701	\$56,701	\$0	\$75,602
NORTH OKANAGAN RD	\$592,817	\$592,817	\$0	\$790,423
OLIVER, TOWN	\$162,249	\$162,249	\$0	\$216,331
OKANAGAN SIMILKAMEEN RD	\$872,173	\$872,173	\$0	\$872,173
OSOYOOS, TOWN	\$271,014	\$271,014	\$0	\$271,014
PENTICTON INDIAN BAND	\$0	\$0	\$0	\$0
PEACHLAND, DISTRICT	\$199,494	\$199,494	\$0	\$265,992
PRINCETON, TOWN	\$120,555	\$120,555	\$0	\$120,555
REVELSTOKE, CITY	\$296,496	\$296,496	\$0	\$395,328
SALMON ARM, CITY	\$766,363	\$766,363	\$0	\$766,363
SICAMOUS, DISTRICT	\$118,621	\$101,149	-\$17,472	\$134,866
SPALLUMCHEEN, TOWNSHIP	\$167,243	\$167,243	-\$0	\$222,990
SUMMERLAND, DISTRICT	\$526,161	\$526,161	-\$0	\$526,161
VERNON, CITY	\$1,908,967	\$1,886,576	-\$22,390	\$1,886,576
WESTBANK FIRST NATION	\$452,133	\$452,133	-\$0	\$452,133
WEST KELOWNA, CITY	\$1,636,180	\$1,636,180	\$0	\$1,636,180
	<b>\$16,174,206</b>	<b>\$16,134,343</b>	<b>-\$39,862</b>	<b>\$18,777,951</b>

**OKANAGAN REGIONAL LIBRARY  
RECEIPTS & DISBURSEMENTS**  
For the 11 Months ending November 30, 2022

	ACTUAL YR.TO D	BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--
<b>FROM GOVERNMENT &amp; OWN RESOURCES</b>				
PROVINCE OF BC - PER CAPITA GRANT	\$1,008,382	\$1,008,000	-\$382	\$1,008,000
PROVINCE OF BC - OTHER	\$0	\$0	\$0	\$0
GRANTS-PROV.B.C.-BOOKS	\$0	\$0	\$0	\$0
GRANTS-PROV.B.C- GO GRANT	\$0	\$0	\$0	\$0
GRANTS - FEDERAL	\$2,427	\$0	-\$2,427	\$49,000
GRANTS - OTHER	\$177,907	\$0	-\$177,907	\$6,500
BRANCH FURNISHING FUNDING	\$0	\$0	\$0	\$0
FINES, FEES AND DAMAGED MATERIALS	\$24,347	\$185,625	\$161,278	\$202,500
SPACE RENTALS	\$2,687	\$17,606	\$14,919	\$19,207
PRINTING REVENUE	\$15,564	\$27,477	\$11,913	\$29,975
KEYCARD REVENUE	\$1,832	\$228	-\$1,604	\$250
REFERENCE FAX REVENUE	\$0	\$0	\$0	\$0
INTEREST AND EXCHANGE	\$176,256	\$32,083	-\$144,173	\$35,000
COPIER REVENUE	\$5,017	\$8,731	\$3,714	\$9,525
SUNDRY INCOME	\$6,641	\$59,893	\$53,252	\$65,338
DONATIONS	\$0	\$0	\$0	\$0
MFA ACTUARIAL , DEBT REDUCTION	\$0	\$0	\$0	\$255,731
INTER LIBRARY LOANS, NET	\$247	-\$138	-\$384	-\$150
<b>SUBTOTAL GOVERNMENT &amp; OWN RESOURCES</b>	<b>\$1,421,307</b>	<b>\$1,339,507</b>	<b>-\$81,800</b>	<b>\$1,680,876</b>
TRANSFERS FROM RESERVES	\$0	\$0	\$0	\$956,007
ORL OWNED BUILDINGS, RENT CHARGEBACK	\$593,428	\$593,428	\$0	\$647,376
<b>TOTAL RECEIPTS</b>	<b>18,188,941</b>	<b>18,067,278</b>	<b>-121,662</b>	<b>22,062,210</b>

**OKANAGAN REGIONAL LIBRARY  
RECEIPTS & DISBURSEMENTS**  
For the 11 Months ending November 30, 2022

	ACTUAL YR.TO D	BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--
<b>DISBURSEMENTS</b>				
<b>REMUNERATION AND FRINGE BENEFITS</b>				
REMUNERATION	7,897,792	8,115,833	218,042	8,800,289
FRINGE BENEFITS	1,449,642	1,640,575	190,933	1,789,718
WCB	46,603	28,770	-17,832	31,386
	<b>9,394,036</b>	<b>9,785,178</b>	<b>391,142</b>	<b>10,621,393</b>
<b>RENT AND PROPERTY EXPENSES</b>				
RENT	2,255,924	2,333,661	77,737	2,545,812
LTD PRINCIPAL, ACTUARIAL AND INTEREST	948,497	1,183,052	234,556	1,203,069
MFA ACTUARIAL, DEBT REDUCTION	0	0	0	0
PROPERTY EXPENSES	1,686,134	1,654,818	-31,316	1,805,256
	<b>4,890,555</b>	<b>5,171,532</b>	<b>280,977</b>	<b>5,554,137</b>
<b>LIBRARY MATERIALS</b>				
	<b>1,600,624</b>	<b>1,178,474</b>	<b>-422,150</b>	<b>1,285,608</b>
<b>OTHER EXPENSES</b>				
BOARD EXPENSES	4,314	18,463	14,148	20,141
BOOK DEPOSIT GRANTS	3,190	2,933	-257	3,200
CAPITAL EXP.-H.Q.	0	0	0	0
CATALOGUE	0	0	0	0
COLLECTION AGENCY	-456	8,769	9,225	9,566
EQUIPMENT REPAIRS & RENEWALS	11,667	12,652	984	13,802
FAMA/REALLOCATIONS	2,266	0	-2,266	0
INSURANCE	57,809	53,598	-4,212	58,470
INTEREST & BANK CHARGES	-2,708	10,542	13,250	11,500
LEASES-EQUIPMENT	0	0	0	0
MARKETING & COMMUNICATIONS	127,005	59,212	-67,793	64,595
MEMBERSHIPS	15,207	18,120	2,913	19,768
PENTICTON LIBRARY FEE	36,740	43,010	6,270	46,920
POSTAGE & FREIGHT	43,908	58,213	14,305	63,505
PROFESSIONAL FEES	65,880	78,062	12,182	85,159

**OKANAGAN REGIONAL LIBRARY  
RECEIPTS & DISBURSEMENTS**  
For the 11 Months ending November 30, 2022

	ACTUAL YR.TO D	BUDGET YR.TO D	VARIANCE YR.TO D	BUDGET -YEAR--
PROGRAMS	35,292	94,115	58,824	102,671
RECRUITMENT, TRAVEL & SUNDRY	27,510	14,375	-13,136	15,681
STAFF DEVELOPMENT & MEETINGS	94,830	105,229	10,398	114,795
STRATEGIC PLANNING	0	275,000	275,000	300,000
SUPPLIES	139,404	170,292	30,888	185,774
TECHNOLOGY EXPENSES	490,290	434,833	-55,457	474,363
TELEPHONE & INTERNET	72,929	71,867	-1,063	78,400
TRANSPORTATION	125,088	127,785	2,697	139,401
VIRTUAL BRANCH	5,950	9,167	3,217	10,000
	<b>1,356,117</b>	<b>1,666,235</b>	<b>310,118</b>	<b>1,817,711</b>
<b>DISBURSEMENTS BEFORE CAPITAL EXPENDITURES AND TRANSFERS TO RESERVES</b>	<b>17,241,332</b>	<b>17,801,419</b>	<b>560,087</b>	<b>19,278,849</b>
<b>CAPITAL EXPENDITURES</b>				
BOOKS AND OTHER PHYSICAL MATERIALS	1,077,357	1,325,898	248,541	1,446,434
TECHNOLOGY ASSETS	0	0	0	341,007
FURNITURE, EQUIPMENT & OTHER	0	0	0	235,000
	<b>1,077,357</b>	<b>1,325,898</b>	<b>248,541</b>	<b>2,022,441</b>
<b>TRANSFERS TO RESERVES</b>				
TO BRANCH FURNISHING RESERVE	75,079	72,500	-2,579	145,000
TO CAPITAL PROJECTS RESERVE	57,000	57,000	0	114,000
TO DONATION RESERVES	20,520	0	-20,520	0
TO ILS REPLACEMENT RESERVE	0	0	0	0
TO IT REPLACEMENT RESERVE	155,504	155,504	0	311,008
TO NON-OWNED BUILDING MNTC RESERVE	16,000	16,000	0	32,000
TO OWNED BUILDING MNTC RESERVE	30,000	30,000	0	60,000
TO STAFF APPRECIATION OR DEVELOPMENT RESERVE	750	750	0	1,500
TO STRATEGIC INITIATIVES RESERVE	36,000	36,000	0	72,000
TO VEHICLE REPLACEMENT RESERVE	12,713	12,713	-1	25,425
	403,566	380,467	-23,100	760,933
<b>TOTAL DISBURSEMENTS</b>	<b>18,722,255</b>	<b>19,507,783</b>	<b>785,529</b>	<b>22,062,223</b>
<b>NET DISBURSEMENTS OVER RECEIPTS</b>	<b>-533,314</b>	<b>-1,440,505</b>	<b>-907,191</b>	<b>-13</b>



# REPORT

File No. 100.42

To: Okanagan Regional Library Board of Directors

From: Chief Financial Officer

Date: February 15th, 2023

Subject: Introduction of Investment Policy

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## RECOMMENDATION

THAT the Board receive the CFO's Investment Policy for consideration and implementation.

## BACKGROUND

The attached **Appendix 1** provides the Board with the Investment Policy to be considered in order to make use of the ORL's cash reserves to earn investment income.

## DISCUSSION

The ORL typically carries a balance in its reserves that could be leveraged to earn additional interest income. Currently, the balance in our savings account earns 1.9% on the balance in our savings account, though this rate of return could be improved upon through the use of low-risk investments.

Investing in Guaranteed Investment Certificates (GICs) can provide a safe and stable investment option for the Okanagan Regional Library. GICs are low-risk investments that offer a guaranteed return on investment, making them a suitable choice for us as they prioritize preservation of capital. Additionally, GICs can offer higher returns than savings accounts, and can be purchased with a variety of terms and maturities, allowing us to select an investment that aligns with their specific needs and goals.

However, it should be noted that there are also some risks associated with GICs. GICs typically offer a fixed rate of return, which can be affected by changes in interest rates. If interest rates rise after a GIC is purchased, the return on investment may be lower than other options. Additionally, some GICs may have early withdrawal penalties, which can limit the Board's flexibility in managing their investment portfolio. To mitigate this risk, the ORL only plans to use investments with a cashable option to ensure that the funds are available should an emergency arise.

Overall, GICs are a good investment option for the Library as they provide a low-risk and predictable return on our assets, and will provide the ORL with an additional revenue stream.

## CONCLUSION

I recommend that the board approve the use of reserve capital under the proposed policy to generate additional income for the library system.

Respectfully Submitted,



Jeremy Feddersen, CPA, CA  
Chief Financial Officer  
Okanagan Regional Library  
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February 8, 2023

## **PURPOSE**

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The purpose of this Policy is to document a governance framework for the prudent management by the CFO/CEO of the Okanagan Regional Library's treasury portfolio (the "Fund") within an acceptable risk tolerance.

## **SECTION I: POLICY**

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It is the policy of the Okanagan Regional Library's to invest its surplus funds in a manner which will provide the optimal blend of investment returns and principal protection while meeting its daily cash flow and liquidity demands.

### **1. SCOPE**

This Policy applies to the investment of all cash and short-term assets of the Okanagan Regional Library (ORL).

### **2. OBJECTIVES**

#### **Capital Preservation**

Preservation of capital is the foremost objective of the Fund. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall Fund whilst managing credit risk and interest rate risk.

#### **Liquidity**

Investments shall remain sufficiently liquid in order to meet all reasonably anticipated operating and capital requirements. Since all possible cash requirements cannot reasonably be anticipated, the Fund should consist largely of securities with active secondary markets or immediate liquidity features for non-market traded securities.

#### **Return on Investment**

The Fund shall be constructed with the objective of attaining, at minimum, a benchmark rate of return throughout varying budgetary and economic cycles, taking into account investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the preservation of capital and liquidity objectives.

### **3. STANDARD OF CARE**

#### **Prudence**

Investments by the Manager shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise.

#### **Internal Controls**

Management shall establish a system of internal controls. These controls shall be documented and designed to prevent the loss of funds arising from fraud, employee error and/or misrepresentation by third parties.

#### **4. ETHICS & CONFLICT OF INTEREST**

Officers and employees involved with the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program or impair their ability to make impartial investment decisions. Any personal business activity shall require proper disclosure with the CEO or CFO.

## **SECTION II: INDIVIDUAL RESPONSIBILITIES**

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### **1. DELEGATION OF AUTHORITY**

Any purchase or sale transactions or movement of cash or securities between financial institutions for the Fund must be authorized by an individual specified in the Client Broker Agreement. Such authorized individuals will be limited to the Company's:

- Chief Executive Officer; or
- Chief Financial Officer.

### **2. MANAGER RESPONSIBILITIES**

- Establish an Investment Strategy. Considerations include:
  - Asset allocation.
  - Portfolio diversification.
  - Current market environment and Bank of Canada policy.
- Select investments for the Fund, subject to this Policy.
- Maintain adequate liquidity of the Fund to ensure cash disbursements can be met.
- Review the Fund's performance on a regular basis.
- Select investment dealers and institutions (the "Brokers") to assist the Manager in meeting objectives for the Fund.
- Delegate any responsibility not specifically mentioned in this Policy.
- At the end of each fiscal year or at the request from the Board of Directors of the ORL, the Manager will provide a report detailing the following of the Fund:
  - Description of each investment.
  - Cost investment and market value of each security.
  - Coupon rate and yield to maturity.
  - Investment date and maturity date.
  - Rates of return on the entire Fund.
- Review the Policy periodically and if appropriate make recommendations to the Board of Directors for changes.

The Manager and designated Officers of the ORL may engage consultants or other advisors to assist them in fulfilling their responsibilities.

### **3. AUTHORIZED INVESTMENT DEALERS AND FINANCIAL INSTITUTIONS**

A list will be maintained by the Manager of approved investment dealers and financial institutions authorized to provide investment services. Preference will be given to investment dealers and financial institutions who are members of the [Responsible Investment Association](#) (“RIA”).

Environmental, social and corporate governance factors play an important role in the investment process. Consideration shall be made towards investment dealers and financial institutions who are able to provide investment options that support socially responsible investments.

Investment dealers and financial institutions that provide the ORL with the broadest range of investment instruments will be viewed as front runners in the qualifying bidder’s process.

## **SECTION III: ELIGIBLE INVESTMENTS**

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### **MONEY MARKET SECURITIES**

Cash held by the ORL that is not immediately required may only be invested in one or more of the following:

- a. Federal & Provincial T-bills
- b. Federal or Provincial government or government guaranteed instruments
- c. Banker’s Acceptances (BAs)
- d. Bearer Deposit Notes (BDNs)
- e. Commercial Paper (CP)
- f. High Interest Savings Accounts (HISAs)
- g. Money Market ETFs
- h. Money Market Funds
- i. Floating Rate Notes (FRNs)
- j. Securities guaranteed by a bank, treasury branch, credit union, cooperative or trust corporation

Investments in shares, warrants, or other equities, options or futures are prohibited, and all investment categories that are not explicitly permitted are prohibited.

## **SECTION IV: RATINGS AND CONSTRAINTS**

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### **1. RISK TOLERANCE**

All securities must be readily marketable.

Investment held in the Fund must be rated by at least one rating agency, namely Moody’s, Standard & Poor’s (S&P) or Dominion Bond Rating Service (DBRS). All investments must be Investment Grade (at least BBB by S&P, or equivalent by DBRS or Moody’s.), as classified in Appendix A. In the case where a security is rated by more than one agency listed, the higher ratings will apply.



The total Fund will be limited to the following credit rating thresholds on a weighted average basis (as defined by S&P or equivalent):

Rating	Up to %
R-1 (high)	100%
R-1 (middle)	90%
R-1 (low)	70%

The maximum exposure to a single investment security, as a percentage of the total portfolio cannot exceed 10%.

The maximum exposure to any one counterparty, as a percentage of the total portfolio cannot exceed 20%.

Due to market fluctuations, maximum percentages may be exceeded at a point in time. Securities need not be liquidated to rebalance the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

## 2. PORTFOLIO CONSTRAINTS

The primary constraints relate to safety of invested capital and maintaining the liquidity of the portfolio.

- All securities held in the portfolio shall have a maturity of ten years or less, however it is understood that the majority of assets will be invested in securities with a maturity considerably shorter than this ten year maximum. Overall, the total portfolio shall have an average term to maturity of no greater than five years.
- **Cash:** The deemed rating for cash, including the current account and any High Interest Savings Accounts, will be equal to the rating of the institution it is being held in.
- **Credit Unions:** The rating for securities issued by a Credit Union that is not rated shall be deemed equal to the rating of the province within which the credit union resides.
- **Bank Deposits:** The deemed rating for securities issued by a bank will be equal to the credit rating of that bank.
- **Securities issued by a Government entity:** The deemed rating for securities issued by a Government entity will be equal to the credit rating of that municipality, province, country or equivalent.

### **3. OTHER CONSTRAINTS**

- The Fund shall not borrow funds to acquire securities or otherwise deal in margin trading.
- All investments will be made in accordance with the Code of Ethics and the Chartered Financial Analyst standards (<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n4.1>).

**APPENDIX A – CREDIT RATINGS**

Grade	Moody's		Standard & Poor's		DBRS Morningstar	
	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term
Investment Grade	Aaa	P-1	AAA	A-1+	AAA	R-1 (high)
	Aa1	P-1	AA+	A-1	AA (high)	R-1 (high)
	Aa2	P-1	AA	A-1	AA	R-1 (middle)
	Aa3	P-1	AA-	A-1	AA (low)	R-1 (middle)
	A1	P-1	A+	A-2	A (high)	R-1 (low)
	A2	P-1	A	A-2	A	R-1 (low)
	A3	P-1	A-	A-2	A (low)	R-1 (low)
	Baa1	P-2	BBB+	A-3	BBB (high)	R-2 (high)
	Baa2	P-2	BBB	A-3	BBB	R-2 (middle)
	Baa3	P-3	BBB-	A-3	BBB (low)	R-2 (low)
Speculative Grade	Ba1	NP	BB+	B	BB (high)	R-3
	Ba2	NP	BB	B	BB	R-4
	Ba3	NP	BB-	B	BB (low)	R-4
	B1	NP	B+	B	B (high)	R-4
	B2	NP	B	B	B	R-5
	B3	NP	B-	B	B (low)	R-5
	Caa1	NP	CCC	C	CCC	R-5
	Caa2	NP	CCC	C	CCC	R-5
	Caa3	NP	CCC	C	CCC	R-5
	Ca	NP	CC	C	CC	R-5
	C	NP	R	R	C	R-5
		D	D	D	D	

# REPORT

To: Okanagan Regional Library Board of Directors  
From: Chief Executive Officer  
Date: February 15th, 2023  
Subject: Strategic Planning

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## RECOMMENDATION

THAT the Board approves the ORL to contract *WCS engagement and planning* as Strategic Planning consultants.

## DISCUSSION

The ORL's most recent Strategic Plan expired in 2019. Now that we have a new Board, a new CEO, and many new staff members in key positions, it is time to develop a new Strategic Plan. Our previous Plan was created pre-COVID-19. Our communities, technologies, and library services have evolved substantially since 2019 and renewed strategic guidance is needed.

I propose we contract the consulting group *WCS engagement and planning* to assist in the development of a new Plan. *WCS* is based in Whistler, BC, and has worked with several other public libraries and non-profit institutions in strategic planning work. Of the five consulting groups I interviewed and that submitted proposals, *WCS's* approach is the most collaborative, flexible, and culturally aware. *WCS's* approach would include a sector review of best practices in Canadian public libraries, as well as extensive staff, Board, and community involvement.

The ORL has a Strategic Planning Reserve of \$627,329. The estimated value of the *WCS* contract is \$80,000 and would be expensed from this reserve.

I recommend the ORL form a Strategic Planning Committee, consisting of Board, management, and staff representatives. The Committee would work with *WCS* to develop and undertake the Strategic Planning process.

Alternative consulting options include *Delaney: the engagement people* and *Vantage Point*. *Delaney* has experience working with other regional library systems, but they are more costly (\$90,000) and their deliverables only extend to the research phase of the strategic planning process, not the development of the plan itself. *Vantage Point* is more economical (\$50,000), but their level of community engagement is less than that provided by *WCS*, and they would not provide a sector review.

## **CONCLUSION**

That the Board move forward with the formation of a Strategic Planning Committee, and with approval to contract *WCS engagement and planning* as Strategic Planning consultants.

Respectfully Submitted,

Danielle Hubbard, MLIS  
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