



MANAGEMENT REPORT

Date: December 2, 2015
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Meeting Date: December 16, 2015
TO: Library Board
FROM: Chief Librarian
SUBJECT: InterLINK: Governance Policies and 2016 Provisional Budget

SUMMARY

This report provides context for the Board's review of the attached InterLINK documents.

PURPOSE

This report is for information and discussion.

RECOMMENDATION

THAT the Board receive the following InterLINK documents for information:

- Executive Director's Summary of the draft 2016 Provisional Budget
- 2016 Provisional Budget for information;
- Draft InterLINK Governance Policy Manual; and
- Draft Financial Policies.

POLICY

There is no applicable Board policy.

STRATEGIC IMPLICATIONS

InterLINK plays a critical role in service enhancement for Vancouver residents. It is through the InterLINK agreement that member libraries achieved reciprocal borrowing and returns of physical materials. As well, it has provided an important platform for staff expertise sharing (e.g.,

through its Children's and Youth Services Committees) and a shared effort to support settlement of newcomers in the Metro area through its coordination of the collaborative NewtoBC program. New areas of exploration for InterLINK include staff development.

BACKGROUND

From the InterLINK website:

InterLINK is built upon the foundations of the Greater Vancouver Library Federation, which operated from 1975-1994.

Public Library InterLINK is the business name of the InterLINK Federated Public Library System which was established April 1st, 1994 after operating for 19 months as a pilot project funded by the Ministry of Municipal Affairs and its twelve member public library boards - Bowen; Burnaby; Coquitlam; Fraser Valley; New Westminster; North Vancouver City; North Vancouver District; Port Moody; Richmond; Surrey; Vancouver and West Vancouver.

In January 1997, both Squamish and Whistler joined the federation bringing the membership up to fourteen public libraries. The Pemberton Public Library Association joined in May 1998 and in January 1999, Gibsons and Sechelt joined the federation. The most recent addition to the federation was the Lillooet Area Library Association, which joined the federation on May 1, 2007.

Today Public Library InterLINK is a successful co-operative federation of eighteen autonomous public libraries. It operates as a Library Federation according to the Library Act of British Columbia (1994) Section 49 and is governed by a library board constituted in accordance with that act.

DISCUSSION

The InterLINK Board has been working on the attached Governance Policy and Financial Policies for the balance of 2015 and has integrated significant feedback from the InterLINK Administrators Advisory Group into the revisions. The draft policies signal a significant improvement in InterLINK governance.

The Provisional 2016 Budget contains anticipated expenditures, although it should be noted that it is forecasted based on decreased physical lending between libraries. This decrease in physical direct lending echoes the same trends occurring across member libraries.

FINANCIAL IMPLICATIONS

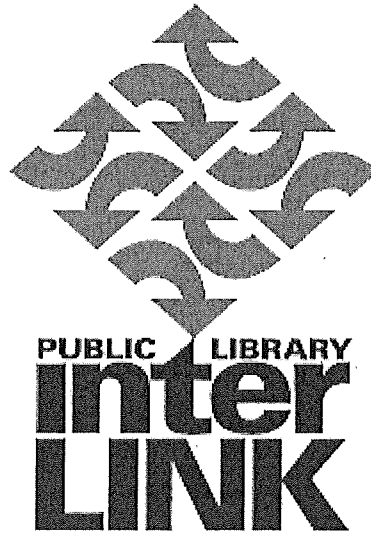
There are no significant financial impacts arising from InterLINK's Draft 2016 Budget.

TIMELINES

The InterLINK Board will approve the draft policies and its 2016 budget at its first meeting in 2016.

FINAL REMARKS

VPL's membership in InterLINK is an important facet of our public service delivery to Vancouver residents and people who work and recreate in Vancouver.



DRAFT

2016

PROVISIONAL BUDGET

November 24, 2015



DATE: November 24, 2015

TO: InterLINK Board of Directors

FROM: InterLINK Finance Committee

RE: Proposed DRAFT 2016 InterLINK Operating Budget

Attached is the **DRAFT 2016 InterLINK Operating Budget**. The **2016 Budget - Schedule A** also includes the 2014 and 2015 Budget columns and a projected 2015 year-end column for comparative purposes.

The proposed **2016 Budget – Schedule A** shows a decrease over the 2015 Budget which is mainly due to the NewToBC program. Membership levies are at \$537,250 for 2016 which is the same level as 2015. The following is an explanation of the variances of \$1,000 or more in the revenue and expenditure categories:

Revenue:

- **Provincial Grant** – is the same level as the 2015 federation-funding model of provincial support.
- **Net Borrowing Library-Contribution** – decreased by \$3,871 to reflect the projected circulation activity for 2015.
- **Member Levies** – are set at \$537,250 which is only a \$23 increase or zero 0% increase over 2015.
- **NewToBC – Federal CIC** – shows \$141,881 as projected revenues for the first 3 months of 2016. To-date InterLINK has not received approval from Citizenship and Immigration Canada regarding the application for continued funding for the Program.
- **NewToBC – Provincial** – shows \$12,659 which is the projected unexpended balance from 2015.
- **Virtual Reference (Just Ask)** – shows a variance of \$10,500 as the program has been discontinued.

- **InterLINK Admin-New to BC** – shows a variance of \$29,762. The \$9,008 budget is an Administration fee for the management of the NewToBC program for the period January 1 to March 31, 2016 (3 months of activity). To-date InterLINK has not received approval from Citizenship and Immigration Canada regarding the application for continued funding for the Program.
- **Transfer from Reserve** – shows a budget of \$53,000 which is comprised of \$18,000 from the Audiobook Reserve for the new Andornot Discovery Interface software and \$35,000 from the General Reserve to support the continuation of a Canadian-hosted platform of the SHAREit resource-sharing software.

Expenditures:

- **Salaries & Wages** - is up by \$2,500 as it includes a 2% wage increase and paygrade step increments.
- **Acquisitions-Processing Supplies-Audiobooks** – is decreased by \$1,000 to reflect 2015 usage levels. Less supplies are required for the MP3 format.
- **Contribution to Capital E & F** – is decreased by \$2,000 as no computers/printers will be purchased in 2016.
- **Courier Charges** – is decreased by \$2,000 to reflect 2015 usage levels.
- **Internet/Website-InterLINK & Audiobook** – shows an expenditure of \$23,000 and is comprised of \$5,000 for regular Internet/Website maintenance and \$18,000 for the Andornot Discover Interface Software. A transfer from the Audiobook Reserve will cover the \$18,000 cost.
- **NewToBC - Federal CIC** – shows an expenditure of \$141,881 for a 3 month period only. Expenses are covered by matching revenues. Note: If an adjustment in the projection is required it would not impact the Budget as revenues are also adjusted to offset the expenditures.
- **NewToBC – Provincial** – shows an expenditure of \$12,659. Revenues offset this expenditure. Note: If an adjustment in the projection is required it would not impact the Budget as revenues are also adjusted to offset the expenditures.
- **Patron Initiated ILL/DPR Study** – shows a budget of \$37,000 and is comprised of \$2,000 to cover Outlook Online Administrative Center support and \$35,000 for support of the Canadian-hosted platform of the SHAREit resource sharing software. A transfer from the General Reserve will cover the \$35,000 cost.
- **Program Support-YSC-Teen Readings** – has decreased by \$6,000 as the YSC will be pursuing other options of teen engagement in 2015.

- **Public Relations/Service Brochures** – is a decrease of \$2,000 as an Audiobook Catalogue will not be printed in 2016
- **Sponsorships** – is decreased by \$1,000.
- **Virtual Reference (Just Ask)** – shows a reduction of \$10,500 as the program has discontinued.
- **Transfer to Net Provider Compensation (Operating Budget)** – is down by \$18,000 and is based on circulation net activity projections for 2015.
- **Transfer to Net Provider Compensation (Borrowing Libraries)** – is down by \$3,871 and is based on circulation net activity projections for 2015.

The following schedules accompany the ***Draft Proposed 2016 InterLINK Budget (Schedule A)***:

Schedule B – Membership Levies provides a listing and comparison between 2013 and 2015 with a stated variance between 2015 and 2016. It should be noted that libraries with a service population under 20,000 are assessed at 75% of population, with the exception of the Fraser Valley Regional Library whose whole population is assessed at 50% as per the InterLINK Agreement. This factors in at a cost of \$.2204 per capita and if we show the full population served the cost per capita is \$.2011.

Schedule C – Member Levies' Calculation & Projected Net Circulation Compensation by Net Borrowing Libraries shows the member levies' calculation, which is comprised of two parts:

- calculation of share of member levies less the \$100,000 to VPL
- calculation of share of \$100,000 to VPL (VPL does not contribute)

Schedule C also shows the projected contribution by net borrowers of net circulation activity.

Schedule D – Projections for Compensation Model for 2016 is a spreadsheet, which shows the projected circulation activity for 2015, the 2016 member levy costs and the projected net borrower levy costs. The last column states the variance between the 2016 member levy and projected net borrower levy and the 2015 member levy and Net Borrower Levy.

**DRAFT 2016 InterLINK Operating Budget
Schedule A**

| | 2014 BUDGET | 2015 BUDGET | 2015 Projections | 2016 BUDGET | VARIANCE 14 to 2015 |
|---|---------------------|---------------------|---------------------|---------------------|------------------------|
| REVENUES: | | | | | |
| Provincial Grant | \$ 600,623 | \$ 600,623 | \$ 600,623 | \$ 600,623 | \$ - |
| Net Borrower Library-Contribution | 89,458 | 86,649 | 85,716 | 82,778 | (3,871) |
| Member Levies | 579,175 | 537,227 | 537,227 | 537,250 | 23 |
| Interest Income | 12,000 | 10,000 | 12,700 | 12,000 | 2,000 |
| Teen Reading Club | 500 | - | 2,000 | - | - |
| New to BC - Federal CIC | - | 469,585 | 461,276 | 141,881 | (327,704) |
| New to BC - Provincial | 102,850 | 20,000 | 108,625 | 12,659 | (7,341) |
| Virtual Reference (Just Ask) | - | 10,500 | - | - | (10,500) |
| Miscellaneous | 1,000 | 1,000 | - | 1,000 | - |
| Workshops | - | 7,000 | 6,480 | 7,000 | - |
| InterLINK Admin-New to BC | 7,000 | 38,770 | 38,035 | 9,008 | (29,762) |
| Transfer from Reserve | 11,000 | - | 95,000 | 53,000 | 53,000 |
| Total Revenues | \$ 1,403,606 | \$ 1,781,354 | \$ 1,947,682 | \$ 1,457,199 | \$ (324,155) |
| EXPENDITURES: | | | | | |
| Salaries & Wages | 337,900 | 335,000 | 342,907 | 337,500 | 2,500 |
| Benefits | 76,448 | 83,500 | 81,650 | 84,000 | 500 |
| Audit & Legal | 6,800 | 7,000 | 7,483 | 7,731 | 731 |
| Building Maintenance | 3,400 | 3,400 | 3,400 | 3,400 | - |
| Board/Committee/Membership/Mileage | 9,000 | 9,000 | 10,150 | 9,000 | - |
| Acquisitions - Audiobooks | 118,000 | 118,000 | 120,578 | 118,000 | - |
| Acquisitions-Proc. Supplies-Aubk. | 3,000 | 2,000 | 541 | 1,000 | (1,000) |
| Acquisitions-Proc. Supplies-ILL | 1,500 | 1,500 | 1,500 | 1,500 | - |
| Computer Repair & Maintenance | 2,000 | 5,500 | 4,100 | 5,000 | (500) |
| Confr/Courses - Staff Develop. | 6,000 | 7,000 | 7,534 | 7,000 | - |
| Contribution to Capital E & F | - | 2,000 | 2,173 | - | (2,000) |
| Courier Charges | 45,000 | 45,000 | 41,275 | 43,000 | (2,000) |
| Consortia Purchasing | - | - | - | - | - |
| Consulting Services | - | - | 9,994 | - | - |
| Insurance | 4,500 | 4,500 | 4,300 | 4,500 | - |
| Internet/Website-ILINK & Audbk. | 6,000 | 6,000 | 4,435 | 23,000 | 17,000 |
| InterLINK Strategic Plan | - | - | 20,000 | - | - |
| Leadership Development Program | - | - | 65,000 | - | - |
| New to BC - Federal CIC | - | 469,555 | 461,276 | 141,881 | (327,674) |
| New to BC - Provincial | 102,850 | 20,000 | 108,625 | 12,659 | (7,341) |
| Office/Delivery Supplies | 4,000 | 4,500 | 4,500 | 4,500 | - |
| Office Expenses/Sundry | 1,000 | 1,000 | 800 | 1,000 | - |
| Patron Initiated ILL/DPR Study | - | - | 4,100 | 37,000 | 37,000 |
| Program Support-YSC | 17,250 | 17,250 | 13,170 | 17,250 | - |
| Program Support-YSC-Teen Reading | 11,000 | 11,000 | 9,094 | 5,000 | (6,000) |
| Public Relations/Serv. Broch. | 12,000 | 6,000 | 3,000 | 4,000 | (2,000) |
| Photocopy Equip. Lease | 3,500 | 3,000 | 2,750 | 3,000 | - |
| Postage/Shipping | 2,000 | 1,500 | 1,500 | 1,500 | - |
| Rent & Taxes | 25,000 | 25,000 | 23,930 | 25,000 | - |
| Sponsorships | 5,000 | 2,000 | - | 1,000 | (1,000) |
| Utilities | 10,000 | 10,000 | 9,750 | 10,000 | - |
| UBC & SFU-ILL Charges | 9,500 | 9,500 | 9,700 | 9,500 | - |
| Virtual Reference (Just Ask) | - | 10,500 | - | - | (10,500) |
| Vehicle Operation | 23,500 | 23,500 | 22,750 | 23,500 | - |
| Workshops | 6,000 | 6,000 | 17,749 | 6,000 | - |
| Sub-Total Operating Expenses: | 852,148 | 1,249,705 | 1,419,714 | 947,421 | (302,284) |
| Trsf. To General Reserve | - | - | - | - | - |
| Trfr.Net Provider Comp.(Operating Bdgt) | 362,000 | 345,000 | 342,868 | 327,000 | (18,000) |
| Trfr.Net Provider Comp.(Borr.Library) | 89,458 | 86,649 | 85,716 | 82,778 | (3,871) |
| Trfr.Net Provider Comp. (VPL) | 100,000 | 100,000 | 100,000 | 100,000 | - |
| Total Oper. Exp. & Comp. | \$ 1,403,606 | \$ 1,781,354 | \$ 1,948,298 | \$ 1,457,199 | \$ (324,155) |
| Excess (Deficit) | \$ - | \$ - | \$ (616) | \$ - | \$ - |

DRAFT 2016 InterLINK Operating Budget

Member Levies

Schedule B

NOTE: The 2016 Membership Levies are based upon the latest population figures used for 2015/2016 Provincial Grant purposes.

| Library | Population | Adjusted Population | 2013 InterLINK Member Levies | 2014 InterLINK Member Levies | 2015 InterLINK Member Levies | 2016 InterLINK Member Levies | Variance |
|---|------------------|---------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------|
| BIPL * | 3,479 | 2,609 | \$ 722 | \$ 735 | \$ 631 | \$ 631 | \$ - |
| BPL | 233,734 | 233,734 | 58,664 | 59,339 | 55,675 | 54,952 | (723) |
| CPL | 141,171 | 141,171 | 32,693 | 33,220 | 32,917 | 33,177 | 260 |
| FVRL ** | 710,797 | 355,399 | 88,628 | 89,482 | 83,779 | 83,541 | (238) |
| GibPL * | 11,753 | 8,815 | 2,244 | 2,351 | 2,118 | 2,064 | (54) |
| LALA * | 4,222 | 3,167 | 846 | 861 | 748 | 748 | - |
| NWPL | 69,860 | 69,860 | 17,355 | 17,538 | 15,830 | 16,439 | 609 |
| NVCL | 52,925 | 52,925 | 13,218 | 13,456 | 11,913 | 12,438 | 525 |
| NVDPL | 88,265 | 88,265 | 23,165 | 23,401 | 21,110 | 20,748 | (362) |
| PemPL * | 6,321 | 4,741 | 1,217 | 1,296 | 1,144 | 1,135 | (9) |
| PMPL | 34,709 | 34,709 | 8,796 | 8,832 | 8,192 | 8,139 | (53) |
| RPL | 205,262 | 205,262 | 50,533 | 51,194 | 48,421 | 48,247 | (174) |
| SecPL * | 17,831 | 13,373 | 3,044 | 3,270 | 2,812 | 3,155 | 343 |
| SqPL * | 20,210 | 15,158 | 3,766 | 3,889 | 3,433 | 3,551 | 118 |
| SPL | 513,431 | 513,431 | 121,028 | 123,621 | 119,967 | 120,675 | 708 |
| VPL | 642,068 | 642,068 | 128,894 | 132,731 | 116,259 | 115,172 | (1,087) |
| WVML | 44,894 | 44,894 | 11,830 | 11,860 | 10,439 | 10,545 | 106 |
| WhPL * | 10,743 | 8,057 | 2,064 | 2,099 | 1,839 | 1,893 | 54 |
| TOTAL | 2,811,675 | 2,437,638 | \$ 568,707 | \$ 579,175 | \$ 537,227 | \$ 537,250 | \$ 23 |
| 0% increase to Membership Levies over 2015 Budget | | | | | | | |
| COST PER CAPITA: | | | \$.2396 | \$.2402 | \$.2223 | \$.2204 | |
| 2015 Adjusted Population | | 2,437,638 | | | | | |

SUMMARY:

The direct cost per capita is arrived at by dividing the total member levy cost of \$537,250 by the total adjusted population of 2,437,638. It should be noted that the population figures for libraries which have a service population under 20,000, have been reduced to 75% with the exception of FVRL whose population has been reduced to 50%.

NOTE: asterisk (*) indicates which libraries' population figures have been reduced to 75%
 asterisk (**) indicates FVRL population at 50%.

DRAFT - 2016 InterLINK Operating Budget
Member Levies and
Projected Net Circulation Compensation by Net Borrowing Libraries
Schedule C

The 2016 Member Levies are based upon the latest population figures used for 2015//2016 Provincial Grant purposes.

| Library | Population | Adjusted Population | Share of Member Levy (less 100K to VPL) | Share of 100K to VPL | TOTAL Member Levies | Projected Net Borr. Lib. Contrib. \$.10/net Loan | TOTAL Member Levy & Net Borr. Lib. Contrib. |
|--------------|------------------|---------------------|---|----------------------|---------------------|--|---|
| BIPL * | 3,479 | 2,609 | \$ 481 | \$ 150 | \$ 631 | \$ 1,404 | \$ 2,035 |
| BPL | 233,734 | 233,734 | 41,932 | 13,020 | \$ 54,952 | - | 54,952 |
| CPL | 141,171 | 141,171 | 25,317 | 7,860 | \$ 33,177 | 28,794 | 61,971 |
| FVRL ** | 710,797 | 355,399 | 63,751 | 19,790 | \$ 83,541 | 19,892 | 103,433 |
| GibPL * | 11,753 | 8,815 | 1,574 | 490 | \$ 2,064 | 1,970 | 4,034 |
| LALA * | 4,222 | 3,167 | 568 | 180 | \$ 748 | - | 748 |
| NWPL | 69,860 | 69,860 | 12,549 | 3,890 | \$ 16,439 | 4,498 | 20,937 |
| NVCL | 52,925 | 52,925 | 9,488 | 2,950 | \$ 12,438 | 10,709 | 23,147 |
| NVDPL | 88,265 | 88,265 | 15,828 | 4,920 | \$ 20,748 | - | 20,748 |
| PemPL * | 6,321 | 4,741 | 875 | 260 | \$ 1,135 | 859 | 1,994 |
| PMPL | 34,709 | 34,709 | 6,209 | 1,930 | \$ 8,139 | - | 8,139 |
| RPL | 205,262 | 205,262 | 36,817 | 11,430 | \$ 48,247 | - | 48,247 |
| SecPL * | 17,831 | 13,373 | 2,405 | 750 | \$ 3,155 | - | 3,155 |
| SqPL * | 20,210 | 15,158 | 2,711 | 840 | \$ 3,551 | 920 | 4,471 |
| SPL | 513,431 | 513,431 | 92,085 | 28,590 | \$ 120,675 | 13,732 | 134,407 |
| VPL | 642,068 | 642,068 | 115,172 | - | \$ 115,172 | - | 115,172 |
| WVML | 44,894 | 44,894 | 8,045 | 2,500 | \$ 10,545 | - | 10,545 |
| WhPL * | 10,743 | 8,057 | 1,443 | 450 | \$ 1,893 | - | 1,893 |
| TOTAL | 2,811,675 | 2,437,638 | \$ 437,250 | \$ 100,000 | \$ 537,250 | \$ 82,778 | \$ 620,028 |

NOTE: The net borrowers' contribution reflects the projected circulation activity from January to December 2015.

- (*) asterisk (*) indicates which libraries' population figures have been reduced to 75%
- (**) asterisk (**) indicates FVRL population at 50%.

**Public Library InterLINK
DRAFT - Compensation Model - 2016**

(using latest PLSB population numbers & adjusting population for indicated libraries to 75%; 2015 Projected Circulation Activity; Membership Levy based on Data and Budget inputs for 2016)

(using \$0.50 per Net Loan)

Schedule D

| Library | PROJECTED CIRCULATION ACTIVITY FOR 2015 | | | | | 2016 MEMBER LEVIES & NET BORROWER LEVY | | | | | VARIANCE | | | | |
|--------------------------|---|---|-----------------------|---------------------------|-------------------------|--|--|--|--|---------------------------------|---|--|------------------------|--|--|
| | Population 2015/2016 | Adjusted Population 2015/2016 (Libraries w/ pop.under 20K @ 75% FVRL @ 50%) | Items Lent 2015 | Items Borrowed 2015 | Net Activity 2015 | Net Lender Income \$0.50/net item | Net Borrower Levy at \$0.10/net item (after BC \$0.40/item subsidy) | Member Levy by Adjusted Population on \$100K ILINK Reference Grant to VPL | Member Levy (less \$100K ILINK Ref. Grant to VPL) | Total 2016 Member Levy | Projected Net Borrower Levy at \$0.10/net item | Total 2016 Member Levy & Actual Net Borrower Levy | 2015 Member Levy | 2015 Member Levy & Net Borrower Levy | Variance between 2016 Member Levy & Proj. Net Borr. Levy & 2015 Member Levy & Actual Net Borr. Levy |
| Bowen Island * | 3,479 | 2,609 | 743 | 14,785 | (14,042) | | \$ (1,404) | \$ 150 | \$ 481 | \$ 631 | \$ 1,404 | \$ 2,035 | \$ 631 | \$ 2,112 | \$ (77) |
| Burnaby | 233,734 | 233,734 | 699,698 | 420,205 | 279,493 | \$ 139,746 | | \$ 13,020 | \$ 41,932 | \$ 54,952 | - | \$ 54,952 | \$ 55,675 | \$ 55,675 | \$ (723) |
| Coquitlam | 141,171 | 141,171 | 195,987 | 483,925 | (287,938) | | \$ (28,794) | \$ 7,860 | \$ 25,317 | \$ 33,177 | 28,794 | \$ 61,971 | \$ 32,917 | \$ 60,778 | \$ 1,193 |
| Fraser Valley ** | 710,797 | 355,399 | 360,659 | 559,579 | (198,920) | | \$ (19,892) | \$ 19,790 | \$ 63,751 | \$ 83,541 | 19,892 | \$ 103,433 | \$ 83,779 | \$ 105,575 | \$ (2,142) |
| Gibsons & District * | 11,753 | 8,815 | 10,759 | 30,459 | (19,700) | | \$ (1,970) | \$ 490 | \$ 1,574 | \$ 2,064 | 1,970 | \$ 4,034 | \$ 2,118 | \$ 3,783 | \$ 251 |
| Lillooet & Area * | 4,222 | 3,167 | 552 | 466 | 86 | \$ 43 | | \$ 180 | \$ 568 | \$ 748 | - | \$ 748 | \$ 748 | \$ 768 | \$ (20) |
| New Westminster | 69,860 | 69,860 | 131,126 | 176,103 | (44,977) | | \$ (4,498) | \$ 3,890 | \$ 12,549 | \$ 16,439 | 4,498 | \$ 20,937 | \$ 15,830 | \$ 20,795 | \$ 142 |
| North Vancouver City | 52,925 | 52,925 | 179,635 | 286,728 | (107,093) | | \$ (10,709) | \$ 2,950 | \$ 9,488 | \$ 12,438 | 10,709 | \$ 23,147 | \$ 11,913 | \$ 22,450 | \$ 697 |
| North Vancouver District | 88,265 | 88,265 | 255,486 | 252,427 | 3,059 | \$ 1,530 | | \$ 4,920 | \$ 15,828 | \$ 20,748 | - | \$ 20,748 | \$ 21,110 | \$ 21,910 | \$ (1,162) |
| Pemberton * | 6,321 | 4,741 | 2,067 | 10,661 | (8,594) | | \$ (859) | \$ 260 | \$ 875 | \$ 1,135 | 859 | \$ 1,994 | \$ 1,144 | \$ 2,077 | \$ (83) |
| Port Moody | 34,709 | 34,709 | 231,029 | 111,244 | 119,785 | \$ 59,893 | | \$ 1,930 | \$ 6,209 | \$ 8,139 | - | \$ 8,139 | \$ 8,192 | \$ 8,192 | \$ (53) |
| Richmond | 205,262 | 205,262 | 355,136 | 163,113 | 192,023 | \$ 96,011 | | \$ 11,430 | \$ 36,817 | \$ 48,247 | - | \$ 48,247 | \$ 48,421 | \$ 48,421 | \$ (174) |
| Sechelt * | 17,831 | 13,373 | 25,758 | 16,335 | 9,423 | \$ 4,711 | | \$ 750 | \$ 2,405 | \$ 3,155 | - | \$ 3,155 | \$ 2,812 | \$ 2,812 | \$ 343 |
| Squamish * | 20,210 | 15,158 | 4,531 | 13,731 | (9,200) | | \$ (920) | \$ 840 | \$ 2,711 | \$ 3,551 | 920 | \$ 4,471 | \$ 3,433 | \$ 4,336 | \$ 135 |
| Surrey | 513,431 | 513,431 | 288,509 | 425,831 | (137,322) | | \$ (13,732) | \$ 28,590 | \$ 92,085 | \$ 120,675 | 13,732 | \$ 134,407 | \$ 119,967 | \$ 134,722 | \$ (315) |
| Vancouver | 642,068 | 642,068 | 764,162 | 663,540 | 100,622 | \$ 50,311 | | \$ - | \$ 115,172 | \$ 115,172 | - | \$ 115,172 | \$ 116,259 | \$ 116,259 | \$ (1,087) |
| West Vancouver | 44,894 | 44,894 | 176,554 | 72,852 | 103,702 | \$ 51,851 | | \$ 2,500 | \$ 8,045 | \$ 10,545 | - | \$ 10,545 | \$ 10,439 | \$ 10,439 | \$ 106 |
| Whistler * | 10,743 | 8,057 | 29,415 | 9,822 | 19,593 | \$ 9,796 | | \$ 450 | \$ 1,443 | \$ 1,893 | - | \$ 1,893 | \$ 1,839 | \$ 1,839 | \$ 54 |
| TOTALS: | 2,811,675 | 2,437,638 | 3,711,806 | 3,711,806 | - | \$ 413,892 | \$ (82,778) | \$ 100,000 | \$ 437,250 | \$ 537,250 | \$ 82,778 | \$ 620,028 | \$ 537,227 | \$ 622,943 | (2,915) |

* population adjusted to 75% for Bowen Island, Gibsons, Lillooet, Pemberton, Sechelt, Squamish & Whistler

** population for FVRL is adjusted at 50%

Only net borrowers pay this levy

VPL does not participate in this levy; FVRL discounted to 50% and libraries with population under 20k to 75%

0% increase to Membership Levies over 2015 Budget

Board of Directors' Governance Manual

DRAFT



December 2015

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1. BOARD STRUCTURE & RESPONSIBILITIES

1.1. Board Composition

1.1.1. Each member library will appoint one Board member to represent it on the Public Library InterLINK Board of Directors.

1.1.2. Each member library will also appoint one of its Board members to serve as its alternate representative to the Public Library InterLINK Board.

1.2. Terms of Office

1.2.1. The term of office for a Board Member will be for two InterLINK fiscal years commencing at the beginning of the initial fiscal year.

1.2.2. Each Board Member holds office until he or she resigns. A Board Member will be eligible for re-appointment to the InterLINK Board by a member library board if they have been reappointed to that member library board.

1.2.3. A Board member cannot continue to serve on the InterLINK Board if their term of office at their home library has expired and he or she is not being re-appointed.

1.2.4. A vacancy on the Board occurring between annual appointments of Board Members will be filled immediately by the relevant Library Board, which will appoint one of its members to serve out the unexpired balance of the term.

1.3. Board Governance Model

1.3.1. The Board of Public Library InterLINK is responsible for the strategic oversight and governance of the organization. The Board sets the organization's strategic direction and approves budgets and plans recommended by the Executive Director.

1.3.2. All operational matters of Public Library InterLINK are delegated to the Executive Director. The Board supervises the performance of the Executive Director, and ensures that he/she complies with all Board decisions, all Board-approved policies and procedures and all statutory and/or regulatory reporting requirements. (see also: Section 6)

1.3.3. The Board, on a temporary basis, may take over the active operational management of InterLINK in the event that the Executive Director resigns, is terminated or becomes incapacitated or is otherwise unable to perform the duties of the position.

1.4. Remuneration

1.4.1. No Board Member or alternate will be remunerated for acting as Board Member or Officer.

1.4.2. A Board Member or alternate may be reimbursed for expenses incurred while engaged in the affairs of Public Library InterLINK according to the Expense Policy.

1.5. Officers

1.5.1. The Officers of the Board will be the Chair, Vice-Chair and the Treasurer.

1.5.2. The terms of office of the Chair, Vice Chair and Treasurer will be for one (1) year commencing at the first Board meeting of the fiscal year and ending at the first Board meeting of the next fiscal year, unless either the member library Board term or InterLINK board term of the officer has expired.

1.5.3. Officers are elected at the first meeting of the Board in each fiscal year. The Executive Director will assume the chair and call the meeting to order. The Executive Director will conduct the election of the Chair. The elected Chair will in turn conduct the election of the Vice-Chair and Treasurer. Officers may be re-elected but may not hold office for more than four (4) consecutive years.

1.5.4. In the event that an Officer is unable to complete their term, the office will be filled by election from within the Board. The assignment to the vacant post will be for a term to expire upon the next regularly scheduled election for that position.

1.6. Committees

1.6.1. The Board will establish and maintain three (3) standing committees:

- Executive Committee
- Finance Committee
- Governance and Planning Committee

1.6.2. The Vice Chair will chair the Governance and Planning Committee. The Treasurer will chair the Finance Committee. The Chair will lead the Executive Committee and sits ex-officio on the Governance and Planning and Finance committees.

1.6.3. The Board at its inaugural meeting each year will make appointments to committees.

1.6.4. Board committees, except for the Executive Committee, include at least one member of the Administrators Advisory Group (AAG), who advise in a non-voting capacity.

1.6.5. The Board may form additional committees at its discretion. Such committees or working groups will elect a Chair at their first meeting and will prepare Terms of Reference for the approval of the Board. The Terms of Reference will define the context and scope of the committee and, in the case of ad hoc committees, will provide for dissolution when the committee's work is completed. An ad hoc committee's mandate may be extended with the Board's approval.

1.6.6. The Board may, by ordinary resolution, delegate any, but not all, of its powers to Board committees.

1.7. General Responsibilities of the Board

1.7.1. The general responsibilities of the Board will include the following:

- Recruitment and general supervision of the Executive Director
- Approval of the annual budget
- Development and approval of the strategic plan
- Review of Annual Operational Plan
- Ensuring compliance with Board-approved policies and all applicable statutory and regulatory requirements
- General due diligence and scrutiny of all plans, projects, initiatives, proposals and financial statements recommended or provided to the Board by the Executive Director
- Accountability to member libraries for the overall strategic direction and performance of InterLINK
- Development and oversight of the organization's policies, including finance, risk management, human resources and other such policies as the Board may deem necessary from time to time
- Board development, including the recruitment, nomination and orientation of new Board members

1.8. Authority and Accountability

1.8.1. Board members operate under the authority of the InterLINK Agreement and the provisions of the Library Act as applicable.

1.8.2. When involved in the business of Public Library InterLINK, Board members are accountable at all times for acting in the best interests of the Federation, and for performing their duties free of

outside bias or influence. Board members are also accountable at all times for exercising a duty of care and a duty of due diligence in their performance of their duties.

1.8.3. Board members are accountable for informing their member libraries of decisions taken by the InterLINK Board.

1.8.4. As a federation of publicly funded libraries, InterLINK recognizes the importance of transparency and accountability of its member libraries, even as it is a separate organization. InterLINK board members may discuss confidential InterLINK matters with their boards to ensure this accountability and transparency with member boards, but must discuss any confidential matters relating to InterLINK in-camera with their local boards.

1.9. Due Diligence – Responsibilities of Individual Board Members

1.9.1. Board members will at all times exercise the care, skill and due diligence of a reasonably prudent person.

1.9.2. Board members will exercise care and due diligence in the performance of their duties. Board members are expected to read all Board meeting materials prior to attending Board meetings.

1.9.3. Board members will consult with the director of their library, or his or her designate, in order to be prepared to discuss matters brought to the Board.

1.9.4. Board members are also expected to ask questions and seek clarification from the Executive Director in order to be satisfied that matters brought to the Board for decision are in the best interests of InterLINK and its member libraries.

1.10. Code of Conduct and Confidentiality Statement

1.10.1. The InterLINK Board Code of Conduct and Confidentiality outlines values and principles to which all Board members are expected to adhere. All Board members are required to sign the Code of Conduct and Confidentiality at their inaugural Board meeting.

1.10.2. Decisions made by the Board in-camera may be reported out to home Boards in-camera.

1.10.3. Board members will not disclose the substance of any sensitive and/or in-camera discussions without the express consent of the Chair of the Board.

1.10.4. The Governance and Planning Committee will be responsible for maintaining and updating the Code of Conduct and Confidentiality and for bringing any changes to the Board for approval.

1.11. General Conduct – Board Members

1.11.1. Board members will be free, at all times, to express their views and contribute vigorously to the discussion of matters brought before the Board for consideration.

1.11.2. Once a decision has been reached by the Board, members are expected to be supportive of the decision and not make any statements in public or to any third-party that would undermine or otherwise call into question the decisions, actions or capabilities of the Board or of any individual member. This clause is not intended to limit the ability of Board members to speak frankly regarding Board decisions in discussions with their home board.

1.12. Conflict of Interest

1.12.1. Conflict of interest arises when a Board member, either intentionally or unintentionally, may derive a direct or indirect personal benefit from decisions taken by the Board of Directors. The Board will adhere to the Federation's Conflict of Interest policy (included as an appendix to this manual).

2. ROLES OF OFFICERS OF THE BOARD

2.1. Chair

2.1.1. The general duties and responsibilities of the Chair are as follows:

- Chair all meetings of the Board of Directors
- Supervision of the Executive Director
- General oversight and management of the Board Code of Conduct and Confidentiality
- Orientation of new board members (shared with the Executive Director)
- Chair the Executive Committee
- Sit as an ex-officio member on all Board committees
- Consult with the Executive Director on the preparation of all meeting agendas
- Ensure the effectiveness and efficiency of Board meetings and processes
- Declare the result of the vote on all questions
- Lead the annual review of the Board and the annual performance review of the Executive Director
- Other such duties as may be assigned by the Board of Directors from time to time

2.2. Vice Chair

2.2.1. The general duties of the Vice Chair are as follows:

- Preside over Board meetings and/or carry out the duties of the Chair in his/her absence
- Chair the Governance and Planning Committee
- Other such duties as may be assigned by the Board of Directors from time to time

2.3. Treasurer

2.3.1. The Treasurer will be responsible for the following:

- Chair the Finance Committee
- General supervision of the budget preparation and financial reporting processes
- Oversight of the annual audit
- Recommending the appointment of InterLINK's auditor
- Other such duties as may be assigned by the Board of Directors from time to time

3. ROLE OF COMMITTEES

3.1. Composition

3.1.1. Each committee will be composed of a chair and at least two additional board members.

3.1.2. Committees will have a maximum of five members each. Committee Chairs may move motions and vote on any motion before the committee.

3.1.3. Committees are appointed at the inaugural meeting of the Board each fiscal year. Committee members may be appointed at subsequent board meetings until all vacancies are filled.

3.1.4. On recommendation of the Committee Chair, the Board may appoint non-Board members to serve on committees in an advisory capacity.

3.1.5. At least one member of the AAG will sit on all Board committees, except for the Executive Committee, in a non-voting, advisory capacity.

3.2 Function

3.2.1. Committees assist the Board in carrying out its strategic, managerial oversight and policy development functions. InterLINK's committees also support the efficient functioning of the Board and the organization.

3.2.2. Conduct any business delegated to the Committee by the Board through their Terms of Reference or any motions of the Board.

3.2.3. Board committees do not participate in, or have responsibility for, InterLINK's day-to-day operations.

3.2.4. Committee Chairs, with InterLINK staff support, will ensure that a notice of meeting, a meeting agenda and minutes (or notes) are provided for those meetings.

3.3. Relationship to Staff

3.3.1. The Executive Director provides general support to all Board Committees.

3.4. Executive Committee Terms of Reference

3.4.1. The Executive Committee will be comprised of the Chair, Vice Chair and the Treasurer.

3.4.2. Under the direction of the Chair, the Executive Committee will, in consultation with the Board, supervise the Executive Director.

3.4.3. The Executive Committee will also provide advice and guidance to the Executive Director in between Board meetings.

3.4.4. Under the direction of the Chair, the Executive Committee will lead the annual performance review of the Executive Director.

3.4.5. The Executive Committee will perform any other such duties that may be assigned by the Board of Directors.

3.4.6. Recommendations of the Executive Committee are to be ratified by the full Board.

3.5. Governance and Planning Committee Terms of Reference

3.5.1. The Governance and Planning Committee will be chaired by the Vice Chair and include at least 2 other Board members. The Board Chair will sit on the Committee in an ex-officio capacity. At least one member of the AAG will sit the Governance and Planning Committee in a non-voting, advisory capacity.

3.5.2. The Governance and Planning Committee will be responsible for the following:

- Preparation and maintenance of the Board Policy Manual and Code of Conduct and Confidentiality
- Leading InterLINK's strategic planning process and establishing the process for ongoing review of progress against the strategic plan throughout the year
- Maintenance of Terms of Reference for all Board committees and role descriptions for all Board Officers
- Management of the Board's annual self-evaluation process
- Other duties as may be assigned by the Board of Directors from time to time

3.5.3. Recommendations of the Governance and Planning Committee are to be ratified by the full Board.

3.6. Finance Committee Terms of Reference

3.6.1. The Treasurer will chair the Finance Committee and include at least 2 other Board members. The Board Chair will sit on the Committee in an ex-officio capacity. At least one member of the AAG will sit the Finance Committee in a non-voting, advisory capacity.

3.6.2 The Finance Committee will be responsible for the following:

- General supervision of the budget preparation and financial reporting processes
- Oversight of the annual audit
- Recommending the appointment of InterLINK's auditor
- Periodic review and adjustment of InterLINK's revenue model to ensure it maintains the financial sustainability of the organization
- Other such duties as may be assigned by the Board of Directors from time to time

3.6.3. Recommendations of the Finance Committee are to be ratified by the full Board.

4. BOARD POLICIES AND PLANNING

4.1. Required Policies

4.1.1. The Board will maintain the following policies:

- Financial Policies
 - Financial Control Policy
 - Procurement Policy
 - Risk Management Policy
 - Expense Policy
- Human Resources Policies
 - Staff Recognition Policy
- Code of Conduct and Confidentiality Policy for Board and Staff
- Communications Policy
- Sponsorship Policy
- Online motion policy

4.1.2. The Board will be responsible for developing additional policies as necessary.

4.1.3. Policies can exist as either standalone policies or by inclusion in this Board Governance Manual.

4.1.4. The Executive Director is responsible for developing any required operational procedures and guidelines to aid staff in the implementation of these policies. The Executive Director in consultation with the Board may implement changes to standing procedure.

4.2. Planning Cycle

4.2.1. The Board will establish an annual planning cycle that will include the following:

- Review and updating of InterLINK's strategic plan as needed
- Approval of the annual budget and the annual operating plan
- Evaluation of the Board
- Performance evaluation of the Executive Director

5. EXECUTIVE AUTHORITY

5.1. Appointment of the Executive Director

5.1.1. The Executive Director will be appointed by the Board on recommendation of a search committee established by the Board.

5.1.2. The Board, in accordance with InterLINK's Human Resources Policy, will fix the Executive Director's remuneration, and other terms and conditions of employment.

5.2. Delegation to the Executive Director

5.2.1. The Board will delegate responsibility for the operational management of InterLINK to the Executive Director.

5.2.2. The Board will delegate responsibility for the preparation of the annual budget, statutory and regulatory reporting, and administration of Board-approved policies to the Executive Director.

5.2.3. The Board will instruct the Executive Director through written policies, a Strategic Plan, Budget approval, and Board Motions, providing general direction on what is to be achieved and the values and behaviours and business practices of InterLINK.

5.2.4. The Executive Director is authorized to establish all further policies, make all decisions, take all actions and develop all activities, which are true to these policies.

5.2.5. The Board will not give directions to individuals that report to the Executive Director.

5.3. Powers and Duties of the Executive Director

5.3.1. The Executive Director will:

- Report to the InterLINK Board
- Be accountable to the InterLINK Board for the management of InterLINK operations
- Be accountable to the InterLINK Board for the hiring, and performance management of InterLINK staff and for making recommendations regarding staff compensation as approved by the Board
- Serve as Chair of the AAG
- Consider sponsorship, partnership and other such requests made to InterLINK
- Carry out other duties as assigned by the Board through policy, delegation, or motions of the Board.

5.4. Executive Director Performance Evaluation

5.4.1. In consultation with the Executive Director, the Board will plan and perform an annual evaluation of the Executive Director's performance. The Executive Committee will manage the performance evaluation process. The results of the annual Executive Director performance evaluation will be presented to the Board at the first meeting held after the completion of the evaluation.

5.5. Unity of Control

5.5.1. Only the Board by majority vote has authority over the Executive Director.

5.5.2. Decisions or instructions of individual Board Members, officers or committees are not binding on the Executive Director except in cases where the Board specifically authorized such instructions, through a motion of the Board.

5.6. Freedom of Information and Protection of Privacy Act

5.6.1 The Board delegates all powers and duties granted under the Freedom of Information and Protection of Privacy Act to the Executive Director.

5.7. Administrators Advisory Group

5.7.1. The Administrators Advisory Group (AAG) will consist of one representative from each member library, being either the Director or designated alternate. The Executive Director of Public Library InterLINK will serve as chair of the AAG.

5.8. AAG Function and Mandate

5.8.1. The AAG will provide technical and operational advice to the Executive Director to assist in the formulation of policy and planning recommendations.

5.8.2. The AAG will also provide advice to the Executive Director on programs and services and assist in their implementation in member libraries.

5.8.3. The AAG will ensure that their library's InterLINK representative is informed of current InterLINK programs and services and their impact on their home library.

5.9. AAG Relationship to the Board and Board Committees

5.9.1. Members of the AAG are eligible to serve on Board Committees in a non-voting advisory capacity. AAG members may serve in that capacity for more than one year.

6. BOARD DEVELOPMENT

6.1. Appointment of New Board Members

6.1.1. Member library boards are responsible for the appointment of InterLINK board members. The role of the InterLINK Board is to identify and communicate, as necessary, competencies that could be considered in the appointment process.

6.1.2. The Executive Committee, in consultation with the Board, may develop a profile of the competencies and skills that are required or considered desirable to ensure the effective, efficient operations of the Board.

6.2. Orientation of New Board Members

6.2.1. The Executive Director and the Board Chair will provide an orientation to all newly elected Board members. Whenever possible, board orientations will be held no later than the second Board meeting of the fiscal year.

6.2.2. Board members will receive a copy of the Board of Directors' Governance Manual and will be required to sign the Code of Conduct and Confidentiality during the orientation session.

7. BOARD MANAGEMENT & DECISION-MAKING

7.1. Meetings

7.1.1. Within three months of the commencement of a fiscal year the Board will hold an Inaugural Meeting and elect a Chair, Vice-Chair and Treasurer; and will appoint an auditor.

7.1.2. The Board will hold regular meetings not fewer than four times a year.

7.1.3. An orientation session will be presented to Board members annually no later than at the start of the second Board meeting of the fiscal year.

7.1.4. Ten (10) days written notice of a regular meeting of the Board stating the time and place will be given to each Board Member.

7.1.5. Board packages will be forwarded to Board members and also placed on the Board section of the InterLINK website for access.

7.1.6. Special meetings of the Board may be held at the call of the Chair, or at the written request of at least two Board Members. At least 72 hours notice of the meeting must be given to all Board Members stating the intended topics and reason for the special meeting.

7.1.7. The Board may, at its discretion, allow for presentations to the Board from non-members.

7.2. Board Member Attendance

7.2.1. When a Board Member is unable to attend a meeting of the Board, the designated Alternate Board Member from his or her Library Board may attend. This Alternate Board Member will be entitled to speak and vote in the place of such Board Member at meetings of the Board at which such Board Member is not present provided the Secretary of the Board has been notified of the Alternate Board Member. In the event that the Board Member and the Alternate are not in attendance the member libraries may send a delegate of their choosing.

7.2.2. If any member of the Board resigns or is absent from two consecutive Board meetings without reasonable excuse, the Board may choose to notify the member Library Board, requesting a new nominee.

7.2.3. Any trustee of a member library may attend any meeting of the Board that is not declared to be an in-camera session; but only the Board Member, or in his or her absence, the Alternate Board Member or the Library's designated attendee will be entitled to vote.

7.3. Board Rules of Procedure

7.3.1. Unless otherwise provided, all meetings will be conducted in accordance with the rules and regulations contained in Robert's Rules of Order Newly Revised.

7.4. Voting

7.4.1. The Chair, or in his or her absence the Vice-Chair, or in his or her absence another Board Member elected by the Board, will preside at meetings of the Board.

7.4.2. A majority of Board Members will constitute a quorum.

7.4.3. Motions arising at a meeting of the Board or a Board committee will be decided by a majority vote of Board Members present.

7.4.4. Each Board Member has one vote. The Chair does not move motions or cast votes except in case of a tie.

7.4.5. Should the Chair wish to speak to a motion or cast a vote, he or she will vacate the Chair and the Vice Chair or Executive Director will assume the Chair's responsibilities temporarily.

7.4.6. Voting is by a show of hands or, where requested by a majority of members, by secret ballot.

7.4.7. Should a Board decision be required and it is not possible to call a meeting, the Chair or the InterLINK Executive Director may conduct an email poll in order to arrive at a decision. In such instance, InterLINK's Online Motion Policy will be invoked. Any decision arrived at by an online vote will be brought forward to be read into the minutes at the next Board meeting.

7.5. Minutes

7.5.1. A copy of all Board minutes will be sent to Board Members. A copy of all regular Board minutes will be sent to members of the AAG and the Executive Director.

7.6. Board Secretary

7.6.1. The Executive Director will serve as Secretary to the Board.

7.7. Self-Evaluation

7.7.1. The Board will conduct an annual self-evaluation. The Governance and Planning Committee will be responsible for preparing, administering and reporting the results of the self-evaluation process to the Board.

7.8. In-Camera Meetings

7.8.1. Any Board member may request an in-camera meeting of the Board, or that a portion of a regular Board meeting be held in-camera. Topics that may be moved to in-camera discussion include employment/labour issues, Executive Director evaluation, internal Board issues, legal issues, and discussion of government policies and their implications for the Federation. The Executive Director attends all in-camera meetings of the Board, except in instances where the Executive Director's performance and/or compensation are to be discussed.

7.8.2. The Executive Director will record the minutes of all in-camera meetings. In the Executive Director's absence the Chair will ask a member of the Board to take minutes of an in-camera meeting.

7.8.3. In-camera minutes will be shared only with Board members and InterLINK's auditor.

8. Governance Manual Review

8.1. The Governance and Planning Committee will review the Governance Manual on an annual basis to ensure it remains current. Amendments to the governance manual may be initiated by providing notice of motion at a regular meeting. The governance manual may be amended at a subsequent regular meeting of the Board by two-thirds vote.



Public Library InterLINK

Policy Type: **Governance**

Policy Title: **Financial Control / Oversight**

Policy Approval Date:

The board is accountable to the member libraries and the province of British Columbia for the Federation's financial affairs. The board must ensure adequate controls are in place to manage finances and see that the library has adequate resources to deliver service and fulfill its mission. These policies set out the Federation's financial practices.

Section 1: Accountability

1. Financial year

The financial year of Public Library InterLINK (InterLINK) will be January 1st to December 31st.

2. Bank accounts

The Federation will maintain an appropriate bank account or accounts in the name of the Federation in a chartered bank, trust company or credit union approved by the Board. Accounts and financial records will be maintained in accordance with generally accepted accounting principles.

3. Investments

The Federation may invest grants and other assets in appropriate interest bearing accounts in order to realize revenue until such time that those funds are required for the operation of the Federation. The investment of all assets must ensure a level of liquidity that provides the flexibility to adjust to changing market conditions, maturity terms that ensures sufficient cash is available to meet the obligations of the Federation and minimizes financial risk.

4. Signing officers

- a) Signing officers for InterLINK will be the Chair of the Board, the Vice-Chair, the Treasurer, the Executive Director and the Manager of Operations.
 - b) Any two signing officers will sign all cheques or other orders for the payment of money in the name of InterLINK.
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- c) The InterLINK Executive Director and the Manager of Operations may sign cheques up to \$25,000. Any cheque over \$25,000 must be signed by at least one of the Chair, Vice-Chair, or Treasurer.

Section 2: Financial Monitoring

1. The InterLINK Board monitors the Federation's finances in order to ensure that the ongoing financial position of the Federation is consistent with the priorities approved by the Board. The Board will monitor the financial report as prepared by the Manager of Operations at each meeting. Year-end financial statements will be forwarded to the Board within three months of the end of the fiscal year.
2. The Finance Committee provides advice to the Board regarding the annual budget and the Federation's financial statements.
3. All InterLINK funds, expenditures and revenues will be audited on an annual basis by a professional auditing firm approved by the InterLINK Board. The Board, following an appropriate recommendation from the Finance Committee, will appoint the auditor.

Section 3: Financial Responsibilities of Executive Director

1. The Executive Director will ensure that a copy of the audited financial statements are submitted to Libraries Branch, Ministry of Education as part of the requirements to complete the Statement of Financial Information (SOFI).
2. The Executive Director is authorized to operate the Federation within the approved budget.

Section 4: Budget

1. InterLINK staff will submit a provisional budget to the Administrators Advisory Group (AAG) by the AAG's November meeting.
 2. The provisional budget, incorporating AAG feedback, will be submitted to the InterLINK Finance Committee for consideration. The InterLINK Finance Committee meets to consider the budget at the call of the Committee Chair. This meeting must occur prior to the regular November board meeting.
 3. Upon recommendation by the Finance Committee, the provisional budget will be submitted for consideration to the InterLINK Board at its November meeting.
 4. Upon approval by the Board, the provisional budget is forwarded to member library Boards for input and comment.
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Section 5: Member Levies and Compensation

1. Member libraries are assigned a levy each year that is payable to the Federation. The member libraries will be invoiced in each fiscal year, once the budget has been approved, for their share of InterLINK operating costs based on a per capita formula approved by the Board. Member levies are calculated using the latest Libraries Branch population figures. These population figures are adjusted to 75% of the actual number for Bowen Island, Gibsons, Lillooet, Pemberton, Sechelt, Squamish and Whistler. The population is adjusted to 50% of the actual number for the Fraser Valley Regional Library.
2. A member library that provides net circulation service to residents who live in other member libraries' jurisdictions will be compensated based on the service provided as determined by objectively measured criteria. Net circulation payments will be distributed in the InterLINK fiscal year following the year in which the service was provided.
3. The determination and distribution of compensation for non-resident circulation will be approved by the Board and may be reviewed by resolution of the Board.
4. Any change to the method of dispersing compensation funds or allocating operating costs will be timed so that a member library has the option of ceasing membership prior to the change taking effect.
5. A member library that provides a central reference service to residents who live in other member libraries' jurisdictions will be compensated based on the service provided as determined by objectively measured criteria.

Section 6: Reserve Funds

1. InterLINK maintains reserve funds to fund capital purchases and special projects. InterLINK maintains adequate reserves to meet obligations to member libraries in the event of a delay of receipt or discontinuation of operating funds and to meet strategic priorities, project and operating obligations.
 2. The InterLINK Board is responsible for assigning an appropriate amount that is considered the cap amount for reserve funds.
 3. Reserve funds are maintained at the cap amount by means of a) budgeting to replenish the fund or b) dispersal of surplus funds (see Section 7). The schedule for replenishing the reserve funds is recommended by the Finance Committee and approved by the Board.
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4. The Board will maintain the following Reserve Funds:

Operating Reserve: sufficient operating funds are maintained to cover administrative expenditures for six months.

Capital Asset Reserve: Sufficient funds will be maintained to purchase or replace the capital assets as approved by the Board

Project Reserve: Sufficient operating funds will be maintained to fund strategic priorities approved by the Board not accounted for in the annual budget.

Compensation Reserve: Funds sufficient to compensate libraries for net lending activities are held in reserve and paid to those libraries in the following year.

5. Accounting for Reserves:

The reserve funds will be recorded in the financial records as restricted funds. The Board may, from time to time, direct that a specific source of revenue be set aside for Operating Reserves.

The Executive Director, in consultation with the Administrators Advisory Group and the InterLINK Board, will identify the need to access reserve funds and confirm that the proposed use is consistent with the purpose of the reserves.

6. Authority to use reserves:

Authority for the use of these reserve funds resides with the Board. In the event of a discontinuation of the annual operating grant, the reserve funds will be utilized to allow InterLINK to continue basic operation while the Board considers alternatives for the future of the Federation.

7. Reporting and monitoring:

The Executive Director is responsible for assuring that the Reserve funds are maintained and used only as described in this policy.

Section 7: Budget Surpluses

1. If the Federation realizes a surplus of funds when the financial statements are finalized, the following procedures will apply:
 - i. Surplus will be applied to any Reserve Fund that is not at the Board approved cap amount.
 - ii. If more than one Reserve Fund is not at the cap, those funds will be replenished in the following priority sequence: 1. Operating 2. Capital Asset 3. Program.
 - iii. If all Reserve Funds are at the cap amount, any realized surplus will be returned to the member libraries using the same formula that determines the basic member levy.

Section 8: Budget Deficits

1. If the Federation is in a deficit position when the financial statements are finalized, the deficit will be offset through a transfer from the Operating Reserves. The Operating Reserve will be replenished as per Section 6.

Section 9: Project Funding

1. In pursuit of the strategic direction identified by the Board, InterLINK manages a number of projects for the benefit of member libraries. Projects are by nature collaborative, and may be focused on a consortial purchase designed to leverage the size of the Federation in order to secure advantageous pricing for participating libraries or on specific projects identified by member libraries through the strategic plan and annual work plans.
 2. Funding for specific projects is determined on a project-by-project basis by the InterLINK Board. Reserves are used to fund projects at the discretion of the Board. If Reserve funds are to be used, a motion to that effect must be brought before the Board for consideration.
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