



City of Richmond

Report to Committee



To: Finance Committee **Date:** November 12, 2021
From: Serena Lusk **File:**
 Deputy CAO/General Manager
Re: **2022 Operating and Capital Budgets for Richmond Public Library**

Staff Recommendation

That the 2021 Richmond Public Library budget of \$10,396,100 as presented in Attachment 1 from the Chief Librarian and the Secretary to the Board, be approved.

Serena Lusk
 Deputy CAO/General Manager
 (604-233-3344)

Att.1

REPORT CONCURRENCE		
ROUTED TO: Finance Department	CONCURRENCE <input checked="" type="checkbox"/>	APPROVED BY THE CAO 
CONCURRENCE BY SMT	INITIALS: 	



Report to Committee

To: City of Richmond Finance Committee **Date:** November 12, 2021

From: Susan Walters
Chief Librarian and Secretary to the Board
Richmond Public Library

Re: **2022 Operating and Capital Budgets for Richmond Public Library**

Staff Recommendation

1. That the 2022 Richmond Public Library budget of \$10,396,100 as presented in Attachment 1 from the Chief Librarian and the Secretary to the Board, be approved.

A handwritten signature in cursive script that reads "S. Walters".

Susan Walters
Chief Librarian and Secretary to the Board
Richmond Public Library
(604-231-6466)

Att. 1

Staff Report

Origin

In accordance with the *Library Act, Section 10(1)*, the Richmond Public Library (RPL) Board must prepare and submit to City Council its annual budget for providing library services on or before March 1, 2022. Council must approve the draft budget with or without amendment. This library staff report details the 2022 Operating and Capital Budgets, which were approved for submission to the City by the Library Board at its July 28, 2021 meeting.

This report supports Council Strategic Plan 2018 – 2022 #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.1 Maintain a strong and robust financial position.

5.2 Clear accountability through transparent budgeting practices and effective public communications.

5.3 Decision-making focuses on sustainability and considers circular economic principles.

5.4 Work cooperatively and respectfully with all levels of government and stakeholders while advocating for the best interest of Richmond.

Analysis

2021 Highlights

Entering the third and final year of the library's Strategic Plan 2019-2021, numerous initiatives were launched to enhance services to Richmond residents. With a need for both physical and virtual library service identified by residents, the library committed to improving access with open hours steadily increasing and returning to full weekday and weekend service levels in September. In acknowledgement of the convenience and safety of virtual services, staff continued to strengthen digital collections and access to innovative online programs that included storytimes; also introducing virtual author interviews, film screenings and employment fairs.

Recognizing the continued impact of the pandemic on our community, the library went Fine Free on February 14, to support vulnerable residents of all ages and ensure equitable access to library collections. In October, a new self-checkin system supported by Council was launched at the Brighthouse branch and new, accessible self-checkouts introduced across all four library branches. The new technology improves customer experience by supporting the rapid processing of materials, ensuring library staff can spend more time welcoming and connecting with customers.

During the pandemic, the library has realized budget savings that have provided the Library Board with an opportunity to allocate funding for current and future initiatives that support improved and expanded services for the community. In 2021, these initiatives include setting

aside resources for capital projects that include future library enhancements at all branches and RPL 2Go Van outreach services, funding new accessible and mobile service points, and providing a suite of Diversity, Equity and Inclusion staff workshops that will support more informed and supportive library service to our community.

Throughout 2021, the library continues to work closely with the City to ensure a collaborative approach to providing services to Richmond residents. In 2022, the library will be initiating a new strategic planning process. With a focus on continuing to build civic and community connections and taking key learnings from the pandemic, the library will involve key stakeholders to ensure it is able to continue to engage and inspire residents of all ages; creating opportunities for our community to come together to learn, connect and belong.

2022 Operating Budget

On October 28, 2020, the Library Board approved fines elimination which supports the library's strategic goals to Build and Grow Our Community, Expand Access to Programs, Services and Collections and Develop and Leverage our Resources. In addition, the Budget Stabilization account was setup by the Library Board in 2020 to minimize budget impact in future years.

To support the book fine free initiative while maintaining minimal increase in municipal contribution, temporary measures included a \$154,100 reduction and one-time transfer of \$100,000 from Budget Stabilization in 2021 Operating Budget.

As of September 14, 2021, the library has returned to full operational hours at all branches. Our proposed 2022 Operating Budget presents the same level of service as pre-pandemic, also including new services delivered during the pandemic resulting in a 2.10% municipal contribution increase.

Main cost drivers to provide the same level of service are summarized as follows:

Main Cost Drivers	Amount	Municipal contribution increase
Labour	\$ 193,900	1.91%
Eliminate 2021 one-time transfer from Budget Stabilization	100,000	0.98%
Restore temporary reductions from 2021	18,700	0.18%
Increase in IT maintenance	10,400	0.10%
Increase in leases	7,600	0.08%
Increase in utilities	5,500	0.05%
Increase in revenues	(12,400)	(0.12%)
Same level of service budget increase	323,700	3.18%
One-time transfer from Budget Stabilization Provision	(110,000)	(1.08%)
Proposed 2022 Operating Budget Increase	213,700	2.10%

A proposed 2022 Operating Budget is detailed in Attachment 1.

Revenues:

The total overall revenues have increased by \$12,400 mainly due to increased photocopier and book sales as we have returned to full operational hours at all branches. Provincial grant budget and investment income remain the same level.

Expenditures:

As our services have become fully operational, similar to the revenues, part of the temporary budget reduction is restored. In addition, annual IT maintenance for vending machines at Hamilton and Minoru Centre for Active Living is included as the warranty period has expired. Leases for Ironwood, Cambie, and Cambie storage (Friends of the Library) increase by \$7,600.

Overall, the same level of service budget increase is 3.18%. In consideration of the impacts to all taxpayers due to pandemic, a one-time transfer of \$110,000 is utilized to achieve a same level of service budget of 2.10% which is below the Consumer Price Index (CPI) target of 2.30%.

2022 Capital Budget

The total collections budget is \$1,220,100. \$477,700 is allocated for eBooks and digital collections and the remaining \$742,400 supports print collections.

Financial Impact

In 2021 the approved municipal contribution was \$10,182,400. The proposed 2022 budget requests a municipal contribution of \$10,396,100, which is a 2.1% increase over 2021's base contribution. The 2022 library budget has a slight increase in revenues of \$12,400 (2.63%) and increase in expenditures of \$226,100 (0.3%) including a \$110,000 transfer from the Budget Stabilization Provision.

Conclusion

This report recommends a same level of service budget with a municipal contribution of \$10,396,100 be approved.



Susan Walters, Chief Librarian and Secretary to the Board
Richmond Public Library
(604-231-6466)

Att. 1: Richmond Public Library 2022 Proposed Operating Budget

**Richmond Public Library
2022 Proposed Operating Budget**

Description	2021 Budget	2022 Budget	Budget Variance	%
Revenues				
Provincial Grants	376,500	376,500	0.00	0.0%
Interlink Reimbursement	20,000	20,000	0.00	0.0%
Printers & Photocopiers and In-house Book Sales	41,200	53,600	12,400	30.1%
Investment Income	18,400	18,400	0.00	0.0%
Other Revenue	14,600	14,600	0.00	0.0%
Total Revenues	470,700	483,100	12,400	2.6%
Expenses				
Salaries and Benefits	8,148,800	8,342,400	193,600	2.4%
Contracts	449,600	460,000	10,400	2.3%
General & Admin	310,800	324,800	14,000	4.5%
Ebook and digital collections	477,700	477,700	0	0.0%
Leases	281,500	289,100	7,600	2.7%
Utilities	137,900	143,400	5,500	4.0%
Supplies	84,000	89,000	5,000	6.0%
Equipment Purchases	186,500	78,500	(108,000)	(57.9%)
Professional Fees and Insurance ¹	55,900	330,900	275,000	491.95%
Total Operating Expenses	10,132,700	10,535,800	403,100	3.98%
Transfer to Capital - Collections	742,400	742,400	0	0.0%
Transfer from Surplus (prior years items)	(123,000)	(290,000)	(167,000)	135.8%
One-time transfer from Budget Stabilization	(100,000)	(110,000)	(10,000)	10.0%
Others	1,000	1,000	0	0.0%
Total Expenses and Transfers	10,653,100	10,879,200	226,100	2.12%
Municipal Contribution	10,182,400	10,396,100	213,700	2.10%

1. The year over year expenditure increase is mainly from one-time general operating surplus funding approved by the Library Board. There is no municipal contribution impact.