



City of Richmond

Report to Committee

To: Finance Committee
From: Serena Lusk
Deputy CAO/General Manager

Date: January 9, 2021

File:

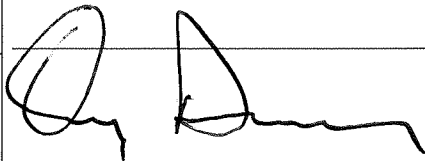
Re: 2021 Operating and Capital Budgets for Richmond Public Library

Staff Recommendation

That the 2021 Richmond Public Library budget of \$10,182,368 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="checked" type="checkbox"/>	APPROVED BY THE CAO 
CONCURRENCE BY SMT	INITIALS: JC	



Report to Committee

To: City of Richmond Finance Committee **Date:** January 6, 2021

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

Re: **2021 Operating and Capital Budgets for Richmond Public Library**

Staff Recommendation

1. That the 2021 Richmond Public Library budget of \$10,182,368 as presented in Attachment 1 from the Chief Librarian and the Secretary to the Board, be approved.

A handwritten signature in black ink that reads "SWalters.".

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, 2020. Council must approve the draft budget with or without amendment. This library staff report details the 2021 Operating and Capital Budgets, which were approved for submission to the City by the Library Board at its October 28, 2020 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

2020 Highlights

2020 and year two of the library's Strategic Plan 2019-2021 began with the rollout of the Inspire Curiosity Library Card campaign to grade 4 students across Richmond schools, the deployment of new public computers at all branches, and the launch of the library's second book dispenser (focus on seniors) at the Minoru Centre for Active Living. Before other strategic priorities to create opportunities for our community to learn, connect and belong could be initiated, the library was addressing a full closure in response to the pandemic. Demonstrating resiliency and adaptability, library staff shifted almost overnight to providing online programming and services to our community.

A new eServices card has attracted almost 2,400 new library members. Over 42,000 participants attended 8,800 online programs. Collection budgets were reallocated to purchase digital content which has seen a 30% increase in use. Customers reliant on Home Services had over 2,100 items delivered to their doors and during the 3 months leading up to all branches reopening, over 35,000 customer holds were fulfilled via the Curbside Holds Pick Up Service. During the first half of the closure, library staff were also able to apply RFID tags to over 300,000 items in the collection. The new RFID self-checkout and self-checkin technology to be introduced in 2021 will support quicker processing of materials and reduce account errors, letting staff to spend more time helping community access our services.

The library realized budget savings in a number of areas, notably in staffing vacancies, due to the closure and reductions in services and typical operational expenditures were shifted to ensure acquisition of PPE and engineering controls to safely restore services. Providing library service throughout the pandemic has not been without challenges, however it also presented opportunities to work closely with the City to ensure a collaborative approach to restoring services for Richmond residents and to provide library services in new and innovative ways. Library services in 2021 will be focused on improving customer experiences at our branches, maintaining the virtual and customized services introduced in 2020, and continuing to build civic and community connections in the final year of our Strategic Plan 2019-2021.

2021 Fines elimination

On October 28, 2020, the Library Board approved fines elimination as part of the 2021 Library operating budget. This initiative will support City Council's strategic priority to provide "supports and/or services for Richmond's vulnerable populations, including youth, seniors, individuals with health concerns, and residents experiencing homelessness".

Fine revenue has continued to decline since 2010 (\$215,832) as digital collection use continues to trend upward with the added benefit of no late fines for those who have access to devices. Fines continue to represent a small percentage 1.4% of the library's total budget (\$147,700).

It is estimated that 70% of staff time spent at the Library Cards and Account desk is directed to conversations related to collecting late fines. The elimination of fines will reallocate approximately 10,000 hours of staffing resources to focus on welcoming, proactive and positive service interactions with library customers.

To date, 13 BC Libraries have already moved to fine free for children or all users and this trend will continue. Libraries across Canada are working swiftly to uphold their principle of fair and equitable access through the removal of fine barriers for customers and to amend budgets to account for this change.

A synopsis for adopting fine free model is presented in Attachment 1.

2021 Operating Budget

The 2021 operating budget report presents the same level of service base budget resulting in 1.52% municipal contribution increase.

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

Table 1 – Main Cost Drivers

Main Cost Drivers	Amount	Municipal contribution increase
Labour	\$ 214,930	2.14%
Book fine free	147,700	1.47%
Decrease in other revenues	41,300	0.41%
Increase in leases	2,838	0.03%
Temporary reductions	(104,100)	(1.03%)
Collections reductions	(50,000)	(0.50%)
Same level of service budget increase	252,668	2.52%
One-time transfer from Budget Stabilization Provision	(100,000)	(1.00%)
Proposed 2021 Operating Budget Increase	152,668	1.52%

A proposed 2021 operating budget is detailed in Attachment 2.

Revenues:

The total overall revenues have been reduced by \$189,000 mainly due to the book fine free implementation. Although the fines for overdue materials are proposed to be eliminated, the library will continue to charge for public printing and photocopying. The reduction in other revenues reflects the current plan for the restoration of services during the pandemic. Provincial grant budget and investment income remain level.

Expenditures:

To support going Book Fine free, RPL has proposed to reduce expenditures in physical collections and other various areas by \$154,100 while minimizing the service impact. Support requests submitted to the Friends of the Library and community fund development campaigns will fund collections, programs and services. The temporary measures include:

Description	\$
Physical collections	(50,000)
IT maintenance	(22,133)
Supplies	(21,346)
Photocopier	(13,600)
Contracts and general admin	(47,021)
Reductions total	(154,100)

The leases for Cambie and Ironwood branches have increased slightly for higher operating costs based on historical trends.

2021 Capital Budget

The collections budget will be reduced by \$50,000 which brings down the budget to \$1,220,100. Approximately \$477,700 is allocated for eBooks and digital collections and the remaining \$742,400 supports print collections. Note that \$100,000 has been reallocated from print collections to reflect the current demand for digital collections.

Budget Stabilization Provision

In consideration of the impacts to all taxpayers due to the pandemic, the Library Board established a Budget Stabilization Provision to reduce the impact of a budget increase during a state of emergency.

A one-time transfer of \$100,000 is utilized to achieve a same level of service budget of 1.52% for 2021 which is below the CPI target of 2.10%.

Financial Impact

In 2020 the approved municipal contribution was \$10,029,700. The proposed 2021 budget requests a municipal contribution of \$10,182,368, which is a 1.52% increase over 2020's base contribution. The 2021 library budget has a decrease in revenues of \$189,000 (-28.6%) and decrease in expenditures of \$36,332 (0.3%) including a \$100,000 transfer from the Budget Stabilization Provision.

Conclusion

This report recommends a same level of service budget with a municipal contribution of \$10,182,368 be approved.



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

Att. 1: Adopting a Fine Free model
2: Richmond Public Library 2021 Proposed Operating Budget

Background

In October 2020, the Richmond Public Library Board approved a fine free model for Richmond Public Library to take effect in 2021. Our libraries are community hubs and we strive to remove barriers to access in order to create opportunities for Richmond residents to learn, connect and belong.

Many families and individuals in our community continue to struggle with affordability issues such as high cost of living, compounded by food and employment insecurity. Fines impose a significant barrier to customers so much so that they often stop using their library cards and borrowing materials. 35.8% of Richmond participants in the BC COVID-19 SPEAK survey indicated that, due to impacts of the pandemic, they were under greater financial stress. We have been observing return patterns during the pandemic and with the temporary removal of fines, staff continue to handle a heavy volume of returns.

Implementing this initiative will support the library's strategic goals by expanding community access to programs, services and collections. It will also endorse Richmond City Council's strategic priority to provide growth supports and/or services for Richmond's vulnerable populations, including youth, seniors, individuals with health concerns, and residents experiencing homelessness.

Permanently removing fines supports lifelong learning by ensuring the library remains the one learning space freely open and available to everyone in our community throughout their lifetime, regardless of circumstance.

Financial and Operational Impact

Fine revenue has continued to decline since 2010 (\$215,832) as digital collection use continues to trend upward with the added benefit of no late fines for those who have access to devices. Book fines continue to represent a small percentage 1.47% of the library's total budget (\$147,700).

RPL serves over 111,000 card holders of which 28,000 customers owe late fines and 7,600 customers remain over our \$5 fine threshold which in pre-pandemic times would restrict them from accessing our collections.

There is no factual correlation between imposing fines and getting material back on time. Libraries that have gone fine free report an increase in collection use and timely returns of borrowed materials. Materials are still expected to be returned or renewed by the due date and long overdue materials will continue to result in a temporary card block until materials are returned back to the library for community use.

From a service perspective, the community will be better served as staff will refocus on improved library service to assist customers where most needed, maximizing customer interactions and offering expertise.

Conclusion

North American libraries are overwhelmingly moving to eliminate overdue fines; representing a commitment to equitable and accessible service. In 2020, Burnaby Public Library and North Vancouver City Library permanently eliminated late fines. Richmond would be one of the first lower mainland municipalities to ensure equitable library access for its residents.

**Richmond Public Library
2021 Proposed Operating Budget**

Description	2020 Budget	2021 Budget	Budget Variance	%
Revenues				
Provincial Grants	\$376,500	\$376,500	0.00	0.0%
Book Fines	\$147,700	\$0	(147,700)	(100.0%)
Interlink Reimbursement	\$30,000	\$20,000	(10,000)	(33.3%)
Printers & Photocopiers and In-house Book Sales	\$72,500	\$41,200	(31,300)	(43.2%)
Investment Income	\$18,400	\$18,400	0.00	0.0%
Other Revenue	\$14,600	\$14,600	0.00	0.0%
Total Revenues	\$659,700	\$470,700	(189,000)	(28.6%)
Expenses				
Salaries and Benefits	\$7,933,600	\$8,148,530	214,930	2.7%
Contracts	\$494,600	\$449,640	(44,960)	(9.1%)
General & Admin	\$341,000	\$310,760	(30,240)	(8.9%)
Ebook and digital collections	\$377,700	\$477,700	100,000	26.5%
Leases	\$278,600	\$281,438	2,838	1.0%
Utilities	\$138,200	\$138,200	0	0.0%
Supplies	\$114,300	\$84,000	(30,300)	(26.5%)
Equipment Purchases	\$78,500	\$186,500	108,000	137.6%
Professional Fees and Insurance	\$36,900	\$55,900	19,000	51.5%
Total Operating Expenses	\$9,793,400	\$10,132,668	339,268	3.5%
Transfer to Capital - Collections	\$892,400	\$742,400	(150,000)	(16.8%)
Transfer from Surplus (prior years items)	\$0	\$(123,000)	(123,000)	
One-time transfer from Budget Stabilization	\$0	\$(100,000)	(100,000)	
Others	\$3,600	\$1,000	(2,600)	(72.2%)
Total Expenses	\$10,689,400	\$10,653,068	(36,332)	(0.3%)
Municipal Contribution	10,029,700	\$10,182,368	152,668	1.52%