



City of Richmond

Report to Committee

To: Finance Committee **Date:** June 18, 2015
From: Jerry Chong, CPA, CA **File:** 03-0970-01/2015-Vol 01
 Director, Finance
Re: **Richmond Public Library Strategies to Reduce Expenses and Increase Revenue**

Staff Recommendation

That the staff report titled "Richmond Public Library Strategies to Reduce Expenses and Increase Revenue" dated June 18, 2015 from the Director, Finance be received for information and considered as part of the 2016 budget process.

Jerry Chong, CPA, CA
 Director, Finance
 (604-276-4064)

Att. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS:	APPROVED BY CAO

Staff Report

Origin

At the Richmond City Council meeting held on February 10, 2015 the 2015 Operating and Capital Budgets for the Richmond Public Library were presented. The municipal contribution to the Library increased by 3.51% over the 2014 year. The increase was largely due to other Library revenue sources declining while expenses continue to increase.

This report is in response to the following Council referral:

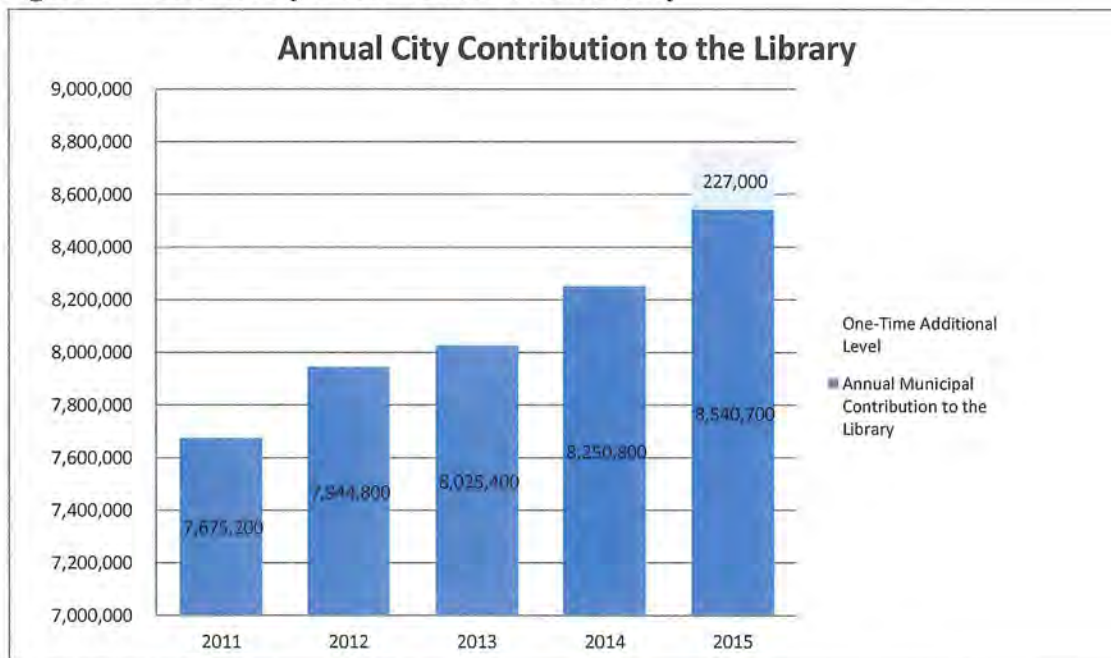
That staff work with Richmond Public Library staff on possible strategies to reduce expenses and increase revenue, and report back.

Analysis

Trend of Municipal Contributions to the Library

The following chart shows that the municipal contribution to the Library has increased each year, at an average of 2.95% between 2011 and 2015. In 2015, a one-time additional contribution was made from Rate Stabilization Account, which is not included in the average calculation.

Figure 1 – Annual City Contribution to the Library



Library expenses increase each year due to non-discretionary factors such as salaries, benefit rates and contracts. The percentage of the Library’s operations funded by the Municipal

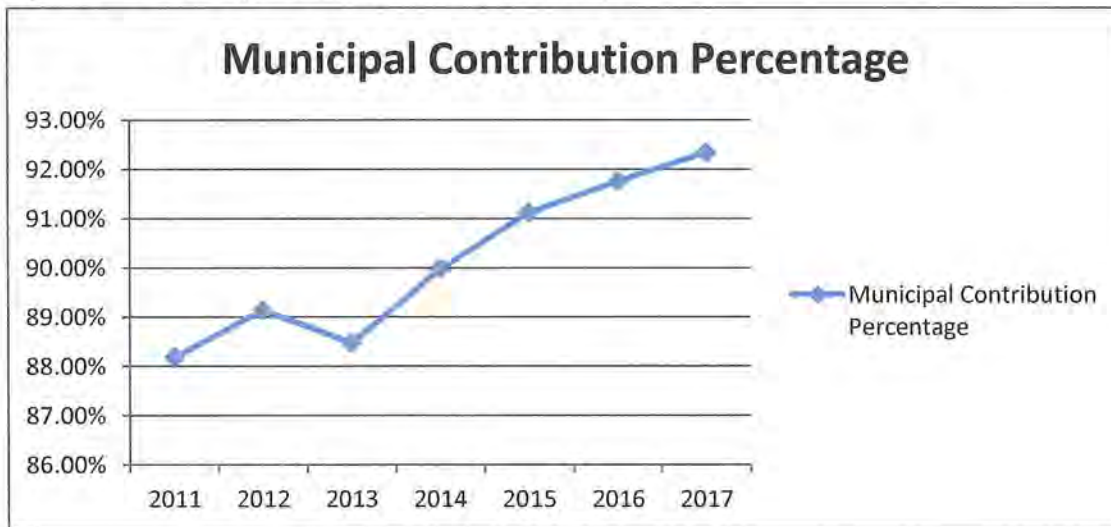
Contribution should remain constant or decrease from year to year to maintain the same level of service provided by the City; otherwise the City’s service commitment is effectively changed. The following table looks at the percentage of the Municipal Contribution compared to total budgeted revenues. From 2011 to 2013, the Municipal Contribution percentage is 88-89% and in 2014 this increased to 90%. This percentage increase means that as costs are rising, that additional burden is shouldered by the City rather than reducing expenses or finding alternative funding sources. In 2015, the percentage rose further to 91%. Based on forecasts provided by the Library, which are included in Attachment 1, this is expected to increase further in 2016 and 2017 to 92%.

Table 1 – Municipal Contribution Analysis

Year	Budgeted Municipal Contribution	Other Budgeted Revenue	Total Budgeted Revenue	Municipal Contribution %
2011	\$ 7,675,200	\$ 1,027,700	\$ 8,702,900	88.2%
2012	7,944,800	967,900	8,912,700	89.1%
2013	8,025,400	1,045,500	9,070,900	88.5%
2014	8,250,800	919,500	9,170,300	90.0%
2015	8,540,700	832,200	9,372,900	91.1%
*2016	8,779,600	788,800	9,568,400	91.8%
*2017	9,007,300	748,000	9,755,300	92.3%

**Forecast*

Figure 2 – Municipal Contribution Percentage



It is important to note that actual results vary from budget; however, if other revenue sources do not meet budget targets in a given year, the Library has responded by reducing expenses accordingly.

In 2013, an assessment of cost per capita of 11 lower mainland Library systems was conducted. The cost per capita ranged from \$32.39 per capita (Surrey) to \$99.31 per capita (West Vancouver). Richmond ranked the third lowest cost per capita at \$40.61 per capita. Burnaby was \$51.70 per capita and Vancouver was \$60.26 per capita. This could be interpreted that Richmond offers good value to its citizens for its library services.

For the 2016 and future budgets, the City is faced with the decision of accepting the additional percentage of Library operating costs, or reducing service levels or revenues increased until the desired contribution percentage is reached. The Library Board has completed a comprehensive review of the possible strategies to increase revenues and reduce expenses, the results of which are included in Attachment 1. The Library report also addresses changes in circulation policies that will maximize the service potential of existing resources.

Financial Impact

None at this time.

Conclusion

This report analyzes the trend of municipal contributions to the Library which has seen an increase in the total percentage of Library operations funded each year. As costs continue to rise, this trend is expected to continue. The attached report is the Library's response to the strategies for increasing revenues and reducing expenses as well as revised circulation policies.

Handwritten signature in black ink, appearing to read 'MS' followed by a flourish and the word 'for'.

Melissa Shiau, CPA, CA
Manager, Financial Planning and Analysis
(604-276-4231)

MS:ms

Att. 1: Richmond Public Library Report on Library Expenses and Revenues



Richmond
Public Library

REPORT TO COMMITTEE

To: Finance Committee
From: Greg Buss,
Chief Librarian & Secretary to the Board
Richmond Public Library
Re: **Report on Library Expenses and Revenues**

Date: June 18, 2015

Staff Recommendation

That the Report on Library Expenses and Revenues be received for information.

A handwritten signature in black ink that reads "Greg Buss".

Greg Buss,
Chief Librarian & Secretary to the Board
Richmond Public Library
604-231-6418

- Att. 1: List of Actions Committed to by Library Board
2: Revised Fines and Charges
3: Collection Development Strategies
4: Revised Circulation Policies

Staff Report

ORIGIN

In the course of the library's 2015 budget presentation Council noted that library revenues are declining while expenses are increasing. Underlying the discussion was the question of how the library can grow and expand its services while maintaining a balance between its revenues and expenses—thus ensuring that the city's municipal contribution to the library keeps pace with overall city budget goals.

This report addresses the following referral made at the City Council Finance Committee meeting of February 2, 2015:

That staff work with Richmond Public Library staff on possible strategies to reduce expenses and increase revenue, and report back.

In addition to revenues and expenses, Council had many questions and comments relating to circulation loan policies and collections. In order to address these concerns the Library Board conducted a comprehensive review of circulation loan policies and collection development policies. As a result of this review changes aimed at improving the utilization of existing collection resources will be implemented as soon as possible with full implementation coming into effect for 2016. Information on these changes is also included in this report.

SUMMARY OF FINDINGS

1. Fine revenues will continue to decline over the long term but improved fine collection methods can increase revenues in the short term.
Current fine revenues are largely derived from the circulation of physical items. As the shift towards digital takes place these revenues will decline; however, in the short term it is possible to improve the collection of fine revenues through more stringent fine collection procedures. It is estimated an additional \$64,000 can be collected in 2016 and approximately \$32,000 in following years.
2. Opportunities for new revenues exist.
There are opportunities to develop other revenues to replace declining fine revenue. These include donations, corporate sponsorship and grants. The nature of these funds is to be unpredictable and usually carry restrictions preventing them from being applied to regular operating expenses. These funds are best suited for one time programs as it is difficult to ensure sustained funding for ongoing programs. It will take time to develop these revenues and will require an investment in library time and resources.
3. Fee for service has possibilities but will require expanded library spaces.
A fundamental core value of public libraries is free and equal access to materials and services and *The Library Act* places restrictions on what fees a public library can charge. However, there are areas where fees can be charged. Examples from other libraries include: renting out meeting rooms and computer labs, coffee shops, vending machines and special services to business. Adoption of these types of fees would be dependent upon expanded library space that is designed to accommodate these types of services.
4. Annual budget and service reviews by library staff must continue.
There are always areas where current budget lines can be reviewed and modest cuts made. This process has been ongoing each year as budgets are prepared and the savings reallocated to budget

lines where costs are increasing. Equally important is the ongoing review of public service levels and methods of operations including adopting improved technologies, contracting out, and renegotiating vendor contracts.

5. Consortium buying should continue along with increased co-operation with the city.
Co-operative buying and consortium purchasing brings more buying power and lower costs to the library. The library should continue to be an active participant in these programs through Public Library InterLINK and the BC Libraries Co-operative. There are also a number of areas where co-operation with the city can reduce costs—especially in the area of IT—and these should be pursued.
6. Service level reductions can result in savings but come at a high cost in terms of public satisfaction.
The vast majority of the library's budget consists of non-discretionary items. There is little opportunity to substantially decrease current expenses without affecting service levels and accompanying staff reductions. It can be anticipated that any savings achieved through service level reductions will result in public dissatisfaction. Service level reductions are not recommended.
7. Human capital drawn from the community is an important resource for future growth.
Equally important to ensuring revenues match expenses is the need to ensure the library continues to provide high value for the residents of Richmond. This can only be done by providing the full range of library services that the community desires and to do so both efficiently and cost effectively. Providing value added services will require an increased focus on human capital drawn from the community at large rather than just additional financial resources. A comprehensive volunteer program will be implemented to take advantage of this opportunity as well as expansion of collaborative programming with community groups.
8. Collection development policy and collection management policy improvements will be made.
The current collection management approach has put top priority on customer service by meeting public demand for a wide variety of material with as short a wait time as possible. The current financial challenges and the need to meet the continuing demand for both print and digital resources makes it necessary to re-examine this approach. Improved collection development and loan policies that provide for tighter control of number of items allowed at a time and shorter loan periods will be implemented resulting in better utilization of collection resources. These changes will come into full force in 2016.

ANALYSIS

CURRENT AND PROJECTED REVENUES AND EXPENSES

The trend for decreasing revenues and increasing expenses make it imperative that the Library Board adopt a range of strategies in order to enable the library to grow and prosper within the current level of support provided by the city. Described in this report are the strategies the Library Board will undertake to increase revenues while controlling expenses and the specific actions the Library Board is committed to taking in order to accomplish this. A complete list of actions can be found in Attachment 1.

The chart below shows Current and Projected Revenues and Expenses for 2015 to 2017 if the Library Board adopts these strategies. It shows that as we move into the 2016 and 2017 budget years the projected increase in municipal contribution declines from 3.51% in 2015 to 2.8% in 2016 to 2.59% in 2017. This is achieved through a combination of increasing revenues while controlling expenses. It is recognized by the Library Board that these targets may still exceed the city target of increases at or below CPI.

Richmond Public Library									
Operating Budget Projection 2015 to 2017									
	2015			2016			2017		
SUMMARY:	Budget	% Increase / Decrease	Increase from 2014	Forecast	% Increase	Increase from 2015	Forecast	% Increase / Decrease	Increase from 2016
REVENUES									
Municipal Contribution	\$8,540,700	3.51%	289,900	\$8,779,600	2.80%	238,900	\$9,007,300	2.59%	227,700
Provincial Grants	409,700	-0.68%		409,700	0.00%		409,700	0.00%	
Book Fines & Charges	202,500	-24.89%		219,400	8.35%		187,400	-14.59%	
Interlink reimbursement	146,000	-17.37%		84,600	-42.05%		76,100	-10.05%	
In House Book sales	28,900	51.31%		30,300	4.84%		30,300	0.00%	
Photocopiers	25,100	14.61%		24,600	-1.99%		24,100	-2.03%	
Printing	9,500	3.26%		9,700	2.11%		9,900	2.06%	
Miscellaneous	10,500	0.00%		10,500	0.00%		10,500	0.00%	
TOTAL REVENUES	\$9,372,900	2.21%		\$9,568,400	2.09%		\$9,755,300	1.95%	
EXPENDITURES									
Salaries and Benefits	\$6,914,000	2.45%		\$7,052,300	2.00%		\$7,193,300	2.00%	
Collections	1,161,500	0.00%		1,184,700	2.00%		1,208,400	2.00%	
Contracts	400,200	4.25%		425,200	6.25%		438,000	3.01%	
General & Admin.	324,600	-2.21%		324,600	0.00%		324,600	0.00%	
Leases	239,900	17.60%		239,900	0.00%		239,900	0.00%	
Utilities	140,400	0.00%		144,600	2.99%		148,900	2.97%	
Supplies	111,400	-5.11%		112,500	0.99%		113,600	0.98%	
Equipment Purchases	36,500	0.00%		40,200	10.14%		44,200	9.95%	
Insurance	14,100	0.00%		14,100	0.00%		14,100	0.00%	
Cataloguing	14,000	0.00%		14,000	0.00%		14,000	0.00%	
Memberships	9,800	-15.52%		9,800	0.00%		9,800	0.00%	
Professional Fees - Audit	6,500	0.00%		6,500	0.00%		6,500	0.00%	
TOTAL EXPENDITURES	\$9,372,900	2.21%		\$9,568,400	2.09%		\$9,755,300	1.95%	

STRATEGIES TO INCREASE/MAINTAIN REVENUES

Provincial Grants

Provincial support to libraries has remained constant over many years. There is little likelihood that we will see an increase in grants and as pressure mounts on the provincial budget grants could conceivably decline. It is important for the Library Board to continue to lobby the province to maintain grants and to demonstrate the value received for money spent.

Action

- 1. Library Board to continue advocacy efforts, largely through the British Columbia Library Trustees Association, to maintain provincial grants.**

Book Fines and Charges

The intent of fines and charges is to provide negative incentives for users to bring back material as quickly as possible so it can become available for others to borrow. The decline in fine revenue is due to both the decline in print circulation and the introduction of convenient library online services to renew material prior to being overdue and therefore not incurring a fine. These two trends will continue so there can be no expectation that fine revenues will bounce back to previous highs. However, there are steps that can be taken to increase fine revenue in the short term through improved fine collection procedures including the use of a collection agency for long outstanding items.

The Library Board has conducted a comprehensive review of policies and procedures around fines and charges and will make changes to tighten up fine collections. Attachment 2 outlines the changes. It is estimated that approximately \$64,000 in additional fine and charges revenue can be collected in 2016 and \$32,000 per year thereafter if a more stringent fine collection policy is adopted. Below is a chart describing actual and projected fine revenue:

	2010	2011	2012	2013	2014	2015	2016	2017
Fines	\$215,832	\$212,452	\$193,804	\$165,369	\$159,267	\$155,358	\$219,400	\$187,400
Assumptions:								
- For 2015, The YTD actual number to Apr. 30th has been extrapolated for the balance of the year.								
- 2016 increases by \$64K over 2015								
- 2017 increases by \$32K over 2015								

In adopting a more stringent fine collection policy it will be important to recognize genuine hardship cases and to exercise flexibility. The library's circulation computer system is currently being upgraded and implementation of the changes will be timed with the completion of this upgrade—late 2015 and early 2016.

A further increase in fine collection could be achieved if the self-checkout units are upgraded to allow immediate payment of fines at the time of taking out books. Upgraded technology would include the adoption of RFID technology which requires substantial initial investment but could also lead to reduced staffing costs. Library staff are investigating the cost/benefits of this technology and, if favourable, will develop a business case for a capital budget submission.

Action

- 2. Adopt a more stringent policy towards the collection of fines while recognizing hardship cases require flexibility.**
- 3. Implement changes to fines and charges as outlined in Attachment 2.**
- 4. Investigate using a collection agency for material not returned after repeated requests.**

5. Investigate adopting upgraded self-checkout units with RFID technology and develop business case if appropriate.

InterLINK Net Reimbursement

InterLINK is a federation of 18 lower mainland libraries supporting the provision of co-operative services and the sharing of resources. All residents from the 18 libraries can borrow freely from all the other libraries. While the service is free to the end user, libraries are paid \$.50 for each net loan at the end of the year. As a net lender Richmond receives significant revenue from this source (\$113,112 in 2014), but the revenue has been declining steadily since 2009. The reduction is directly related to the decline in print circulation across all libraries as well as improved collections in other libraries, especially in the area of Chinese language materials. This source of revenue can be expected to continue to decline as shown below:

	2010	2011	2012	2013	2014	2015	2016	2017
InterLINK Revenue	\$238,617	\$215,646	\$176,628	\$142,886	\$113,112	\$96,145	\$84,608	\$76,147
% decrease		-9.63%	-18.09%	-19.10%	-20.84%	-15.00%	-12.00%	-10.00%

Miscellaneous Revenues

a. In-house Book Sales

A great deal of material is donated by the public, very little of which is suitable for adding to the collection, and the library is continuously weeding the collection of out-dated and worn material. Most of this material is sent to the Friends of the Library for their book sales. Some, however, is sold in-house and is a source of modest revenue. There is a potential to increase these sales, but any effort to do so must not negatively impact on the Friends of the Library sales.

b. Photocopier and Printing

With the advance of scanning and PDF technology the use of photocopiers is declining and will continue to do so; however, a modest increase in photocopier charges may help maintain the revenue from this source. Printing is on the increase and a modest increase in charges may further increase the revenues. A separate fee schedule for 3D printing will be implemented to not only recover cost of supplies but also provide for maintaining and replacing the printers.

Action

- 6. Expand in-house book sales while ensuring Friends of the Library sales do not suffer.**
- 7. Implement modest increase in photocopy and printing charges and develop increased charges for 3D printing.**

Sources of Revenue Not Included in Operational Budget

There are other sources of revenue that are not included in the operational budget because they are unpredictable and cannot be used to cover general operating expenses. These funds are best suited for one time programs as it is difficult to ensure sustained funding for ongoing programs. Examples of 2014 revenue from these sources are:

- Friends of the Library donations from book sale proceeds (\$20,000)
- Donations from individuals (\$24,400)
- Corporate donations and sponsorships (\$16,700)
- One-time special grants (\$10,000)
- Endowment fund disbursements (\$12,500)

These revenues have the potential to increase, particularly individual donations and corporate donations and sponsorships. The Library Board is committed to developing a strong fund development program and has set it as a priority for 2016; however, it will take time and internal resources to fully develop.

Action

- 8. Develop a strong fund development program.**
- 9. Continue to pursue grants and special funding opportunities.**
- 10. Continue to support the Friends of the Richmond Public Library.**

Fee for Service

A fundamental core value of public libraries is free and equal access to materials and services and *The Library Act* places restrictions on what charges a public library can charge. Section (46) of the Act states:

Free basic library service

- (1) *A library board must not charge for*
 - a. *Admission to any part of a building used for public library purposes, or*
 - b. *Using library materials on library premises.*
- (2) *A library board must allow residents and electors of any area served by the library board to do the following free of charge:*
 - a. *Borrow library materials that are normally lent by the library and that belong to prescribed categories of library materials;*
 - b. *Use reference and information services as the library board considers practicable.*
- (3) *A library board may charge fees for services not required to be provided free of charge under this section, including for the use of services described in subsection (2) by anyone who is not a resident or elector of an area served by the library board.*

The Library Board discussed the possibility of developing fee-based services that may lie outside the restrictions imposed by the *Library Act* but felt that to do so would weaken one of the foundation values upon which the public library system rests—free and equal access to all. The Library Board is not prepared to pursue fee-for-service at this time. However, there are situations where the Library Board can see fees being charged. Examples from other libraries include: renting out meeting rooms and computer labs, coffee shops, vending machines and special services to business. Adoption of these types of fees would be dependent upon expanded library space that is designed to accommodate these types of services.

STRATEGIES TO REDUCE AND CONTROL EXPENDITURES

Budget Line Reductions and Re-allocations

The vast majority of the library's budget consists of non-discretionary items. There is very little opportunity to decrease current expenses substantially without service level reductions. However, there are always areas where current budget lines can be reviewed and savings made. This process has been ongoing for many years as each year's budget is prepared and the savings reallocated to other budget lines where costs are increasing. To date \$9,480 of savings has been identified that can be reallocated to other budget lines for the 2016 budget as shown below:

Savings from Review of Budget Lines		
Action	Amount	Impact
Telephone	\$2,900	Discontinue phone book listing
Postage & Courier	\$3,500	Limit overdue & holds notices sent by mail
Contracts - Janitorial Brighthouse	\$1,100	Eliminate chair cleaning by Contractor
Telephone Ironwood	\$660	Eliminate fax line for public use
Telephone Cambie	\$660	Eliminate fax line for public use
Telephone Steveston	\$660	Eliminate fax line for public use
Total	\$9,480	

This process will continue every budget cycle.

Action

- 11. Library staff to review budget lines and reduce and re-allocate wherever possible.**

Controlling Expenses

Library staff make every effort to control expenditures and are achieving success. A number of current examples are:

- Contracting out janitorial services (\$42,900 annual savings over if in-house staff used)
- Renegotiating vendor agreements for better terms (\$2,500 annual savings on maintenance contract for sorting machine)
- Reviewing methods of operations (\$38,000 saved by simplifying the processing of materials)

Controlling Expenses		
Action	Amount	Impact
Collection Processing	\$37,924	Reduce processing by \$2.00 per book for Library Bound
Lyngsoe - sorting machine	\$2,489	Service visits reduced to one per year from two
Janitorial Expense	\$42,884	Using outside contractor for branches instead of BSWs
TOTAL	\$83,297	

The current migration of our circulation computer system onto a new platform is the best example of controlling costs. In this case we have negotiated with our vendor an eight year agreement with fixed costs, in Canadian dollars, for a product that has more features and functionality than our current system. In year 2017 of this agreement we will be paying \$2,400 less than what we paid in 2014. This was accomplished within operating budget and required no additional capital funding from the city.

Action

- 12. Library staff to continue to investigate and implement expense controlling measures.**

Co-operative Services and Purchasing

Co-operative buying and consortium purchasing brings more buying power and lower costs to the library. For library specific products and services we are active participants in Public Library InterLINK and the BC Libraries Co-operative and achieve significant saving on products such as library cards, barcodes and licencing agreements.

There are also a number of areas where co-operation with the city have reduced costs. Current examples include using the city's PeopleSoft financial software and piggy-backing onto the city's telephone system. These areas of co-operation with the city yield high savings for the library at very little additional cost to the city. There may be other such areas that could be taken advantage of especially in the area of IT. In

order not to shift the costs to the city the library's budget should include the incremental costs the city incurs for providing the service as an expense item in the library's budget.

Action

- 13. Continue group purchasing and consortium buying initiatives with Public Libraries InterLINK and BC Libraries Co-operative.**
- 14. Investigate areas of possible further co-operation with city.**

Service Level Reductions

There is very little opportunity to decrease current expenses substantially without service level reductions. Council has never suggested this option and the Library Board does not see it as a tenable one but information is provided here in the interests of being comprehensive. Some examples of possible service level reductions and the resulting annual savings are:

- Eliminate Hamilton Outreach Service (\$15,000)
- Shorter hours at some or all branches (\$100,000 to \$500,000)
- Close branches one day of the week (\$240,000)
- Close a branch entirely (\$438,000)

These options are extreme in terms of negative impact on the public and it is not recommended to pursue them.

STRATEGIES FOR PROVIDING ADDED VALUE THROUGH HUMAN CAPITAL

Equally important to ensuring revenues match expenses will be the need to ensure that the library continues to provide high value for the residents of Richmond. This will only be accomplished if the library is providing the full range of services that the community will most benefit from and that it is doing so both efficiently and cost effectively. Providing these value added services will require an increased focus on human capital rather than just financial resources.

More than ever this means working closely with other community organizations and groups and expanding collaborative programming. Some current examples of success in this area are working with the city on the Children's Festival and the Writer-in-Residence program and community organizations such as Literacy Richmond and Richmond Children First.

The Library Board has also set as a high priority the development a comprehensive library community volunteer program and has enlisted the assistance of Volunteer Richmond to help guide the library through this process. The degree to which the library is able to grow and expand services will to a large extent depend upon its success in this area.

The library's strategic plan calls for the expansion of opportunities for community engagement. By providing even more opportunities for community members and organizations to take full advantage of library resources to realize their own goals and ambitions, the library will be able to provide substantial added value without a correspondingly large increase in expenditure.

Action

- 15. Begin implementation of Library Community Volunteer Program.**
- 16. Expand collaborative programs and services with community organizations and groups that fully utilize library resources.**

COLLECTION DEVELOPMENT AND COLLECTION MANAGEMENT POLICIES

In addition to revenues and expenses, Council had many questions and comments relating to circulation loan policies and the collections. In order to address these concerns the Library Board conducted a comprehensive review of collection development policies and collection management policies. Collection development determines what materials we have in the library and collection management, through circulation loan policies, determines how these materials are made accessible to users.

Collection Development Policies

Over the years the library has been highly successful in developing a good collection in a variety of languages and formats that meets community needs. Proof of this is the consistently high circulation per capita that Richmond achieves. While we continue to have a very high circulation per capita, it is in decline and will continue to do so as a variety of forces come into play. The Strategic Plan identified the need to rethink our collection development approach and to move toward the “Refocused Traditional Library” and the “Digital Library”.

There are a number of equations the library has to consider and we must determine where on the continuum of possibilities Richmond is best positioned:

- Print versus Digital
- Popular demand versus Diversity of collections
- Main branch collections versus Branch collections
- Richmond owned resources versus InterLINK resources
- Book stack space versus Programming space

Determining the optimum mix of resources is a major challenge for the library and one that will prove to be a moving target. Library staff will have to closely monitor our evolving collections and public expectations and be prepared to respond quickly as needs evolve. Changes in these equations will no doubt result in an increase in satisfaction with library services for some users and a decrease in satisfaction for other users.

Attachment 3 describes the short term action required to refocus our print collections and to develop our digital resources as outlined in our strategic plan.

Action

- 17. Implement Refocused Traditional Library Collections Strategy as outlined in Attachment 3.**
- 18. Implement Digital Library Collections Strategy as outlined in Attachment 3.**
- 19. Allocate the \$200,000 one-time additional collection funds as outlined in Attachment 3.**

Collection Management Policies

Collection management, through circulation loan policies, determines how materials are made accessible to users. This is done through a variety of policies:

- Loan periods
- Renewals
- Holds
- Borrowing limits

The current collection management approach has been to put top priority on customer service and to do our best to meet public demand for a wide variety of material with as short a wait time as possible. In

light of the current financial challenges and the need to meet the continuing demand for both print and digital resources changes to circulation loan policies are required.

The Library Board conducted a comprehensive review of these policies and changes will be implemented to provide for tighter control of number of items allowed at a time and shorter loan periods to ensure better utilization of the existing collection. Attachment 4 describes these changes. Implementation will be tied to the completion date of the circulation computer system upgrade and take full force in 2016.

Action

- 20. Implement changes to circulation loan policies as outlined in Attachment 4 to be timed with completion of circulation system upgrade.**

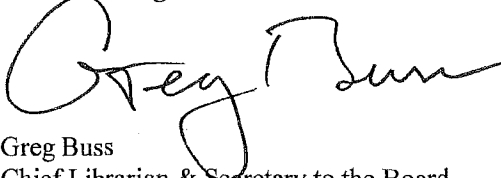
FINANCIAL IMPACT

None

CONCLUSION

Given the significant decline in revenue related to the decline in circulation of physical items the Library Board is adopting a number of strategies to increase revenue from other sources while making every effort to control expenses. In addition, the Library Board has conducted a comprehensive review of circulation loan policies in order to maximize the utilization of existing collections and has also revised collection development policies in order to provide balanced collections in both print and digital resources.

This report has identified 20 specific actions the Library Board is committed to carrying out in order to achieve these goals.



Greg Buss
Chief Librarian & Secretary to the Board
Richmond Public Library
(604-231-6418)

- Att. 1: List of Actions Committed to by Library Board
2: Revised Fines and Charges
3: Collection Development Strategies
4: Revised Circulation Policies

ATTACHMENT 1

LIST OF ACTIONS COMMITTED TO BY LIBRARY BOARD

1. Library Board to continue advocacy efforts, largely through the British Columbia Library Trustees Association, to maintain provincial grants.
2. Adopt a more stringent policy towards the collection of fines while recognizing hardship situations require flexibility.
3. Implement changes to fines and charges as outlined in Attachment 2.
4. Investigate using a collection agency for material not returned after repeated requests.
5. Investigate adopting upgraded self-checkout units with RFID technology and develop business case if appropriate.
6. Expand in-house book sales while ensuring Friends of the Library sales do not suffer.
7. Implement modest increase in photocopy and printing charges and develop increased charges for 3D printing.
8. Develop a strong fund development program.
9. Continue to pursue grants and special funding opportunities.
10. Continue to support the Friends of the Richmond Public Library.
11. Library staff to review budget lines and reduce and re-allocate wherever possible.
12. Library staff to continue to investigate and implement expense controlling measures.
13. Continue group purchasing and consortium buying initiatives with Public Libraries InterLINK and BC Libraries Co-operative.
14. Investigate areas of possible further co-operation with city.
15. Begin implementation of a Library Community Volunteer Program.
16. Expand collaborative programs and services with community organizations and groups that fully utilize library resources.
17. Implement Refocused Traditional Library Collections Strategy as outlined in Attachment 3.
18. Implement Digital Library Collections Strategy as outlined in Attachment 3.
19. Allocate the \$200,000 one-time additional collection funds as outlined in Attachment 3.
20. Implement changes to loan policies outlined in Attachment 4 to be timed with completion of circulation system computer upgrade.

ATTACHMENT 2

REVISED FINES AND CHARGES

Type of Material	Holds Charges Not Picked Up		Fines Per Day		Maximum Fines		Replacement Cost	
	Current	NEW	Current	NEW	Current	NEW	Current	NEW
Adult Material								
Adult Books	\$1.00	\$2.00	\$0.30	\$0.50	\$10.00	\$15.00	retail cost	retail cost
Adult Rapid Read Books	n/a	n/a	\$1.00	\$1.00	\$10.00	\$15.00	retail cost	retail cost
Adult Magazines	n/a	n/a	\$0.30	\$0.50	\$5.50	\$10.00	\$5.50	\$10.00
Inter Library Loans	\$1.00	\$2.00	\$0.30	\$0.50	\$10.00	\$15.00	cost + fee	cost + fee
Young Adult material								
Young Adult Books	\$1.00	\$2.00	\$0.10	\$0.25	\$2.50	\$10.00	retail cost	retail cost
Young Adult Rapid Read Books	n/a	n/a	\$0.30	\$0.50	\$2.50	\$10.00	retail cost	retail cost
Young Adult Magazines	n/a	n/a	\$0.10	\$0.25	\$2.50	\$10.00	\$5.50	\$10.00
Junior material								
Junior Books	\$1.00	\$2.00	\$0.10	\$0.10	\$2.50	\$5.00	retail cost	retail cost
Picture Books	\$1.00	\$2.00	\$0.10	\$0.10	\$2.50	\$5.00	retail cost	retail cost
Junior Rapid Read Books	n/a	n/a	\$0.30	\$0.50	\$2.50	\$5.00	retail cost	retail cost
Junior Magazines	n/a	n/a	\$0.10	\$0.10	\$2.50	\$5.00	\$5.50	\$10.00
Media								
DVD Dispenser - Movies & TV Series	n/a	n/a	\$1.00	\$1.00	\$10.00	\$15.00	retail cost	retail cost
DVD Dispenser - Video Games	n/a	n/a	\$1.00	\$1.00	\$10.00	\$15.00	retail cost	retail cost
DVD 3 Day Loan - New releases no holds	n/a	n/a	\$1.00	\$1.00	\$10.00	\$15.00	retail cost	retail cost
DVDs - Adult fiction and non-fiction	\$1.00	\$2.00	\$1.00	\$1.00	\$10.00	\$15.00	retail cost	retail cost
DVDs - Junior fiction and non-fiction	\$1.00	\$2.00	\$1.00	\$1.00	\$10.00	\$15.00	retail cost	retail cost
DVDs - ESL	\$1.00	\$2.00	\$1.00	\$1.00	\$10.00	\$15.00	retail cost	retail cost
CD Books (Adult, Junior, Young Adult)	\$1.00	\$2.00	\$0.30	\$0.50	\$10.00	\$15.00	retail cost	retail cost
Music CDs	\$1.00	\$2.00	\$1.00	\$1.00	\$10.00	\$15.00	retail cost	retail cost
Kits								
Adult Book Club Sets	\$1.00	\$2.00	\$0.30	\$0.50	\$10.00	\$15.00	retail cost	retail cost
Junior Book Club Sets	\$1.00	\$2.00	\$0.10	\$0.25	\$2.50	\$5.00	retail cost	retail cost
Health Department Bins - Grades 1 to 6	\$1.00	\$2.00	\$0.30	\$0.50	\$10.00	\$10.00	retail cost	retail cost
Nostalgia Kits	\$1.00	\$2.00	\$0.30	\$0.50	\$10.00	\$10.00	\$150.00	\$150.00
Theme Bags	\$1.00	\$2.00	\$1.00	\$1.00	\$2.50	\$10.00	\$80.00	\$80.00
Theme Boxes	\$1.00	\$2.00	\$1.00	\$1.00	\$2.50	\$10.00	\$150.00	\$150.00
Kobo Readers (Adult, Junior, Young Adult)	\$1.00	\$2.00	\$5.00	\$5.00	\$150.00	\$150.00	\$150.00	\$150.00

Fines threshold at Self-Checkout

CURRENT \$10.00, any amount collected

NEW \$5.00, full amount collected

ATTACHMENT 3**COLLECTION DEVELOPMENT STRATEGIES**

The Strategic Plan identified the need to move toward the “Refocused Traditional Library” and to develop the “Digital Library”. Below are specific actions staff have identified in order to carry out these goals.

COLLECTION AREAS WHERE BUDGET ALLOCATION WILL INCREASE**Kids**

- Multiple copies of core collection picture books for families to read together, easy readers and chapter books for emergent readers, and popular and award-winning fiction
- French immersion material to support beginners
- Multiple copies of study guides for pre-kindergarten to Grade 7
- Books and publisher series to supplement K-7 curriculum (English, Math, Science, Reading and other elementary curriculum subjects)

Teens

- More copies of core classics, popular and award-winning fiction
- Collections of manga and graphic novels for reluctant readers and pleasure reading
- Multiple copies of study guides and exam preparation for Grades 8 to 12
- Books and publisher series to supplement high school curriculum (English, Math, Science and Social Studies)

Adults

- Broader range of fiction authors to ensure a more diverse collection
- More copies of modern classics/book club favourites which are always in demand
- Novels by local and Canadian authors to enhance existing collections
- Refreshed and enhanced collection of a wide range of popular non-fiction subjects to address varied lifelong learning interests

Older Adults

- Substantial improvements to existing large print collection that will appeal to a variety of reading interests
- Core collection of MP3 audiobooks across a range of fiction genres and non-fiction
- Collections that are of interest to older adults – series that focus on lifestyle changes

Chinese Language Collection

- Increased collection of simplified Chinese material to support growing community
- Material to support Chinese language learning, both for multigenerational families and members interested in learning Mandarin

DVD's

- Top box office movies, best films and popular character TV shows for kids, TV series that are not easily accessible online or require subscription services to view, documentaries and educational films covering a wide range of topics, and British mystery series (BBC and PBS) for older adult audience

Video Games

- Popular games for all ages, including activity-based games for adults and older adults that encourage group activity

eBooks and eAudiobooks

- Budget increased for kids, teens and adults due to demand for digital formats and some authors/genres shifting to eBook format only
- Selectable font size and audio format make these materials ideal for older adults and English language learners

Streaming Movies, TV series, Documentaries, Music and Audiobooks

- Budget reallocated from physical CDs and DVDs to ensure all ages have access to always available material

COLLECTION AREAS WHERE BUDGET ALLOCATION WILL DECREASE**Kids**

- Fewer copies of popular series in order to develop a broader range of fiction and award-winning books

Adults

- Fewer copies of popular bestsellers—waiting times will be longer
- Language learning resources due to the availability of free language learning apps and resources
- Fewer copies of fiction genres
- Intermediate and advanced computer books – accessible through Safari eBooks and via video tutorials on Lynda.com, focus will be on beginner books and trending technology
- Travel guides will focus on most popular locales as travel information widely available online
- Advanced ESL material not needed as regular collection supports learning needs beyond beginner and intermediate
- No car repair manuals as much more current info accessible via EBSCO auto repair database

Chinese Language Books in Simplified and Traditional Chinese

- Fewer books as 15 years ago RPL was one of few libraries offering Chinese language material. Most Lower Mainland libraries now have good collections
- Less fiction and non-fiction due to significant collection growth from Dr. Lee donation
- Reallocate budget from traditional to simplified Chinese material given changes in demographics

All Ages

- Smaller budget for customer purchase suggestions as refocused collection should meet majority needs and interlibrary loan is available for what we do not buy

Music CD's

- Budgets for music CDs reallocated due to demand for digital music available online via Hoopla
- Focus on core soundtracks and artists to support early music literacy (Raffi, etc.) and popular top billboard titles
- Eliminate music CD collections in other languages due to low circulation and many other options including free apps

DVDs

- TV series that are free online, have high cost to maintain, or available online via Hoopla

COLLECTION AREAS WHERE BUDGET ALLOCATION WILL BE MAINTAINED

Print Magazine and Newspaper subscriptions

- Access to range of magazines and newspapers (English and Chinese) to meet general interests of community

Digital resources

- Zinio - eMagazines for all ages
- PressReader - Online access to global newspapers
- Safari eBooks - Online access to intermediate and advanced computer and business eBooks
- Lynda.com - Online access to instructional videos on a wide range of subjects suitable for various ages
- CELA – National collection of 85,000+ digital resources aimed at those users with accessibility challenges such as learning, physical or visual disability

CITY ADDITIONAL LEVELS \$200,000

\$75,000 for physical collections

\$35,000 for kids and teens

- Picture books to complement existing collection - support early literacy (toddlers, preschool and storytime audiences)
- Books to supplement high school studies (curriculum subjects in the genres of English, Math, Science and Social)

\$40,000 for small branch proof-of-concept

- Refocused adult and children's fiction and non-fiction for a proof-of-concept small branch model, to develop branch prototype based on community needs - young families, kids, adults and older adults. Increase above collection areas significantly and shift existing diverse single copy material back to the main library

\$125,000 for digital collections

\$50,000 (all ages)

- Hoopla - streaming movies, TV series, documentaries, music and audiobooks for all age groups

\$75,000 (all ages)

- OverDrive - eBooks and eAudiobooks for all audiences. Increase easy readers and chapter books for kids and for teens and adults more fiction and non-fiction titles to complement existing popular material collection

ATTACHMENT 4

**REVISED CIRCULATION LOAN POLICIES
PHYSICAL ITEMS**

Type of Material	Loan Periods		Renewals if no holds		Renewal Periods		Holds Allowed?		Borrowing Limits	
	Current	NEW	Current	NEW	Current	NEW	Current	NEW	Current	NEW
Adult Material										
Adult Books	28	21	2	2	28	7	yes	yes	25	10
Adult Rapid Read Books	7	7	0	0	7	7	no	no	25	2
Adult Magazines	7	7	1	1	7	7	no	no	25	5
Inter Library Loans	28	21	0	0	0	7	yes	yes	25	5
Young Adult material										
Young Adult Books	28	21	2	2	28	7	yes	yes	25	10
Young Adult Rapid Read Books	7	7	0	0	7	7	no	no	25	2
Young Adult Magazines	7	7	1	1	7	7	no	no	25	5
Junior material										
Junior Books	28	21	2	2	28	7	yes	yes	25	10
Picture Books	28	21	2	2	28	7	yes	yes	25	15
Junior Rapid Read Books	7	7	0	0	7	7	no	no	25	2
Junior Magazines	7	7	1	1	7	7	no	no	25	5
Media										
DVD Dispenser - Movies & TV Series	3	3	0	0	0	0	yes	yes	4	4
DVD Dispenser - Video Games	7	7	0	0	0	0	yes	yes	4	4
DVD 3 Day Loan - New releases no holds	3	3	0	0	0	0	no	no	25	2
DVDs - Adult fiction and non-fiction	7	7	2	1	7	7	yes	yes	25	5
DVDs - Junior fiction and non-fiction	7	7	2	1	7	7	yes	yes	25	5
DVDs - ESL	28	21	2	1	28	7	yes	yes	25	5
CD Books (Adult, Junior, Young Adult)	28	21	2	2	28	7	yes	yes	25	5
Kits										
Adult Book Club Sets	42	28	0	1	0	7	yes	yes	2	2
Junior Book Club Sets	28	28	1	1	28	7	yes	yes	2	2
Health Department Bins - Grades 1 to 6	28	21	0	1	28	7	yes	yes	2	2
Nostalgia Kits	28	21	1	1	28	7	yes	yes	2	2
Theme Bags	28	21	2	1	28	7	yes	yes	4	2
Theme Boxes	28	21	0	0	0	7	yes	yes	2	2
Kobo Readers (Adult, Junior, Young Adult)	28	21	0	0	28	7	yes	yes	1	1
								Maximum 15 at a time	Combined total 25 items per customer	

**REVISED CIRCULATION LOAN POLICIES
DIGITAL ITEMS**

Type of Material	Loan Periods		Renewals	Holds Allowed		Borrowing Limits	
	Current	NEW		Current	NEW	Current	NEW
Overdrive							
• eBooks	21	21	Automatic Returns	10	5	10	5
• eAudiobooks	21	21		10	5	10	5
Hoopla							
• eAudiobooks	21	21	Automatic Returns	Always Available		8	5
• eMusic	7	7					
• eVideo	3	3					
OneClick							
• eAudiobooks	21	21	Automatic Returns	10	5	10	5