



City of Richmond

Report to Committee

To: Finance Committee

Date: November 2, 2017

From: Joe Erceg
General Manager, Planning & Development

File:

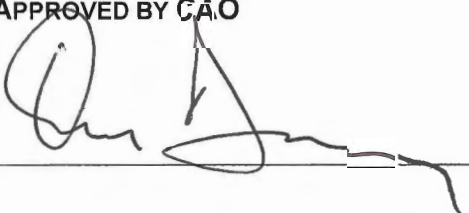
Andrew Nazareth
General Manager, Finance and Corporate Services

Re: 2018 Operating and Capital Budgets for Richmond Public Library

Staff Recommendation

That the 2018 Richmond Public Library budget of \$9,143,000 as presented in Attachment 1 from the Chief Librarian and the Secretary to the Board, has been reviewed by the Senior Management Team.

Attach. 1

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	APPROVED BY CAO
Finance Department Senior Management Team	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: CT	

**Report to Committee**

To: Finance Committee **Date:** October 27, 2017

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

Re: 2018 Operating and Capital Budgets for Richmond Public Library

Staff Recommendation

That the 2018 Richmond Public Library Operating and Capital budgets as presented in this report dated October 27, 2017 from the Chief Librarian and Secretary to the Board be approved with a same level of service municipal contribution of \$9,143,000 representing a 1.66% increase.



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

Staff Report

Origin

In accordance with the *BC Library Act, Section 10(1)*, the Richmond Public Library Board must prepare and submit to City Council its 2018 budget for providing library services on or before March 1, 2018. Council must approve the budget with or without amendment. This library staff report details the Draft 2018 Operating and Capital Budgets, which were approved for submission to the City by the Library Board at its September 27, 2017 meeting.

Analysis

2018 Outlook

The Library Board is entering the final year of its Strategic and Long Range Plan 2014-2018 and continues to transform library services from a primarily print-based information service to a blend of traditional and digital services.

One focus of the Library Board and senior library staff in 2018 will be the development of a new 3-year strategic plan. Public consultation with key stakeholders, including the City, will improve current services and guide future library services.

The shift to blended traditional and digital library services has been greatly enhanced with the introduction of the Launchpad, a Canada 150 Infrastructure project that opened to the public at the Brighthouse branch in June 2017. The Launchpad provides Richmond residents with access to new technology, equipment and learning spaces that facilitate daily training and workshops led by staff and community partners. Many innovative programs are planned for 2018 that will increase youth, adult and seniors' digital literacy skills.

To accommodate the Launchpad project, over 40,000 books were relocated at the Brighthouse branch. Some key collections shifted to the 2nd floor. This service point, seating, and adjacent collaborative space required a review. The Library Board has allocated operating surplus funding for a minor renovation on the 2nd floor. With the support of Capital Buildings Project Development staff, this work should be completed in April 2018. The refreshed space will include an improved service desk, better lighting and comfortable seating for library members browsing the non-fiction and Chinese collections.

As part of the library's 2017 budget, Council approved additional operational funds to assist in restoring the hours of operation at the Cambie, Ironwood and Steveston branches in February 2017. This level of service will continue through 2018 to meet the needs of Richmond residents. Many library members, especially families and seniors, greatly value the extended hours at their neighbourhood libraries.

2018 Operating Budget

Revenues:

The 2017 Per Capita Operating Grant increased by 1.64% due to population growth. This slight increase should balance any decreases in the three smaller grants. Revenues from provincial grants are expected to see a similar increase in 2018.

Revenues from book fines were higher in 2017 due to a change to the fines threshold. A continuing increase in fines revenue is not projected for 2018.

Non-resident borrowing from other InterLINK libraries is also expected to decline due to the general downward trend in circulation and the collection improvements made by other libraries. We expect a decline in the InterLINK reimbursement revenue of \$18,900.

Overall, revenue is expected to drop by \$35,600 or -4.85% to \$697,700.

Expenditures:

Salaries and benefits are anticipated to increase by \$101,400 or 1.43% to \$7,171,300. This increase includes an allowance for anticipated contract increases, which are currently under negotiation, and step increments.

General and Administration expenses increased by \$378,000, mostly due to Subscriptions increasing by \$377,700. That increase was due to eBook expenses being reallocated from Collections to Subscriptions, as recommended by KPMG during the 2016 Audit. The increase in Subscriptions has been offset by a reduction in Collections.

Total expenses increased by \$113,400 or 1.17% to \$9,840,700.

**Richmond Public Library
2018 Operating Budget**

	2017 Approved Budget	2018 Budget as Submitted	Difference	% Difference
REVENUES				
Provincial Grants	\$395,700	\$402,200	\$6,500	1.64%
Book Fines	177,600	\$156,300	-\$21,300	-11.99%
Interlink Reimbursement	69,600	\$50,700	-\$18,900	-27.16%
Printers & photocopiers	39,400	\$39,100	-\$300	-0.76%
In House Book Sales	34,900	\$33,900	-\$1,000	-2.87%
Other Revenue	16,100	\$15,500	-\$600	-3.73%
Total Revenues	\$733,300	\$697,700	-\$35,600	-4.85%

	2017 Approved Budget	2018 Budget as Submitted	Difference	% Difference
EXPENDITURES				
Total Salaries and Benefits	\$7,069,900	\$7,171,300	\$101,400	1.43%
Contracts	442,500	446,600	\$4,100	0.93%
General and Administration	361,900	739,900	\$378,000	104.45%
Leases	240,100	240,100	\$0	0.00%
Utilities	122,500	133,200	\$10,700	8.73%
Supplies	114,000	114,000	\$0	0.00%
Equipment Purchases	72,200	72,200	\$0	0.00%
Professional Fees and Insurance	20,700	21,900	\$1,200	5.80%
Total Operating Expenses	\$1,373,900	\$1,767,900	\$394,000	28.68%
Transfer to Provision - Collection	\$1,274,400	\$892,400	-\$382,000	-29.97%
Transfer to Provision - Enterprise Fund	9,100	9,100	\$0	0.00%
TOTAL EXPENSES	\$9,727,300	\$9,840,700	\$113,400	1.17%
SUMMARY:				
REVENUE	\$733,300	\$697,700	-\$35,600	-4.85%
EXPENDITURE	\$9,727,300	\$9,840,700	\$113,400	1.17%
NET BUDGET (MUNICIPAL CONTRIBUTION)	\$8,994,000	\$9,143,000	\$149,000	1.657%

2018 Capital Budget

Collection:

The library's capital budget for 2018 is \$892,400 shown under Expenditures – Transfer to Provision – Collection. This is the amount of money the library spends on the acquisition, cataloguing and processing of collection materials including books and multimedia. The collection budget for 2018 has been reduced by \$382,000 due to \$377,700 being reallocated to subscriptions for eBooks.

Ongoing Additional Level Requests

Expanded Service for Seniors – \$203,004 Ongoing:

Richmond seniors are one of the primary user groups of library services. They depend on barrier-reduced access to collections and programs both in the library and in their homes. Expanded programs and services that focus on technology, the library's collections and healthy aging would support senior's wellbeing. Given the increasing diversity of Richmond seniors, there is a need to develop multilingual seniors outreach services, refocus home delivery, and diversify the library's community volunteer program.

This level of increased service will require two specialized library positions to assist seniors in accessing library resources in an increasingly digital environment. These additional resources will support participation in intergenerational learning and meaningful volunteer opportunities; access to library resources that support reading and learning for seniors who cannot come to a physical branch; and increased awareness and use of specialized collections and resources for seniors.

With specialized outreach several favourable outcomes will be achieved. Library services and programs will be delivered to seniors where they reside in the community. New partnerships will be developed with community organizations and city departments to provide collaborative services to seniors. Access to and awareness of library resources and services will be enhanced. Community volunteer capabilities will grow and support greater outreach services to seniors.

Book Vending Technology – \$76,950 One-time:

The library is a vital community resource to support literacy, life-long learning and education, and to assist in building a vibrant and informed community.

The library currently offers one day a week “pop-up” library service to a rapidly growing community at the Hamilton Community Centre in East Richmond. Hamilton residents have daily access to a library kiosk for placing holds and a book return bin during the community centre’s open hours, but must wait until library service returns on Saturdays to access new materials. With the closest library branch nearly 12 km away, access is a barrier for families and seniors living in this community.

Innovative book vending technology would provide residents of all ages with access to expanded library collections during all Hamilton Community Centre operational hours.

Impact and outcome measures would be analysed to determine collection preferences and overall use of this new service. Launching this innovative technology in Hamilton Community Centre as a proof-of-concept service will determine if the technology could be expanded to other neighbourhoods and locations across Richmond, wherever an immediate need for increased access to library collections is identified.

Financial Impact

The 2018 library budget has a decrease in revenues of \$35,600 (-4.85%) and an increase in expenditures of \$113,400 (1.17%).

The total municipal contribution for operating and capital is \$9,143,000, an increase of \$149,000 or 1.66%.

Conclusion

This report recommends a same level of service budget with a municipal contribution of \$9,143,000 be approved, and requests consideration of two additional level requests.

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)