



City of Richmond

Report to Committee

To: Finance Committee
From: Cathryn Volkering Carlile
 General Manager, Community Services
Re: Richmond Public Library 2016 Budget

Date: December 10, 2015
File: 01-0155-04-01

Staff Recommendation

That the Richmond Public Library proposed 2016 budget of \$8,743,930 be approved.

Cathryn Volkering Carlile

Cathryn Volkering Carlile
 General Manager, Community Services
 (604-276-4068)

Att. 1

REPORT CONCURRENCE		
ROUTED TO: Finance Department	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER <u><i>Cathryn Volkering Carlile</i></u>
REVIEWED BY SMT	INITIALS: <i>CV</i>	APPROVED BY CAO <u><i>[Signature]</i></u>

Staff Report

Origin

That the 2016 Richmond Public Library Operating and Capital budgets be referred back to staff for further analysis.

This report supports Council's 2014-2018 Term Goal #7 Strong Financial Stewardship:

Maintain the City's strong financial position through effective budget processes, the efficient and effective use of financial resources, and the prudent leveraging of economic and financial opportunities to increase current and long-term financial sustainability.

7.1. Relevant and effective budget processes and policies.

7.2. Well-informed and sustainable financial decision making.

Analysis

When the Richmond Public Library's (RPL) 2016 budget submission was discussed at the December 7th Finance Committee, concerns were raised about declining Library revenues, ongoing funding requests to refresh the Library collection, why the percent (%) increase at the Library was higher than other City Divisions, Library use of surplus, comparisons of 2016 budget against 2015 actuals and whether City staff had analyzed the budget submission.

The Library Board has discussed these issues and provided direction to Library staff for adjustments to the 2016 budget in order to decrease the library's budget submission for 2016 to be more in line with other City Divisions (Attachment 1).

As a result of this further review, the Richmond Public Library proposes adjustments to service levels and now submits a budget increase of \$203,230 over 2015 or 2.38%.

Below is the City staff analysis on the questions raised by the General Purposes Committee.

Declining Library Revenues: The most significant impact to revenues is the Interlink reimbursement. The Library projects a decrease in Interlink reimbursement of \$61,400 over 2015. As other libraries increase their digitized collections, borrowing of Richmond's collection is declining and other libraries have improved their collections particularly in the Chinese Language material. A few years ago, Chinese print collections were a particular strength of Richmond's library and more books were lent to non residents than were borrowed from other libraries. This grew RPL's revenue at \$.50 per net circulation. Now that other library collections are more robust, the Interlink revenues are declining.

The Library does not have a Rate Stabilization Fund to offset significant variances and adjusts expenditures throughout the year to address budget challenges. To mitigate the declining revenues, the Library has proposed increases to fines, printing and photocopying. Overall, the Library revenues are decreased by \$34,900 or 4.19% over 2015.

Funding for Library Collection: Circulation of the Library collection is the core business function of the Library and represents the purchase, cataloguing and processing of collection materials including

books, videos and ebooks. As mentioned in past reports, maintaining the collection at expected levels is critical to ensuring community satisfaction. Increases in the collection had been supported in 2015 by \$200,000 (one time expenditure) with most of this money directed to the children's collection and branch collections.

This year, the Library Board had requested further ongoing increases of the same amount in order to keep up with demands through the Ongoing Additional Level Process. City staff are not recommending this ongoing increase to City Council.

City staff have asked why the collection needs to be increased so substantially. In addition, to US exchange rate variances recently, RPL maintains that costs are higher for digital materials over print materials. Richmond Library users want digital materials and the demand is increasing. While addressing increased demands and higher costs for the digital collection, the print collection also needs to be refreshed as well. RPL still needs a strong collection in both print and digital collection and as such, funding is needed to offset increased costs of purchasing.

To address collection needs, RPL is proposing to maintain investing in the collection by adjusting staff costs and hours of operation in three (3) branches to offset this need.

Use of Library Surplus: If the Library has a surplus, this is traditionally returned to the Library to offset other Library priorities. In 2015, it is anticipated that the Library will have approximately \$115,000. Earlier this year, the City approved a number of projects for submission to the Canada's 150 Infrastructure Fund. The Richmond Public Library Digital Services Launchpad was submitted and subsequently approved for funding by the Federal Government.

This project will provide free access for Richmond residents to new and innovative digital library services by converting a temporary proof-of-concept space into a permanent service area called The Launchpad which will be in an open area that provides residents of all ages with the hands-on opportunity to learn, create, collaborate and discover while using the most up-to date technology and equipment.

Some examples of the activities and technologies that will be available are 3D printing, computer coding, workstations for the creation and self-publishing of text, graphics, video, audio and music creations, robotics, scanners and laminators and 3D modeling software. Sixteen (16) specialized workstations will be provided eight (8) of which will be designed specifically for children.

The Launchpad will also provide facilities to hold small group presentations and instructional workshops in these areas of technology so that users can not only learn how they work, but can also take the important next step of utilizing them for their home, business and school projects. The Library will be inviting local community experts, hobbyists and volunteers to lead and conduct these workshops in order to deepen and expand the knowledge and skills in digital literacy for the community at large.

The matching funding are proposed to be covered through the Library's 2015 surplus rather than be considered in the City's 2016 capital budget or one time budget submissions. Staff support this approach.

2015 Actuals/2016 Budget Projections: the Library's 2015 actuals show a decline in revenues from book fines and Interlink reimbursement. The proposed 2016 budget addresses these declines by introducing increased book fines, increased charges for printing and copying and in house book sales for a net decline in revenue of -\$34,900.

On the expense side, 2015 actuals show a surplus in salaries and benefits due to salary gapping, delayed vacancy replacement, close scrutiny over position replacement and careful use of auxiliaries. Staff were

very aware of shifting revenues and the need to provide matching funding for the Canada 150 Infrastructure Grant.

Proposed Budget Considerations: The Richmond Public Library has reviewed the 2016 operating budget and recommend the following adjustments to mitigate the impact of the Library collection funding and declining revenues.

Option 1 – Reduce Service Levels and Shift Funds to Increase the Library Collection – Net decrease \$50,000 (Recommended)

RPL addresses this by decreasing staffing levels through the reduction of hours at three (3) branches by 26 hours per week. This will ensure that the branches will continue to stay open seven days a week with a full day on Sunday. Full time staff will not be impacted by this reduction. It is felt that this will be tolerable by the patrons and allow for a reduction in staffing and benefits for a total reduction of \$200,000 annually. It is further recommended that of the \$200,000 that \$150,000 be redirected into the collections provisional in order to keep pace with customer demands and mitigate the impact of the declining value of the Canadian dollar to US funds. The Library Board feel that this options maintains good customer service, strong collection for users to borrow and maintains a high level of service regarding borrowing materials to the community.

Option 2 – Endorse the 2016 Proposed Library Budget - Net decrease \$0

Alternatively, the budget as previously presented at \$8,793,930 representing a 2.96% increase could be adopted with no provision for increasing the collection. This would not reduce the service hours at three (3) branches. This option does not address collection needs and, given the unlikely support for an additional level to collections, provides a reduced level of service regarding borrowing materials. Alternatively, the Library could just adjust salaries downward and increase collection expenditures while maintaining the same budget level as previously proposed. This would modestly change library hours while improving the collection.

Financial Impact

With the revised submission, the 2016 Library budget proposal is \$8,743,970 representing a 2.38% increase be approved.

Conclusion

The Library budget proposal has been reviewed and a increase of 2.38% is recommended by staff. This is in line with other City Divisions increases.



Cathryn Volkering Carlile
General Manager, Community Services
(604-276-4068)

Att. 1: Report to Committee – Richmond Public Library



Report to Committee

To: Finance Committee Date: December 11, 2015

From: Greg Buss
Chief Librarian and Secretary to the Board
Richmond Public Library

Re: Revised 2016 Operating and Capital Budgets for Richmond Public Library

Staff Recommendation

That the 2016 Richmond Public Library Operating and Capital budgets as presented in this report dated December 11, 2015 from the Chief Librarian and Secretary to the Board be approved with an adjusted level of service municipal contribution of \$8,743,930 representing a 2.38% increase.

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

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

Origin

Following discussion at the December 7th Finance Committee meeting the Committee requested further review and analysis of the Library's 2016 Operating and Capital budgets. The Committee requested additional information on:

- 2015 Actuals
- 2015 Anticipated Operating Surplus
- Regional comparisons with other libraries

Library staff have prepared a revised budget that reduces the increase to 2.38%.

Analysis2015 Projected Actuals

Projected 2015 actuals are shown in Appendix 1, page 6. They have been developed by using actuals up to November 30th and then projecting from December 1st to December 31st.

A significant revenue shortfall of \$112,840 is expected mostly due to falling revenues from late charges and reciprocal borrowing fees from InterLINK libraries.

Expenditures are significantly under particularly in Salaries and Benefits. This is due to the realization that revenues would not be meeting targets and that expenditures would have to be reduced in order to meet the shortfall. The only flexibility the library has for this amount of money is salaries. Savings are achieved through both the natural process of positions becoming vacant through retirement or resignations and the lag in filling the vacancies as well as tight managing of staff resources to ensure that all critical functions are being fulfilled but any discretionary resources are re-assigned to emerging priorities.

In addition, the original 2015 budget did not anticipate the \$65,000 Infrastructure Grant from the federal government with the library's obligation to match the \$65,000 as well as contribute \$50,000 for the equipment and furnishings. The source of funding for this \$115,000 has been identified as coming from the library's operating surplus.

2015 Anticipated Operating Surplus

The 2015 Anticipated Operating Surplus is shown in Appendix 1, page 6. Projected actuals do not take into account Transfer to Reserves and Provisions and Adjustments that are done at year end prior to the preparation of the Financial Statements. Therefore estimated additional accounting adjustments for year end have been made in arriving at the projected operating surplus of \$2,542.

Regional Comparisons with Other Libraries

Below are regional comparison numbers drawn from the British Columbia Ministry of Education Library Services Branch 2013 Statistics (latest available). Libraries are listed in descending order of population (population numbers are provided by the province).

The chart demonstrates that Richmond provides on average a higher level of service (as measured by Circulation Per Capita and Visits Per Capita) with an Expenditure Per Capita that is well below average.

City	Population	Floor Space Per Capita	Circulation Per Capita	Physical Visits Per Capita	Expenditure Per Capita	Municipal Support Per Capita
Vancouver	652,419	0.77	16.00	10.58	\$69.42	\$60.26
Surrey	473,347	0.40	9.30	5.04	\$36.15	\$32.39
Burnaby	229,464	0.45	15.20	7.81	\$48.83	\$51.70
Coquitlam	127,809	0.46	10.20	5.53	\$38.72	\$35.15
North Vancouver District	90,523	0.74	18.10	9.40	\$65.67	\$65.25
New Westminster	67,880	0.64	12.00	8.30	\$48.77	\$54.05
North Vancouver City	51,652	0.70	14.40	9.43	\$69.14	\$62.34
West Vancouver	46,223	1.24	22.80	11.25	\$112.49	\$99.31
Port Moody	34,488	0.36	17.60	8.35	\$50.49	\$44.24
Average of above libraries		0.64	15.07	8.41	\$59.96	\$56.08
Richmond	197,631	0.36	19.20	8.81	\$44.93	\$40.61

2016 Operating Budget Revised

A revised budget has been prepared that comes in at a 2.38% increase. The revised budget addresses the need to both reduce the size of the increase and to provide additional funding to the collections. This has been accomplished by reducing the Salaries and Benefits budget by \$200,000 and re-allocating \$150,000 of it to the Collections budget, thus reducing overall expenditures by \$50,000.

In the process of preparing the Report to Finance Committee on Revenues and Expenses earlier this year the Library Board reviewed in detail the operating budget and discussed various options it would have if revenues continue to fall. Particular concern was expressed over the need to ensure that collections continue to meet the needs of both our print and digital users. At the same time it was recognized that over the years Richmond has offered a very high level of service in a number of areas, one of which is hours of service. When discussing the possible options for re-

allocating funds the Library Board recognized that this was an area that could face modest reduction but still continue to be on par with service levels that other libraries offer.

On that basis the Library Board is prepared to reduce the library's weekly service hours from 294.5 to 268.5—a reduction of 26 hours. There would be no change to the Brighthouse (Main) Library hours and all branches would continue to be open seven days a week with a full day on Sundays. The reductions would come from shortening the weekday hours two days a week for the three branch libraries. Details as to particular days and hours would be determined by analysing current use in order to minimize public inconvenience. Budget savings would come from re-allocating and reducing staff hours and relying less on oncall budgets to fill gaps.

REVISED BUDGET

	2015 Approved Budget	2016 Budget Revised	Difference	% Difference
REVENUES				
Provincial Grants	\$ 409,700	\$ 406,600	\$ (3,100)	-0.76%
Book Fines	202,500	219,500	17,000	8.40%
Interlink reimbursement	146,000	84,600	(61,400)	-42.05%
Printers and photocopiers	34,600	41,600	7,000	20.23%
In House Book Sales	28,900	28,900	0	0.00%
Other Revenue	10,500	16,100	5,600	53.33%
Total Revenues After Recoveries	832,200	797,300	(34,900)	-4.19%
EXPENDITURES				
Total Salaries and Benefits	6,914,000	6,885,330	(28,670)	-0.41%
Contracts	400,200	468,200	68,000	16.99%
General and Administration	348,400	320,900	(27,500)	-7.89%
Leases	239,900	240,100	200	0.08%
Utilities	140,400	140,400	0	0.00%
Supplies	111,400	114,000	2,600	2.33%
Equipment Purchases	36,500	40,200	3,700	10.14%
Professional Fees and Insurance	20,600	20,600	0	0.00%
Total Operating Expenses	1,297,400	1,344,400	47,000	3.62%
Transfer to Provision -- Collections	1,161,500	1,311,500	150,000	12.91%
TOTAL EXPENSES	9,372,900	9,541,230	168,330	1.80%
SUMMARY:				
REVENUE	\$ 832,200	\$ 797,300	\$ (34,900)	-4.19%
EXPENDITURE	(9,372,900)	(9,541,230)	(168,330)	1.80%
NET BUDGET (MUNICIPAL CONTRIBUTION)	(8,540,700)	(8,743,930)	(203,230)	2.38%

A further analysis of the revised budget including graphs appears as Appendix 2, page 7.

2016 Capital Budget Revised

Collections

The library's revised capital budget for 2016 is \$1,311,500 as shown under Expenditures – Transfer to Provision – Collections. This is the amount of money the library spends on the acquisition, cataloguing and processing of collection materials including books, videos and e-books. In order to ensure that the collections are maintained in light of the falling Canadian dollar the budget has been increased \$150,000 by re-allocating from the Salaries and Benefits budget.


For comparison purposes the original budget submission is included as Appendix 3, page 8.

Financial Impact

The revised 2016 library budget has a decrease in revenues of \$34,900 (-4.19%) and an increase in expenditures of \$168,330 (1.80%). There is a modest adjustment to service levels with 26 fewer open hours per week. The overall increase in municipal contribution is \$203,230, a 2.38% increase.

Conclusion

This report recommends an adjusted level of service budget with a municipal contribution of \$8,743,930 representing a 2.38% increase be approved.



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

APPENDIX 1

Projected Actuals for 2015				
	2015 Approved Budget	Dec 31 2015 Projected Actual	2015 Variance to Budget	2015 Variance to Budget
REVENUES				
Provincial Grants	\$409,700	\$411,089	\$1,389	0.34%
Book Fines	202,500	\$142,451	-\$60,049	-29.65%
Interlink Reimbursement	146,000	\$113,112	-\$32,888	-22.53%
Printers & photocopiers	34,600	\$20,062	-\$14,538	-42.02%
In House Book Sales	28,900	\$22,250	-\$6,650	-23.01%
Other Revenue	10,500	\$10,396	-\$104	-0.99%
Total Revenues After Recoveries	\$832,200	\$719,360	-\$112,840	-13.56%
EXPENDITURES				
Salaries	5,498,800	\$5,380,426	\$118,374	2.15%
Benefits	1,415,200	\$1,279,029	\$136,171	9.62%
Contracts	400,200	\$420,049	-\$19,849	-4.96%
General and Administration	348,400	\$341,673	\$6,727	1.93%
Leases	239,900	\$228,977	\$10,923	4.55%
Utilities	140,400	\$111,674	\$28,726	20.46%
Supplies	111,400	\$109,837	\$1,563	1.40%
Equipment Purchases	36,500	\$39,855	-\$3,355	-9.19%
Professional Fees and Insurance	20,600	\$20,772	-\$172	-0.83%
Total Operating Expenses	\$1,297,400	\$1,272,837	\$24,563	1.89%
Transfer to Provision - Collections	1,161,500	\$1,161,500	\$0	0.00%
TOTAL EXPENSES	\$9,372,900	\$9,093,792	\$279,108	2.98%

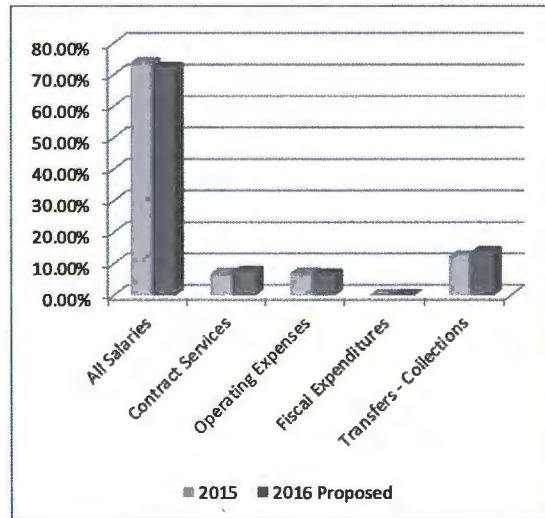
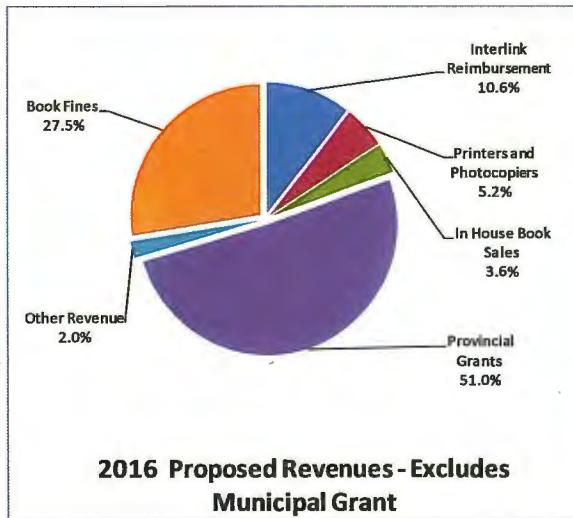
Anticipated 2015 Operating Surplus		
	2015 Approved Budget	Dec 31 2015 Projected Actual
REVENUE		
Projected Operating Revenue	\$832,200	\$719,360
Municipal Contribution	\$8,540,700	\$8,540,700
Total Revenue	\$9,372,900	\$9,260,060
PROJECTED EXPENDITURE		
	-\$9,372,900	-\$9,093,792
Year End Accounting Adjustments		-\$48,726
Transfer to Provision - Launchpad Infrastructure project		-\$115,000
Anticipated Operating Surplus	\$0	\$2,542

APPENDIX 2

Richmond Public Library

The Library is the local centre of information, making all kinds of knowledge and information readily available to users. Access is through four library branches open seven days a week, an outreach service to Hamilton, and an extensive virtual branch open 24/7. Collections include both print and digital materials suitable for all age groups aimed at meeting a wide variety of interests supporting both formal and informal education in a variety of languages that reflect the diversity of the community. A wide range of programs are offered in the areas of early childhood literacy, computer literacy and skills, reading and writing skills, newcomer orientation, job skills, ESL and personal health, finance and consumer information. Computer equipment and training is available for individuals and groups as well as programming designed to develop digital literacy skills. Special services are available to meet the needs of the visually impaired and homebound.

	2015 Adjusted Base Budget	2016 Proposed Base Budget	Change 2016 \$	Change 2016 %
MUNICIPAL CONTRIBUTION	\$8,540,700	\$8,743,930	\$203,230	2.38%
Revenues				
Revenues	-\$832,200	-\$797,300	\$34,900	-4.19%
Total Revenues	-\$832,200	-\$797,300	\$34,900	-4.19%
Expenditures				
All Salaries	\$6,914,000	\$6,885,330	-\$28,670	-0.41%
Contract Services	\$642,000	\$710,200	\$68,200	10.62%
Operating Expenses	\$651,800	\$630,600	-\$21,200	-3.25%
Total Expenditures	\$8,207,800	\$8,226,130	\$18,330	0.22%
Fiscal Expenditures	\$3,600	\$3,600		
Transfers - Collections	\$1,161,500	\$1,311,500	\$150,000	12.91%
Grand Total	\$8,540,700	\$8,743,930	\$203,230	2.38%



FTE Change - Library

	2015 FTE	2016 FTE	Change 2016	Change 2016 %
Exempt	4.0	4.0		
3966 - Regular Full Time	68.3	67.3	-1.0	-1.46%
3966 - Regular Part Time	19.0	15.0	-4.0	-21.05%
3966 - Auxiliary	3.3	1.6	-1.7	-51.52%
Total	94.6	87.9	-6.7	-6.03%

APPENDIX 3**ORIGINAL BUDGET SUBMISSION**

	2015 Approved Budget	2016 Budget as Originally Submitted	Difference	% Difference
REVENUES				
Provincial Grants	\$ 409,700	\$ 406,600	\$ (3,100)	-0.76%
Book Fines	202,500	219,500	17,000	8.40%
Interlink reimbursement	146,000	84,600	(61,400)	-42.05%
Printers and photocopiers	34,600	41,600	7,000	20.23%
In House Book Sales	28,900	28,900	0	0.00%
Other Revenue	10,500	16,100	5,600	53.33%
Total Revenues After Recoveries	832,200	797,300	(34,900)	-4.19%
EXPENDITURES				
Total Salaries and Benefits	6,914,000	7,085,330	171,330	2.48%
Contracts	400,200	468,200	68,000	16.99%
General and Administration	348,400	320,900	(27,500)	-7.89%
Leases	239,900	240,100	200	0.08%
Utilities	140,400	140,400	0	0.00%
Supplies	111,400	114,000	2,600	2.33%
Equipment Purchases	36,500	40,200	3,700	10.14%
Professional Fees and Insurance	20,600	20,600	0	0.00%
Total Operating Expenses	1,297,400	1,344,400	47,000	3.62%
Transfer to Provision -- Collections	1,161,500	1,161,500	0	0.00%
TOTAL EXPENSES	9,372,900	9,591,230	218,330	2.33%
SUMMARY:				
REVENUE	\$ 832,200	\$ 797,300	\$ (34,900)	-4.19%
EXPENDITURE	(9,372,900)	(9,591,230)	(218,330)	2.33%
NET BUDGET (MUNICIPAL CONTRIBUTION)	(8,540,700)	(8,793,930)	(253,230)	2.96%



Report to Committee

To: Finance Committee

Date: December 2, 2015

From: Greg Buss
Chief Librarian and Secretary to the Board
Richmond Public Library

Re: 2016 Operating and Capital Budgets for Richmond Public Library

Staff Recommendation

That the 2016 Richmond Public Library Operating and Capital budgets as presented in this report dated December 2, 2015 from the Chief Librarian and Secretary to the Board be approved with a same level of service municipal contribution of \$8,793,930.

A handwritten signature in cursive script that reads "Greg Buss".

Greg Buss
Chief Librarian and Secretary to the Board
Richmond Public Library

Origin

In accordance with the *BC Library Act, Section 10(1)*, the Richmond Public Library Board must prepare and submit to City Council its 2016 budget for providing library services on or before March 1, 2016. Council must approve the budget with or without amendment. This library staff report details the 2016 Operating and Capital Budgets which were approved for submission to the City by the Library Board at its November 25, 2015 meeting.

Analysis

2016 Outlook

The Library Board is well into the second year of its Strategic Plan for 2014—2018 and the transformation of library services from a primarily print-based information service to a blend of traditional and digital services continues on target. Last year's additional one time funding to the collection made a significant difference in being able to meet the demand for both print material and an ever increasing demand for digital services. The library continues to struggle to achieve an effective balance between traditional and digital services but major progress has been made in the areas of collection development and programming.

Revenue based on the circulation of physical material continues to decline. The library will be instituting new loan policies in 2016 designed to provide better access to the collection while also increasing fine collection and printing charges to increase revenues.

Other components of the strategic plan are also moving ahead. Approval has been received for the library's Canada 150 Infrastructure Grant proposal to permanently establish *The Launchpad* space at Brighthouse. This will result in a digital services area complete with up-to-date equipment and training and workshop spaces that will greatly enhance the library's ability to deliver digital services and training. The library will be matching the \$65,000 received from the federal government with funds from its operating surplus. Other major initiatives for 2016 will focus on library programming to better meet community needs and to do so in conjunction with the establishment of a community volunteer program that will bring new expertise and energy to the library. This will ensure that information is not only being delivered and shared in print and digital formats, but also that there is a renewed commitment to people-to-people interactions involving all aspects of the community.

2016 Operating Budget

Revenues from provincial grants are expected to hold firm at slightly over \$400,000 while revenues generated by the library through print circulation will continue to decline. This is shown by the \$61,400 decrease in revenue from non-resident borrowing through neighbouring InterLINK libraries. Book fines are expected to see a modest one-time increase as the fine threshold for putting a stop on borrowing is lowered from \$10.00 to \$5.00. Overall revenue is showing a decline of \$34,900 (-4.19%). This is a marked improvement over the previous year's decline of \$87,300 (-9.49%).

On the expenditure side, salaries and benefits are increasing by \$171,330 due to step increments for existing staff and an allowance for anticipated contract salary increases. The library's current collective agreement expires at the end of 2015.

Contracts are increasing by \$68,000 due to the annual subscription fee for the very recently installed circulation and online catalogue computer system upgrade which included a one-time migration fee of \$32,000. Savings were made in other areas (such as telephones \$26,000; cancellation of computer services that duplicated the new functionality provided by the upgrade \$20,000; and an \$11,000 decrease in InterLINK fees) to cover most of this increase.

	2015 Approved Budget	2016 Budget as Submitted	Difference	% Difference
REVENUES				
Provincial Grants	\$ 409,700	\$ 406,600	\$ (3,100)	-0.76%
Book Fines	202,500	219,500	17,000	8.40%
Interlink reimbursement	146,000	84,600	(61,400)	-42.05%
Printers and photocopiers	34,600	41,600	7,000	20.23%
In House Book Sales	28,900	28,900	0	0.00%
Other Revenue	10,500	16,100	5,600	53.33%
Total Revenues After Recoveries	832,200	797,300	(34,900)	-4.19%
EXPENDITURES				
Total Salaries and Benefits	6,914,000	7,085,330	171,330	2.48%
Contracts	400,200	468,200	68,000	16.99%
General and Administration	348,400	320,900	(27,500)	-7.89%
Leases	239,900	240,100	200	0.08%
Utilities	140,400	140,400	0	0.00%
Supplies	111,400	114,000	2,600	2.33%
Equipment Purchases	36,500	40,200	3,700	10.14%
Professional Fees and Insurance	20,600	20,600	0	0.00%
Total Operating Expenses	1,297,400	1,344,400	47,000	3.62%
Transfer to Provision -- Collections	1,161,500	1,161,500	0	0.00%
TOTAL EXPENSES	9,372,900	9,591,230	218,330	2.33%
SUMMARY:				
REVENUE	\$ 832,200	\$ 797,300	\$ (34,900)	-4.19%
EXPENDITURE	(9,372,900)	(9,591,230)	(218,330)	2.33%
NET BUDGET (MUNICIPAL CONTRIBUTION)	(8,540,700)	(8,793,930)	(253,230)	2.96%

2016 Capital Budget

Collection

The library's same level of service capital budget for 2016 is \$1,161,500, shown under Expenditures – Transfer to Provision – Collections. This is the amount of money the library spends on the acquisition, cataloguing and processing of collection materials including books, videos and e-books.

Additional Level Request for Library Collection Materials

The Library Board is requesting an ongoing \$200,000 increase to the collection budget in order to maintain the strength of the print collection and to continue the development of the digital collection. Last year's additional funding was instrumental in acquiring new titles for the e-book collection and to increase the number of titles in the collection. On the print side, major refreshes were done to the collection in Steveston, Ironwood and the children's area of Brighthouse. This level of spending is required annually in order to upgrade and maintain the collection.

A significant factor affecting the collection is the falling Canadian dollar. The vast majority of material is published and distributed through the US and we can expect to see the purchasing power of our collection dollars rise and fall with the Canadian dollar.

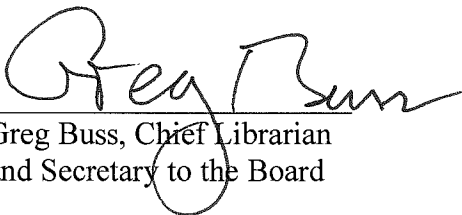
Recommendations regarding this request will be presented in the City's 2016 Operating Budget city staff report for Council's consideration.

Financial Impact

The 2016 library budget has a decrease in revenues of \$34,900 (-4.19%) and an increase in expenditures of \$218,330 (2.33%). The overall increase in municipal contribution to maintain the same level of service budget is \$253,230, a 2.96% increase.

Conclusion

This report recommends a same level of service budget with a municipal contribution of \$8,793,930 be approved.



Greg Buss, Chief Librarian
and Secretary to the Board