
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.



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.

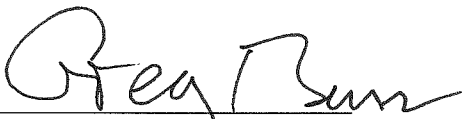
Recommendations regarding this request will be presented in the City's 2016 Operating Budget city staff report for Council's consideration.

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