



City of Richmond

Report to Committee

To: Finance Committee **Date:** November 17, 2023
From: Elizabeth Ayers **File:** 03-0970-03-01/2023-
 General Manager, Community Services Vol 01
Re: **2024 Operating and Capital Budgets for Richmond Public Library**

Staff Recommendation

That the 2024 proposed Richmond Public Library budget with a municipal contribution of \$11,285,400 as presented in Attachment 1 from the Chief Librarian and the Secretary of the Board, be approved.

Elizabeth Ayers
 General Manager, Community Services
 (604-247-4669)

Att. 1

REPORT CONCURRENCE		
ROUTED TO: Finance Department	CONCURRENCE <input checked="" type="checkbox"/>	APPROVED BY THE CAO
CONCURRENCE BY SMT	INITIALS: 	



Report to Committee

To: City of Richmond Finance Committee **Date:** November 17, 2023

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

Re: **2024 Operating and Capital Budgets for Richmond Public Library**

Staff Recommendation

1. That the 2024 Richmond Public Library budget including a municipal contribution of \$11,285,400 as presented in Attachment 1 from the Chief Librarian and the Secretary to the Board, be approved.

A handwritten signature in cursive script that reads "SWalters".

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

Att. 1

Staff Report

Origin

In accordance with the *Library Act, Section 10(1)*, the Richmond Public Library (RPL) Board must prepare and submit to City Council its annual budget for providing library services on or before March 1, 2024. Council must approve the draft budget with or without amendment. This library staff report details the 2024 Operating and Capital Budgets, which were approved for submission to the City by the Library Board at its July 26, 2023 meeting.

This report supports Council Strategic Plan 2022 – 2026: #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.1 Ensure effective financial planning to support a sustainable future for the City.

4.2 Seek improvements and efficiencies in all aspects of City business.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

4.4 Work with all levels of governments for grant and funding opportunities.

Analysis

2024 Same Level of Service Operating Budget

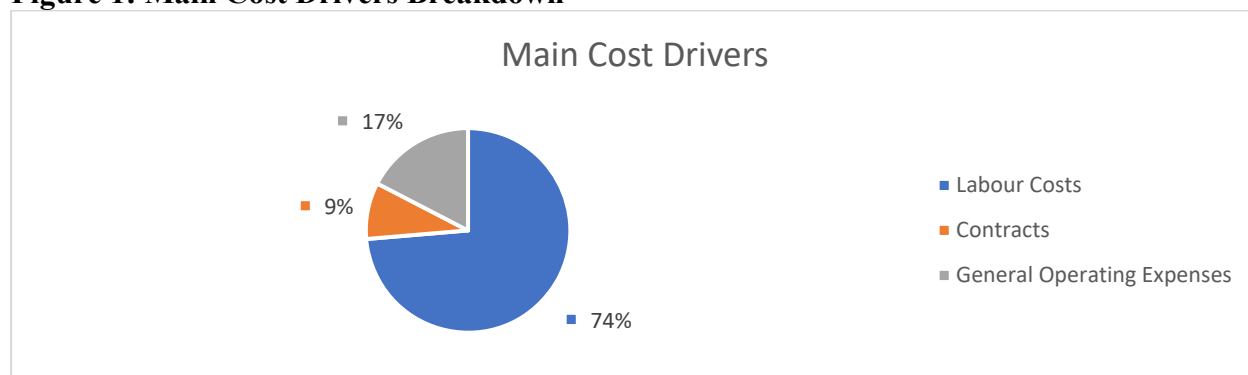
Recognizing the unprecedented growth in Canada's population, and facing similar economic challenges as the City of Richmond, it is imperative for the library to establish a sustainable budget that anticipates and accommodates the impact of fast population growth and current inflationary pressures on our services. By adopting a proactive approach, which involves preparing for increased demand for our resources, services, and space, the library can maintain its resilience and effectively serve and support a growing population.

The 2024 operating budget presents the same level of service base budget resulting in a 3.6% municipal contribution increase for non-discretionary items. Including the increase in leases for Ironwood and Cambie libraries and the continued gradual elimination of the transfer from Budget Stabilization from the previous year, the total municipal contribution increase is 4.1%.

Main cost drivers to provide the same level of service are summarized in Table 1 and Figure 1.

Table 1 – Main Cost Drivers

Same Level of Service Increase	Amount	Municipal Contribution Increase
Labour costs	\$ 288,200	2.66%
Contracts	34,900	0.32%
Supplies	18,900	0.18%
Vehicle	14,200	0.13%
Professional development & training	11,000	0.10%
Others	24,000	0.22%
Same Level of Service Budget Increase	\$ 391,200	3.61%
Leases for Ironwood and Cambie libraries	26,600	0.25%
Gradual elimination of one-time transfer from Budget Stabilization	22,000	0.20%
Proposed 2024 Operating Budget Increase	\$ 439,800	4.06%

Figure 1: Main Cost Drivers Breakdown

Labour expenses account for 74% of the main cost drivers, aligning with the fact that labour constitutes the most significant component of the operating budget.

Revenues:

The total overall revenues have increased by \$22,400 mainly due to a 5.6% increase in provincial grant funding. Investment income and other revenues remain at similar levels.

Expenditures:

Total labour costs are anticipated to increase by \$288,200. This includes an allowance for step increases, as well as provision for base wage increases as the library anticipates to enter contract negotiations in the coming year, as the current collective agreement expires December 31, 2023. Contractual obligations are subject to annual increases totalling \$34,900 to provide the same level of service, and supplies will increase by \$18,900. Vehicle expense will increase by \$14,200 due to the introduction of the new RPL To Go Van, and an increased investment of \$11,000 will be made in staff professional development and training.

Provincial Enhancement Grant and Surplus Funded Initiatives

Through the continued efforts of the BC Library Partners in advocating for BC public libraries and bringing to the government's attention the need for increased funding to support local libraries, the library has received two one-time Enhancement Grants totalling \$628,813. This grant may be used over three years (2023-2025) to support local library service enhancement, including helping address shifting demands on services, collections, programs and spaces. The library will use approximately half of this grant in 2024 to support two new temporary staffing positions: one position to plan and develop the delivery of regular and ongoing outreach services to support seniors, children and teens, and newcomers, and another position dedicated to support newcomers in settling and thriving in their new community, fulfilling Richmond's commitment to diversity and inclusion. Funding will also be used to optimize space utilization in the Ironwood and Cambie libraries so they can be modernized into dynamic, inclusive and welcoming environments to meet the changing needs of our communities.

The strategic use of this enhancement grant eliminates the need for one-time additional funding requests of City Council. The library will continue to support the work of the BC Library Partners and actively advocate for increased and ongoing Provincial funding for BC Public libraries. Table 2 below summarizes the library's plan for the Enhancement Grant.

Table 2: Enhancement Grant

	2023	2024	2025	Total
Staffing	\$35,000	\$200,000	\$200,000	\$435,000
Peer-to-Peer Navigation	15,000	-	-	15,000
Space Optimization	-	100,000	-	100,000
Strategic Planning Initiatives	-	-	78,813	78,813
Total	\$50,000	\$300,000	\$278,813	\$628,813

**2023 amount represents the projected spending in 2023.*

A surplus initiative of \$75,000 from 2023 operating budget dedicated to rebranding the library is also included in the 2024 operating budget, as the project is expected to take place after the library's strategic plan is completed in 2024.

2024 Capital Budget

The total collections budget is \$1,220,100. Approximately \$610,000 continues to be allocated for eBooks and digital collections, and the remaining \$610,100 supports print collections.

A 2024 Proposed Operating Budget is detailed in Attachment 1.

Financial Impact

In 2023 the approved municipal contribution was \$10,845,600. The proposed 2024 budget to maintain the same level of service and including the increase in leases and gradual elimination of the transfer from Budget Stabilization from the previous year requests a municipal contribution of \$11,285,400, which is a 4.06% increase over 2023's base contribution.

Conclusion

This report recommends a same level of service budget with a municipal contribution of \$11,285,400 be approved.



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

Att. 1: Richmond Public Library 2024 Proposed Operating Budget

**Richmond Public Library
2024 Proposed Operating Budget**

Description	2023 Budget	2024 Proposed Budget	Budget Variance	%
Revenues				
Provincial Grants	376,500	397,700	21,200	5.6%
Other Revenue	56,200	57,000	800	1.4%
Investment Income	18,400	18,800	400	2.2%
Total Revenues	451,100	473,500	22,400	5.0%
Expenses				
Salaries and Benefits*	8,685,900	9,174,100	488,200	5.6%
Library subscriptions and databases	787,500	787,500	-	0.0%
Supplies and equipment services*	1,342,250	511,400	(830,850)	(61.9%)
General and administration	501,100	463,200	(37,900)	(7.6%)
Building, leases and maintenance*	435,850	495,600	59,750	13.7%
Utilities	156,000	158,000	2,000	1.3%
Total Operating Expenses	11,908,600	11,589,800	(318,800)	(2.7%)
Transfer to Capital - Collections	610,100	610,100	-	0.0%
Transfer from Surplus/Provisions	(1,134,000)	(375,000)	759,000	(66.9%)
One-time transfer from Budget Stabilization	(88,000)	(66,000)	22,000	(25.0%)
Total Expenses and Transfers	11,296,700	11,758,900	462,200	4.1%
Municipal Contribution	10,845,600	11,285,400	439,800	4.1%

**Includes expenses funded from Enhancement Grant: \$200,000 for Salaries and benefits, \$75,000 for Supplies and equipment services, and \$25,000 for Building, leases and maintenance.*