



City of Richmond

Report to Committee

To: Finance Committee **Date:** November 12, 2024
From: Elizabeth Ayers **File:** 03-0970-01/2024-Vol
 General Manager, Parks, Recreation and 01
 Culture
Re: **2025 Operating and Capital Budgets for Richmond Public Library**

Staff Recommendation

That the 2025 proposed Richmond Public Library budget with a municipal contribution of \$11,803,300 as presented in Attachment 1 from the Chief Librarian and the Secretary of the Board, be approved.

Elizabeth Ayers
 General Manager, Parks, Recreation and Culture
 (604-247-4669)

Att. 1

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

To: City of Richmond Finance Committee **Date:** September 23, 2024

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

Re: **2025 Operating and Capital Budgets for Richmond Public Library**

Staff Recommendation

1. That the 2025 Richmond Public Library budget including a municipal contribution of \$11,803,300 as presented in Attachment 1 from the Chief Librarian and the Secretary to the Board, be approved.



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, 2025. Council must approve the draft budget with or without amendment. This library staff report details the 2025 Operating and Capital Budgets, which were approved for submission to the City by the Library Board at its July 31, 2024 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

Strategic Plan

In 2024, the library concluded an extensive public engagement process to inform the development/creation of a comprehensive four-year strategic plan (2024-2028) that will guide the library's priorities in the coming years to realize its potential as an innovative and responsive organization. It will focus on delivering exceptional customer service, creating flexible and welcoming public spaces, and maintaining a strong commitment to resilience, reconciliation and accessibility – including easier access to information, space, services, and connecting community.

Statistical Analysis

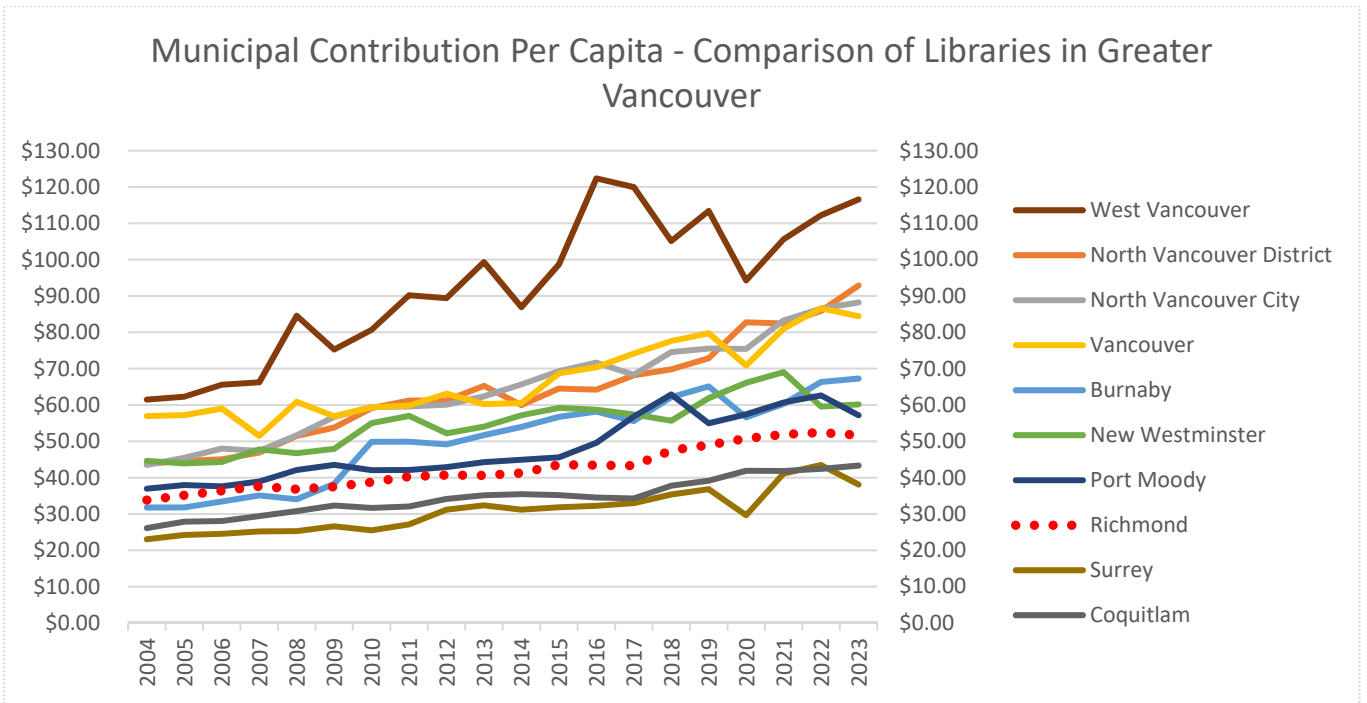
The municipal contribution per capita for the library has increased at a steady pace over the past 20 years, with an average increase of 1.7% increase in the past three years.

Richmond's municipal contribution per capita have consistently ranked 8th among other libraries in Greater Vancouver, with Coquitlam and Surrey ranking 9th and 10th, respectively. In general, Richmond's municipal contribution per capita has seen consistent and stable growth in the past 20 years when compared to other libraries. In 2023, Richmond's municipal contribution per capita was \$51.66, 26.2% lower than the average of \$69.97.

With the continued support of City Council, RPL offers the longest operating hours of any library in Greater Vancouver, reflecting a strong commitment to community investment. By extending access to essential services such as literacy programs, study spaces, and public internet, the library ensures that more residents can benefit from these vital resources.

It is important to note that this broader access is supported by a corresponding investment in staffing, aligning with the fact that labour costs constitutes the most significant component of the operating budget.

Figure 1: Municipal Contribution Per Capita – Comparison of Libraries in Greater Vancouver



2025 Same Level of Service Operating Budget

As the trajectory of inflation is expected to continue to decrease, the gap with actual increases in contract obligations continues to widen. Contract negotiations and its outcomes continue to remain a budget challenge as labour costs constitute the most significant component of the library’s overall operating budget.

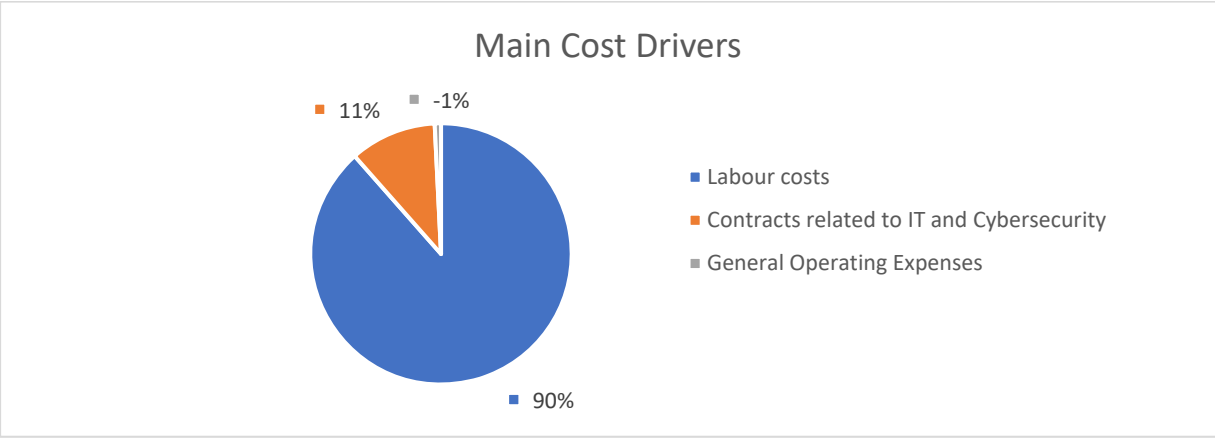
The 2025 operating budget presents the same level of service base budget resulting in a 4.39% municipal contribution increase for non-discretionary items. Including the continued gradual elimination of the transfer from Budget Stabilization from the previous year, the total municipal contribution increase is 4.59%.

Main cost drivers to provide the same level of service are summarized in Table 1 and Figure 2.

Table 1: Main Cost Drivers

Same Level of Service Increase	Amount	Municipal Contribution Increase
Labour costs	\$ 445,700	3.95%
Contracts related to IT and Cybersecurity	54,100	0.48%
Others	(3,900)	(0.03%)
Same Level of Service Budget Increase	\$ 495,900	4.39%
Gradual elimination of one-time transfer of Budget Stabilization	22,000	0.19%
Proposed 2025 Operating Budget Increase	\$ 517,900	4.59%

Figure 2:



Labour expenses represent 90% of the main cost drivers, consistent with labour being the largest component of the operating budget.

A 2025 Proposed Operating and Capital Budget is detailed in Attachment 1.

Revenues:

Overall revenues have increased by \$24,200 mainly due to an expected increase in InterLINK reimbursement, and growing demand for printing and photocopying services as library visits continue to rise. Base provincial grant funding is expected to remain at the same level.

Expenditures:

Total labour costs are anticipated to increase by \$445,700. This increase includes an allowance for step increases, salary fringe increases, and for anticipated contract salary increases, which is currently under negotiation.

Contracts related to Information Technology (IT) will increase by \$54,100. In 2024, the library's IT team has successfully enhanced the library's cybersecurity framework and implemented a number of internal controls. One such control is the introduction of a managed endpoint detection and response solution with CrowdStrike's Falcon Complete service. The implementation was made possible by surplus funds the library has dedicated for this purpose. As such, approximately \$21,900 of the increase is to support ongoing cybersecurity measures, \$18,400 due to existing contractual increases, and remaining \$13,500 to support the onboarding of a new scheduling system, Ultimate Kronos Group (UKG). This will integrate the library's scheduling and payroll processes with the City's, ensuring greater operational alignment and efficiency by streamlining administrative workflows.

The library continues to strategically utilize the available surplus funds to support one-time service enhancement projects and optimization of library spaces. However, increases to existing contracts and evergreening of new projects are often associated with ongoing costs which create financial demands that cannot be met with surplus funds as they require annual operating budget.

Provincial Enhancement Grant

In 2023, the library received Enhancement Grants totaling \$628,813 that 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. In 2024, as the BC Library Partners continues to advocate for increased funding for BC public libraries, the library has received an additional \$36,969 which can be utilized within the same time frame.

Over the past year, the Community Services Connectors program (Connectors program) has achieved significant success. This initiative trains individuals with lived and living experience to assist Richmond residents with low incomes by providing one-on-one, peer-led guidance on accessing social service benefits, affordable housing, employment resources and other essential community programs. The library offers a welcoming, low-barrier environment, fostering positive and enriching experiences. From January to July 2024, this program at Ironwood library has already supported nearly 300 community members. To sustain and expand this success in 2025, the library is reallocating funds within the Enhancement Grant to continue the Connectors program at Ironwood library and extend the service to Cambie library.

As the project to optimize the Ironwood and Cambie libraries progresses, adjustments in the project scope have required a reallocation of funding. This shift is necessary to ensure that the final spaces effectively meet the evolving needs of our communities.

The strategic use of this enhancement grant continues to minimize the need for one-time additional funding requests of City Council. Table 2 below summarizes the library's updated plan for the allocation of the Enhancement Grant.

Table 2: Enhancement Grant

	2023	2024*	2025	Total
Staffing	\$ -	\$138,000	\$235,000	\$373,000
Community Services Connectors Program**	1,500	13,500	30,000	45,000
Space Optimization	-	100,000	100,000	200,000
Strategic Planning Initiatives	-	-	47,782	47,782
Total	\$1,500	\$251,500	\$412,782	\$665,782

*2024 amounts represent the projected spending in 2024.

**Previously referred to as Peer-to-Peer navigation.

2025 Capital Budget

Over the past five years, the library has seen a steady rise in demand for eBooks and digital resources, leading to a gradual shift in our collections budget from a focus on physical materials to a more balanced allocation between physical and digital collections. While the demand for digital resources has grown, the demand for physical books has also been steadily increasing. Expanding our digital collections has required decreasing the investment in print materials.

To address this, the library has allocated \$150,000 from surplus funds specifically to enhance our print collections. This adjustment brings the total collections budget for 2025 to \$1,370,100. Of this, \$610,000 will be dedicated to eBooks and digital resources, while \$760,100 will strengthen our print collections. It's important to highlight that the municipal contribution to the capital budget remains unchanged at \$1,220,100.

A proposed Operating and Capital Budget is detailed in Attachment 1.

Financial Impact

In 2024 the approved municipal contribution was \$11,285,400. The proposed 2025 budget to maintain the same level of service and including the gradual elimination of the transfer from Budget Stabilization from the previous years requests a municipal contribution of \$11,803,300, which is a 4.59% increase over 2024's base contributions.

Conclusion

This report recommends a same level of service budget with a municipal contribution of \$11,803,300 be approved.



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

Att. 1: Richmond Public Library 2025 Proposed Operating and Capital Budget

Attachment 1

**Richmond Public Library
2025 Proposed Operating and Capital Budget**

Description	2024 Budget	2025 Proposed Budget	Budget Variance	%
Revenues				
Provincial Grants	\$ 397,700	\$ 397,700	\$ -	0.00%
Other Revenue	57,000	80,000	23,000	40.35%
Investment Income	18,800	20,000	1,200	6.38%
Total Revenues	\$ 473,500	\$ 497,700	\$ 24,200	5.11%
Expenses				
Salaries and benefits *	\$ 9,174,100	\$ 9,654,800	\$ 480,700	5.24%
Library subscriptions and databases	787,500	789,800	2,300	0.29%
Supplies and equipment services *	492,600	519,300	26,700	5.42%
General and administration *	482,000	542,300	60,300	12.51%
Building, leases and maintenance	495,600	480,000	(15,600)	(3.15%)
Utilities	158,000	161,500	3,500	2.22%
Total Operating Expenses	\$11,589,800	\$12,147,700	\$ 557,900	4.81%
Transfer to Capital - Collections	\$610,100	\$760,100	\$150,000	24.59%
Transfer from Provision - Capital	-	(150,000)	(150,000)	0.00%
Transfer from Enhancement Grant	(375,000)	(412,800)	(37,800)	10.08%
One-time transfer from Budget Stabilization	(66,000)	(44,000)	22,000	(33.33%)
Total Expenses and Transfers	\$11,758,900	\$12,301,000	\$ 542,100	4.61%
Municipal Contribution	\$11,285,400	\$11,803,300	\$ 517,900	4.59%

**Includes \$412,800 funded from Enhancement Grant: \$235,000 for Salaries and benefits, \$130,000 for Supplies and equipment services, and \$47,800 for General and administration.*