



# Richmond Hill Public Library Board

## 2022 Draft Operating Budget

Budget Committee of the Whole



**CITY OF RICHMOND HILL**  
**2022 Draft Budget**

**RICHMOND HILL PUBLIC LIBRARY BOARD**

2022 Draft Budget Submitted and Reviewed by:



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Darren Solomon  
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Richmond Hill Public Library



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## 2022 Richmond Hill Public Library

### Purpose and Services

In alignment with the Library's Strategic Plan, activities and support to the public are designed to provide a wide range of associated materials, programs and services including:

- in-depth collections including print, audio visual and electronic resources
- access to online authoritative electronic resources
- information and readers' advisory services
- public computers and internet access including wireless service
- access to and instruction on new emerging technologies
- programs for children, youth and adults
- community building through outreach and customer engagement
- partnership development and collaboration
- community information
- newcomer information and services
- visiting library service for the homebound
- adaptive technology and accessible collections
- world language collections, programs and services
- convenient self-services including check-in, check-out and holds pick up
- joint facility partnership with the York Region District School Board
- web-based services for renewals, account and hold information, library catalogue and online searching of electronic resources, current events and program information, and registration
- virtual content development and coordination through virtual branch, synergistic with and complementary of our physical spaces

### 2021 Review & Accomplishments

2021 has been the year of COVID-19 again, and our library operations and services continued to be impacted by the global pandemic. Despite the challenges, though, the Library still delivered many of its services virtually and, as the year progressed and as public health and government authorities rolled-out their reopening guidelines, we were able to offer in-person services and expanded hours as well to support the community. We received many encouraging notes and words from our customers who appreciated our efforts to maintain important services through the pandemic. As always, the safety and security of our library users and team have been our top priority, and our precautionary safety measures have persisted. As has been the case throughout this pandemic, all plans and timelines continue to remain fluid and shift depending on the evolving COVID-19 related circumstances.



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While our frontline teams have done a great job creating and delivering immediate value to the community throughout this past year, our leadership team focused on planning the long-term value that the Library will deliver in years to come. The foundation of this work was the development of a transformative new strategic plan, which was approved by the RHPL Board in October, 2021. *RHPL 2021-2025* describes a bold vision for the future of the Library and an ambitious set of strategies to bring it to life.

Some of our key accomplishments this year include:

- **Organizational Effectiveness:**

- Developed the new RHPL 2021-2025 Strategic Plan, including Purpose, Vision and Mission statements, along with nine priority areas and 36 strategic initiatives;
- Assessed and benchmarked Library's internal culture and initiated several programs to build upon it, including the development of new Organizational Values and Employee Experience Commitments;
- Continued progress on learning, adapting and implementing a shared services model with the City of Richmond Hill;
- Completed an initial data and analytics assessment that identified key opportunities and next steps to building data fluency;
- Participated in the *d.leadership* design thinking program for several team members in partnership with Stanford University;

- **Branch Service:**

- Library remained open for most of the year and all branches returned to regular hours starting September, while curbside pick-up services continued to provide an alternative for those who preferred to not enter branches;
- Mandatory vaccination requirements were put in place for staff and the public starting in November to safely expand access to our in-person services;
- Returned to providing in-person programming while continuing with virtual program offerings;
- Engaged a new vendor to operate a coffee shop at Central Library and to expand offerings for customers;
- Completed installation of new book return modules and conveyor system at Central Library to enhance customer service and operational effectiveness;
- Received \$20,415 from Canada Healthy Communities Grant to enhance outdoor seating at Central Library;
- Received LEED Silver Certification for Oak Ridges Library building;

- **Customer Experience:**

- Moved to permanent fine-free model to increase accessibility to library services;
- Launched an online chat service through our website to allow customers to get assistance on a variety of Library services;
- Expecting to launch a library brand campaign before the end of year to highlight RHPL's unexpected offerings;
- Created an RFP for the development of a new and modern website that stress usability;

- **Content:**

- Delivering over 1,500 library items to homebound customers who, due to disability or illness, could not visit their local branch in person;
- Launched Virtual Summer Reading Storyteller Spectacular for more than 750 kids – a collaboration with York Region and Durham Region Libraries to bring in nine well known authors;

- New partnerships with the John Howard Society, Big Brothers, Big Sisters, and York University
- Decolonization of subject headings within our Indigenous Peoples' collection;
- Began the development of a portable video production studio for hybrid programming;

## 2022 Plans

Heading into 2022, the City shifted its annual budgeting process to run earlier than in the past. Running concurrent to this process was RHPL's strategic planning initiative. We purposefully mapped our strategic planning timeline to converge with budgeting deadlines, in order to develop the most informed Operating Budget possible.

We designed the budget to align to our new proposed strategic plan and, very importantly, to address some basic and essential longstanding capability gaps at the Library – which will enable us to work not only more effectively and efficiently, but also begin to enable the transformation and modernization of our organization and the value we deliver to the community.

The budget accounts for the following key considerations:

1. Tax Neutrality Target
2. Alignment to New RHPL Vision
3. Core Capabilities Gaps

The 2022 RHPL Operating Budget increase is \$430,800 (or 5.5%) which breaks into two main categories:

- Standard Personnel increases, such as cost of living, pay band adjustments and other staff-related costs, which amounts to \$191,900 (2.47%).
- Non-Personnel budget changes, which total \$238,900 (3.07%). The explanation behind this increase is detailed in the Bridge Summary section of this report. We plan to use the anticipated 2021 Library budget surplus to offset this increase.

Therefore the 2022 RHPL Operating Budget increase to the City is only \$191,900, which is equal to the total standard Personnel cost increases and which aligns with the City's approach to net neutrality on non-Personnel budget changes. We have reviewed this budget with the City's Finance team, and this win-win scenario will allow the Library to develop the foundational capabilities it needs while also supporting the City's 0% tax rate target.

## RATIONALE

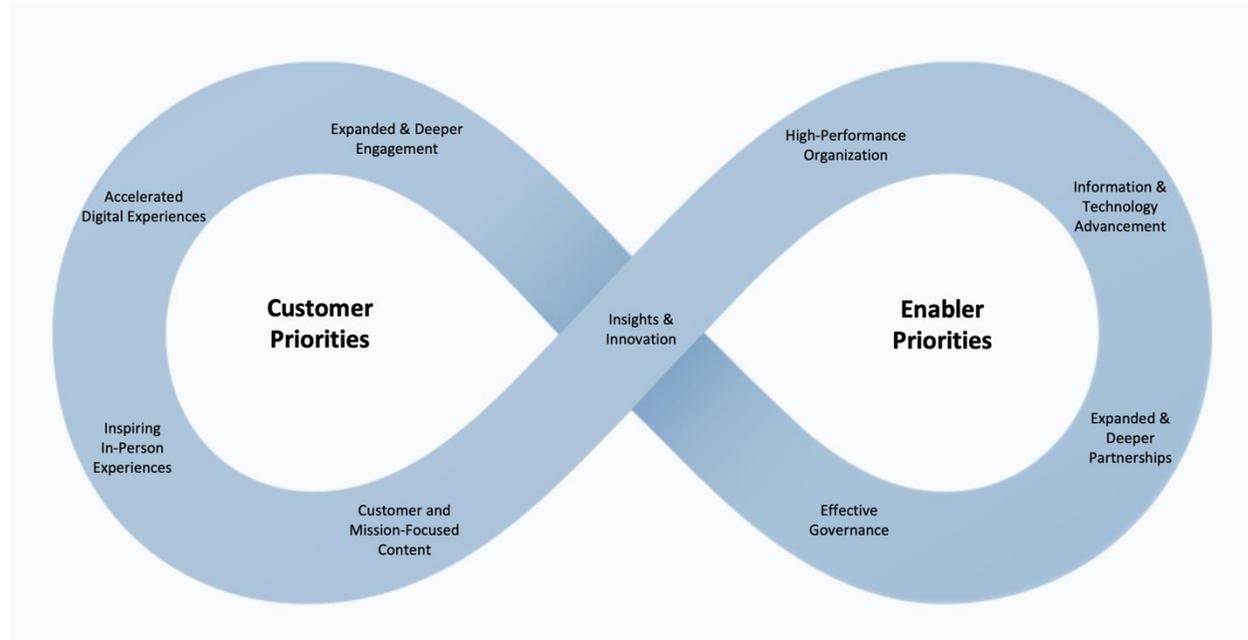
In building the 2022 RHPL Operating Budget, we were guided by three key considerations:

- 1. Tax Neutrality Target** – To support Council's direction of a 0% tax rate increase, City Finance has asked the Library to target a neutral year-over-year budget if possible. This target, though, excludes standard Personnel budget increases, which includes Cost of Living Allowance (COLA) adjustments, salary and pay band adjustments, the adjustment to Truth & Reconciliation Day being a day off to align with the City's closures, as well as anticipated salary adjustments that we expect to result from the renegotiation of our Collective Agreement. There are a lot of Library initiatives that require funding to move RHPL towards its new strategic goals but we also recognize that there are always competing requests, which become more pronounced in a constrained year. Given that tension, where feasible, we have worked creatively to defer

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dependent or less urgent initiatives to 2023, to maximize our 2022 Capital Budget requests and to minimize incrementally to the 2022 Operating Budget. Having said that, we believe there are a few necessary capability needs that are important for us to be able to move forward to improve the service to the community and work more effectively, which you will find in the budget bridge below. We plan to offset these incremental costs through anticipated 2021 surplus, and therefore the 2022 RHPL Operating Budget increase to the City is \$191,900, which is equal to only the standard Personnel cost increases and which aligns with the City's approach to net neutrality on non-Personnel budget changes.

- 2. Alignment to New RHPL Vision** – Our new strategic plan presents a bold, exciting and transformative vision for the role the library will play in people's lives and for the value it will bring to the City. To align with the strategy, we based our budget on our new positioning statements and strategic priorities.
- **Purpose** – “As a strong cornerstone of Richmond Hill, we exist to improve your quality of life. Our role is to be a gathering place for our community and to provide equitable and universal access to resources.”
  - **Vision** – “We're valued for our world-class library experiences that motivate you to confidently adapt and thrive in a world of change, and enhance Richmond Hill as a place to live, visit and do business.”
  - **Mission** – “We offer knowledge, experiences and resources that enable you to grow the capabilities you need to respond to personal, local, national and global challenges, trends and interests.”
  - **Priorities** – The graphic below shows our two strategic paths – the front-end Customer Priorities and the back-end Enabler Priorities, which work together and drive each other.
  - **Strategies** – Our strategies sit under each of the below Priorities. To create our 2022 Operating Budget we estimated the financial needs for each of our 36 strategic initiatives, and we were then able to absorb all of their project costs by either reallocating certain areas of our budget, funding them through Capital requests, or by deferring initiatives to 2023.



- 3. Core Capability Gaps** – Throughout 2021 we identified some capacity and service gaps in our business that stemmed from our shift to a shared service model with the City or that resulted from trying to improve service delivery to the community. We have worked to resolve most of these gaps through the reallocation of responsibilities and some minor structure changes, including, for example, centralizing programming to a system-wide level and rethinking how certain administrative tasks, such as onboarding and invoice processing, get done. But there are also some basic capability needs that the Library has surprisingly never actually had that are necessary to effectively operate a modern business. The first year of our strategic roadmap (2022) has been planned as a transition year that’s focused on the building blocks – that is, developing the foundational capabilities and capacities required to trigger the rest of the plan and meet the strategic repositioning we are setting out to achieve. One of the high priority strategies that we’ve identified to this end is the need to align our organizational capabilities to enable the plans, and after a review against our strategic priorities we have determined that there are a few important capabilities that are necessary in the organization; as mentioned, these are basic gaps that have actually existed for some time but had never been addressed by the Library. Not addressing these capabilities puts our plans, our basic effectiveness and the value we are able to deliver to the community at risk. But given budgetary constraints we realize that we can’t fill all of these gaps immediately so we have planned accordingly throughout 2021, with an eye on 2022 and beyond:

Capability Gap	Why It's Needed	Plan To Address Gap
<p>Project Management</p>	<p>RHPL has never had project management as a practice at the library, which is a significant root cause that resulted in a consistent and lengthy backlog of unexecuted projects. Current staff don't have the time or specialized skills needed to effectively manage the complexities of project management, which is an important discipline in the execution of business plans. This past year we have put a focused effort on clearing the backlog of capital projects which, while progressing well, has not been without its challenges; the management of projects has become significantly more complicated and time-consuming given our new practice of working with City shared services, including Procurement, Risk and IT. We estimate that our Director of Branch Services was spending about 7 hours a week on task-oriented project activities and our Executive Manager of Experience &amp; Strategy was spending about 10 hours a week on basic project activities, and this does not include the work of other managers and directors. This collective effort is not an effective use of our senior people's skills and time and creates inefficiency in our processes - resulting in reduced project capacity, slower time to market, added complexities, and lack of coordinated project oversight. We brought on a temporary Project Manager consultant as a short-term pilot to support our senior team on their projects, and the focused process rigor realized immediate and important benefits, including having someone proactively schedule timelines, tasks and responsibilities; update and maintain project status and progress; be the primary coordinator with City partners in Procurement, Risk and IT on day-to-day workflows and forecast planning; be the primary liaison with external project vendors and consultants on day-to-day scheduling, information transfer, budget coordination and other dealings; and provide master oversight and tracking of all major projects for visibility, status, budget adherence, risks and prioritization. This allowed our staff to better focus on their areas of expertise and work, streamlined our work with the City and our partners, and brought responsible governance to project execution. Project management is a key</p>	<p>Respecting the City's target of minimizing the addition of new full-time roles, we propose hiring a Project Manager as a consultant in 2022 to continue the momentum we have built, and to support the new influx of work and complexities that come with it. This cost would be offset from the anticipated 2021 Library budget surplus. We anticipate then converting this role to a full-time Personnel cost in 2023.</p>



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	<p>enabler role across all business sectors, and securing project management as a capability in 2022 is necessary to manage the implementation of our current projects and new strategic initiatives.</p>	
<b>Capability Gap</b>	<b>Why It's Needed</b>	<b>Plan To Address Gap</b>
Content Management	<p>Our new strategic plan is driven by our mission to prepare our community to be confident and resilient in a fast-moving and ever-changing world. Fulfilling this requires us to constantly have an eye on current and future landscapes, and to then curate what we're seeing into usable information and insights for our community. At the same time, digital growth was a consistent theme heard throughout the strategic consultation process and we are making a commitment to the community to bolster our digital presence to be much more relevant to them. Our key challenge with this, though, is that, surprisingly, the Library has never actually had even one dedicated role for content management on the website; it has always been managed through side-of-the-desk tasks spread across several people who have no digital expertise. That lack of ownership, experience and expertise is a strong contributor to the sub-optimal experiences and discovery opportunities on our website and app. Digital content managers are basic and essential functions in every organization today; it is highly unusual to not have anyone focused on the digital experience, even within the urban library community. The content management capability powers several of our new strategic priorities, including bringing our digital offerings up to modern expectations, curating a broader global perspective for our customers, and encouraging more discovery and conveying the value of the library.</p>	<p>Respecting the City's target of minimizing the addition of new full-time roles, we propose hiring a Content Manager as a consultant in 2022 to fill a basic and essential need and to be a critical enabler of our new vision. This cost would be offset from the anticipated 2021 Library budget surplus, and we anticipate then converting this role to a full-time Personnel cost in 2023.</p>
<b>Capability Gap</b>	<b>Why It's Needed</b>	<b>Plan To Address Gap</b>
Business Analytics	<p>As with every organization in today's world, the Library is collecting a lot of data from many operating, customer and environmental sources (not to mention the available data that we are not collecting). What we</p>	<p>While important, we recognize that we need to prioritize our needs, especially in a financially</p>



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	<p>are missing, though, is the specialized expertise to develop a business intelligence strategy, along with processes and infrastructure, that governs and leverages our data in a purposeful and meaningful way to help us better understand our business, solve problems and make more insight-driven and evidence-based decisions to improve our operations and our value to the community. To support the development of this capability, we recently engaged a Business Analyst consultant to help us evaluate our current state, design a basic data strategy that will enable us to track a few key business measures, and help us develop a decentralized approach whereby each of our managers, for now, can take ownership for their own data points to better manage their business. In modern public and private organizations, including libraries, business and data analytics is a fundamental enabler that supports every aspect of operations and strategic plans.</p>	<p>constrained year. We feel the work being done in 2021 will provide us with a basic starting point for 2022, and any additional needs can be addressed through ad hoc project work for now. In addition, the City IT is working on developing its data technology capabilities and we have agreed to explore opportunities to support the Library. We anticipate revisiting this need for the 2023 budget.</p>
Capability Gap	Why It's Needed	Plan To Address Gap
Marketing	<p>In a consumer landscape that is overloaded by competing advertising and messaging across many different and emerging channels, marketing is a basic and essential capability for any public or private business that offers products or services to an audience. One of the important insights that surfaced through our strategic planning process was that many people in the community aren't aware of all of the services the Library offers, even though they may need them. For the Library to maximize the value that it delivers to the community, it needs to ensure that the community maximizes the value it draws from the library. To do so, we need to ensure that our residents are aware of what we offer, that we connect with them in relevant and contextual ways that drives consideration, and that they understand the value we deliver to the community. Doing that will result in more library users and more frequent library usage. The Library currently has one hybrid role in this area that has a split focus between internal communications, customer marketing, public and media relations, and web, newsletter and social media updates; as a result, our work in this area is tactical and not able to be as strategic and proactive as needed in the</p>	<p>While we build out other capability areas and begin executing our plan, we have designed a way to temporarily plug this need through three key avenues: we are engaging a marketing agency to support us with the development of a strategic marketing plan, as well as to provide bench strength and expertise on larger marketing initiatives; we have restructured one of our existing open roles to focus on the production of video programming and to support with our tactical marketing needs; and the new Content Manager will provide support through digital</p>



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	delivery of awareness and consideration to the customer.	content development and management. We anticipate revisiting this need for the 2023 budget.
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## 2022 Budgets

### Operating Budget

To create a more effective process internally some budget items have been delegated to different members of the organization, in order to better align costs with revenues, to centralize some costs to achieve efficiencies where possible, and to empower managers to take more ownership of their budget areas.

The 2022 Operating Budget reflects the directions of our proposed new strategic plan, which will be presented at the next Board Meeting. It assumes a return to a new normal operating scenario, while allowing for some ongoing day-to-day COVID-19 considerations factored in. We are proposing a \$191,900 (or 2.47%) year-over-year increase to the City grant to cover the standard Personnel increases; whereas the remaining increase of \$238,900 would be covered by a transfer from the Library Reserves via the anticipated 2021 surplus, which would enable significant strategic and operational benefits.

Budget Category	2020 Actuals	Preliminary Actuals 30-Sep-21	2021 Approved Budget	2022 Draft Budget	Variance (Fav)/Unfav	% Change
Personnel	\$6,120,179	\$4,196,772	\$6,864,500	\$7,056,400	\$191,900	
Collection Development	742,598	675,635	624,300	930,400	306,100	
Contracts/Services	730,646	574,322	1,352,800	1,584,200	231,400	
Materials/Supplies	145,720	36,797	145,900	134,800	(11,100)	
Transfer to Reserve	569,513	-	-	-	-	
Transfer to R&R Reserve Fund	527,400	225,000	300,000	300,000	-	
<b>Total Expenditures</b>	<b>\$8,836,056</b>	<b>\$5,708,526</b>	<b>\$9,287,500</b>	<b>\$10,005,800</b>	<b>\$718,300</b>	<b>7.7%</b>
Provincial/Other Grants	(122,199)	-	(122,200)	(122,200)	-	
Library Generated Revenue	(74,457)	(22,211)	(200,100)	(200,800)	(700)	
YRDSB Funding	(303,900)	-	(310,400)	(297,200)	13,200	
Transfer from Reserve	-	-	(277,300)	(516,200)	(238,900)	
Transfer from R&R Reserve Fund	(600,000)	(450,000)	(600,000)	(900,000)	(300,000)	
<b>Total Revenues</b>	<b>(\$1,100,556)</b>	<b>(\$472,211)</b>	<b>(\$1,510,000)</b>	<b>(\$2,036,400)</b>	<b>(\$526,400)</b>	<b>34.9%</b>
<b>Net Budget</b>	<b>\$7,735,500</b>	<b>\$5,236,315</b>	<b>\$7,777,500</b>	<b>\$7,969,400</b>	<b>\$191,900</b>	<b>2.5%</b>



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Budget Category	2021 Approved Budget	Base	Legislated	Annualization	Growth / Service Enhancements	2022 Draft Budget
Personnel	\$ 6,864,500	\$ 191,900	\$ -	\$ -	\$ -	\$ 7,056,400
Collection Development	624,300	306,100	-	-	-	930,400
Contracts/Services	1,352,800	215,900	-	15,500	-	1,584,200
Materials/Supplies	145,900	(11,100)	-	-	-	134,800
Transfer to Reserve	-	-	-	-	-	-
Transfer to R&R Reserve Fund	300,000	-	-	-	-	300,000
<b>Total Expenditures</b>	<b>\$ 9,287,500</b>	<b>\$ 702,800</b>	<b>\$ -</b>	<b>\$ 15,500</b>	<b>\$ -</b>	<b>\$ 10,005,800</b>
Provincial/Other Grants	(122,200)	-	-	-	-	(122,200)
Library Generated Revenue	(200,100)	(700)	-	-	-	(200,800)
YRDSB Funding	(310,400)	13,200	-	-	-	(297,200)
Transfer from Reserve	(277,300)	(238,900)	-	-	-	(516,200)
Transfer from R&R Reserve Fund	(600,000)	(300,000)	-	-	-	(900,000)
<b>Total Revenues</b>	<b>(\$1,510,000)</b>	<b>(\$526,400)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(\$2,036,400)</b>
<b>Net Budget</b>	<b>\$ 7,777,500</b>	<b>\$ 176,400</b>	<b>\$ -</b>	<b>\$ 15,500</b>	<b>\$ -</b>	<b>\$ 7,969,400</b>

- Personnel – The increased costs reflect cost of living adjustments that align with the City and RHPL’s Collective Agreement, salary and pay band adjustments, statutory holiday pay for Library closures due to the new National Day of Truth and Reconciliation holiday, as well as anticipated salary adjustments that we expect to result from the renegotiation of our next Collective Agreement.
- Contracts & Services – The key driver and majority of our increase reflects the two new contract engagements for a Project Manager and Content Manager, as detailed above as part of the Core Capabilities Gaps. The only other notable changes include increased costs from City IT for upgraded fibre data services as well as additional courier costs related to the Southern Ontario Library Service (which has since been restructured as the Ontario Library Service) which pulled a longstanding subsidy that previously supplemented the costs of inter-branch material deliveries. The budget also factors in cost savings from centralizing our programming and other efficiencies.
- Materials & Supplies – We will realize some cost savings from the reduction of our COVID-19 supplies and other efficiencies.
- Collection Development and Transfer from R&R Reserve Fund – Increase in collection development expenses are mainly offset by an increase in funding from the R&R Reserve Funds.
- Revenues – Our funding from the York Region District School Board for Richmond Green Library is expected to decrease slightly due to the decrease in some related costs and the repurposing of part-time roles from Richmond Green (and Central) to develop a new system-wide position that will improve customer service at a broader level and result in a small net personnel savings.

Based on the above 2022 Operating Budget schedule, RHPL will fund budget needs by transferring \$238,900 of anticipated 2021 surplus from Library Reserves, and request an increase to the City’s Municipal Grant of \$191,900 to cover necessary Personnel increases, which aligns with the City’s approach to net neutrality on non-Personnel budget changes.



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Looking ahead to the 2023 Operating Budget, it is anticipated that both the transfer from Library Reserves and Contracts & Services will be reduced by similar amounts as the Project Manager and Content Manager will be an incremental budget request under Full-Time Personnel.

## Key Use Indicators

The emergence of the Covid-19 pandemic in 2020 contributed to significant declines in key indicators:

- Active cardholders (-14%) and total circulation (-29%) are down since 2014
- There is a steady shift from physical to digital demand since 2014
  - (-87%) in-person visits vs +13% website visits
  - (-59%) physical circulation vs +84% digital circulation

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>In-Person Visits</b>	<b>989,600</b>	<b>1,219,150</b>	<b>1,302,288</b>	<b>1,106,768</b>	<b>1,004,224</b>	<b>1,118,780</b>	<b>123,188</b>
<b>Electronic Visits</b>	<b>1,588,700</b>	<b>1,914,500</b>	<b>2,162,420</b>	<b>2,194,778</b>	<b>2,213,506</b>	<b>2,085,296</b>	<b>1,794,139</b>
<i>website user sessions</i>	1,588,700	1,914,500	1,577,940	1,519,388	1,520,688	1,376,180	963,196
<i>social media</i>	-	-	584,480	675,390	692,818	709,116	830,943
<b>Library Materials Circulated</b>	<b>2,243,194</b>	<b>2,213,773</b>	<b>2,136,006</b>	<b>2,108,171</b>	<b>2,100,819</b>	<b>2,109,889</b>	<b>1,590,683</b>
<i>physical</i>	1,776,035	1,660,618	1,532,472	1,499,901	1,467,331	1,431,672	731,086
<i>electronic</i>	467,159	553,155	603,534	608,270	633,488	678,217	859,597
<b>Electronic Resources Uses</b>	<b>1,360,550</b>	<b>1,672,300</b>	<b>1,927,432</b>	<b>1,799,616</b>	<b>1,715,896</b>	<b>1,703,572</b>	<b>463,528</b>
<b>Community Connections</b>	<b>14,482</b>	<b>38,302</b>	<b>471,723</b>	<b>689,899</b>	<b>706,989</b>	<b>723,220</b>	<b>835,950</b>
<i>social media</i>	2,525	25,815	459,124	675,828	692,818	709,116	830,943
<i>other media</i>	31	32	42	79	56	60	34
<i>bookings &amp; events</i>	11,926	12,455	12,557	13,992	14,115	14,044	4,973
<b>Active Cardholders</b>	<b>61,651</b>	<b>56,948</b>	<b>55,059</b>	<b>62,224</b>	<b>72,694</b>	<b>59,093</b>	<b>52,711</b>
<b>Programming</b>	<b>47,629</b>	<b>58,703</b>	<b>61,240</b>	<b>68,887</b>	<b>70,499</b>	<b>73,756</b>	<b>30,076</b>
<i># of programs</i>	2,645	3,143	3,171	3,533	3,794	3,993	1,314
<i># of program attendees</i>	44,984	55,560	58,069	65,354	66,705	69,763	28,762