

# ST. ALBERT PUBLIC LIBRARY

## Library operations review

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## Introduction:

In response to the Ernst & Young Operational and Fiscal Review report to St. Albert City Council, the St. Albert Public Library Board requested a review of their operations to determine whether there were significant financial savings to be gained through efficiencies. The process that was followed to determine this included a review of documents including strategic plans, financial documents, and organizational structures, as well as interviews with almost all Library staff members. This project did not include consultation with either City Administration or members of the community.

At this time, the St. Albert Public Library is doing a good job of offering the services that are expected and valued by this community. While financial constraints must be addressed, each reduction will impact the services that are offered. Each of these reductions in service impact different segments of the community, so it is important to consider how to manage this impact while still meeting the goals of the library and recognizing the goals of the City Council.

While some efficiencies are recommended in this report, they do not have the total financial impact recommended by Ernst & Young. It should be noted that the three libraries that EY identified as comparators operate in a different environment than St. Albert Public Library. These libraries have access to services and funding that is not included in their budgets and is not available to St. Albert Public Library.

The report includes:

### **1. Recommendations for potential cost-saving efficiencies**

- A. Potential efficiencies that have a significant financial impact
- B. Potential efficiencies that will result in minimal savings over time
- C. Potential efficiencies that have little or no financial impact

### **2. Recommendations for operational effectiveness**

# 1. Recommendations for potential cost-saving efficiencies

## A. Potential efficiencies that have a significant financial impact:

The most significant costs of running a library are facilities, collections, and staffing. Given that the bulk of SAPL operations are in a city-owned building, efficiencies related to facility costs are outside of the control of the library board. The collection is heavily used, so a reduction in the collection budget will have a significant negative impact on the ability of the library to serve the community. Cuts to the collection budget tend to be cumulative, as the collection deteriorates over time. That leaves human resources as the largest expenditure that can be managed. It is important to remember that staff reductions pose potential legal, morale and reputation risks.

There are some potential efficiencies that can reduce costs, however, each one will negatively impact the level of service that is offered to the St. Albert community. It is important to note that the major savings can only be accomplished by staff reduction. Additionally, working more closely with the St. Albert City Administration only saves money if the city is prepared to offer these services at no cost charged back to the library, or if the City can establish that they can do the work at a lower cost than the library.

1. Change the overall approach to collections and materials management by integrating all activities and outsourcing the cataloguing and most of the processing to vendors. As the material is more expensive as the new price will also reflect the cost of processing, this also reduces the number of new items that are added to the collection each year by approximately 10%. Re-evaluate positions that have significant collections responsibilities.
2. Use the city's services for all non-library purchasing: Assuming that the city administration is prepared to offer this service at no cost, and that the city can gain a 10% higher discount than the library can on its own, this results in minimal savings. Note that some of these services are already shared with the City, such as the audit. Library specific purchasing is addressed in a note at the end of this section.
3. Reduce or eliminate programs (classes, events, workshops, learning sessions): The major saving in this solution is staff time, however the impact is significant. Programming allows the community to see what resources the library has to offer, as well as providing significant support for literacy and for access to information.
4. Reduce open hours: To cost this out would require considerable calculation to determine the staffing savings. Maximum savings are achieved by opening 7.5 hours per day, 5 days per week, so that everyone works full time on the same shift. Different opening hours affect different members of the community differently, and the investment in the facility and the collection is less well used.

5. Close Jensen Lakes Library location: There is some tension within the community regarding this location, and the suggestion to close it will recur. While there is a material financial cost, closing this location disadvantages one segment of the St. Albert community - primarily those who are newly arrived in the city, and those with younger families. This seems contrary to the city's Great Places goal that states, "Design and build distinctive gathering places that encourage outdoor activity, social interaction, and the enjoyment of civic life." To maximize the investment in this location, it is recommended that an increased schedule of programming and services be offered. While this appears to be the simplest way to cut costs, closing it would be contrary to best practices for public libraries which emphasize the need for the library to be accessible to all parts of the community.
6. Cancel the Community Outreach Van service: Again, while this would save money, it disadvantages a segment of the St Albert community that cannot be well served by the downtown location. It should be noted that this service was recently recognized with the Library Association of Alberta Punch Jackson Award of Excellence for outstanding service to the community.
7. Streamline the Leadership Team. This will take some time as it involves repositioning some responsibilities either upwards or downwards.

#### Note on library specific purchasing

A significant amount of purchasing done by libraries is library-specific, for example databases, the computer system that runs collection management and circulation (Integrated Library System or ILS), library shelving and some materials such as book repair supplies. The city would not be able to negotiate better discounts than the library on these items. The databases, for example, are purchased through consortial arrangements that guarantee the lowest price across Canada. The SAPL ILS is run in collaboration with two other libraries (County of Strathcona Public Library, and Fort Saskatchewan Public Library) and SAPL is paying a legacy price because of being a long-term customer. The City would not be able to better this price. For non-library specific electronic purchases, such as office software, library consortia often negotiate discounted prices, again consistent with or better than that offered to the City.

#### **B. Potential efficiencies that will result in minimal savings over time:**

There are some changes to operations that will have a minimal impact over time, by either reducing the qualifications of staff members doing specific jobs, or by changing the classification of staff members to positions without benefits. Both strategies have implications other than financial, including legal, morale and reputational damage. It is difficult to assess the financial impact of these decisions because it depends on many other factors, including relocation of staff, changes in classifications of staff, and any potential legal costs resulting from changes in employment status.

1. Remove librarians from the service desks and replace them with library technicians. This has become a widespread practice in libraries and reflects the repetitive nature of many reference questions. Note that this only saves money if you do it by attrition; if you must terminate staff, the payout for termination will counteract any savings.
2. Reduce the number of full-time staff and replace them with part-time staff. The major savings here is in benefit costs and again will only show a savings if it is done by attrition. This will be a difficult change for staff to accept as many take considerable pride in working for SAPL because of its reputation as a fair employer.
3. Reduce the size of the Leadership Team. This only generates savings if the time that is currently spent attending Leadership Team meetings is reallocated to other tasks or there is an overall reduction in the number of people in the management structure, reducing staffing needs.

**C. Potential efficiencies that have little or no financial impact:**

1. Information Technology (IT) support. A very small proportion of the IT department of the library engages in supporting non-library functions. While these could be managed by the City's IT department, there would be no savings in the library's budget, and unless the city administration would be willing to offer this service at no cost, it could result in a cost increase. The bulk of the library's IT costs are library-specific applications and associated support. The products are largely purchased through consortia and therefore are acquired at the lowest national cost. Therefore, no additional savings can be negotiated. Their support requires specific skills not currently available in the city's IT department. It is not clear the extent to which city staff are ready and available to provide timely support for hardware, particularly as the library's hours are much longer than the hours of city staff.
2. HR and Finance support. The bulk of this is already supplied by the city administration and is outlined in the draft agreement between the city administration and the library.
3. Increase the library's ability to be self-sufficient. The library already shows a considerable portion of its income as being achieved through grants and the use of volunteers. Fundraising professionals consulted advised that to go further would require hiring a fundraising professional. This would be an additional cost to the library without any guarantee of a net profit. It is unlikely to result in funding that can be used to support operations - most successful fundraising campaigns are directed to capital projects or special projects. Specific suggestions such as offering naming rights in exchange for major donations require a significant input of time and skill to locate donors, and negotiation with the city over their policy for naming rights.
4. Use the province-wide TD summer reading program that is sponsored by the TD bank. This has the advantage of saving approximately one summer student position.

5. Stop collecting fines. This is not a best practice as the research shows that it does not encourage the return of material and has a negative impact on use of the library. Most libraries have found that when they take into account the labour costs of processing so many small cash transactions, their net income is negligible if it exists at all.

## **2. Recommendations for operational effectiveness:**

The following recommendations result from reviewing internal processes and comparing them with the goals of SAPL as outlined in the previous plan of service, as well as comparing them with best practices. As organizations grow, their processes and practices need to become more specialized and specific to ensure consistency. All processes should be vertically integrated - this means that all staff activity should be directed to the accomplishment of the library's goals. They should also be horizontally integrated, meaning that no-one's work should create barriers or difficulties for anyone else's work

1. Collections: Changes recommended for collections management are detailed elsewhere.
2. Leadership Team: The Leadership Team is large, taking up staff time and creating inefficiencies. A clear mandate for the Team needs to be developed and shared with staff.
3. Stop the book sale. Many libraries are giving up book sales after they calculate the costs (staff time, storage space) vs the revenue generated. If a decision is made to continue a book sale, consider whether it can be handed over to volunteers and carried on off-site or offered to another charity in St. Albert.
4. Jensen Lakes Library: Consider designating one of the positions as a supervisory position at this location as a training opportunity for a staff member who wishes to gain some management experience. This could include operational oversight, budgeting, and accounting for expenditures. This library should increase its level of programming independent of the programming at the downtown location. Apart from the summer reading program, which needs to be consistent at both locations, programming at JLL should reflect the interests of the community who use this location. Programs will be smaller, due to space restrictions, but will increase the return on the investment in this branch.
5. Strengthen the performance management process to ensure that all staff members are doing their jobs as defined. Over time, some jobs have evolved, reflecting the interests of the individual staff member. This process requires that all supervisors be trained in performance management.