

PRINCE GEORGE PUBLIC LIBRARY: FEE-BASED INFORMATION SERVICE

JOHN SHEPHERD

Kwantlen Polytechnic University

ALLAN WILSON

University of Northern British Columbia

Allan Wilson, Chief Librarian of the Prince George Public Library (PGPL), met with students from the College of New Caledonia to discuss the findings of their service learning project.

The Chief Librarian had initiated the project three months earlier in response to one of the findings in a community needs study commissioned by the library. The earlier study, using focus groups of business people, documented some interest in an enhanced business research service. Over a semester, students reviewed the literature, contacted existing fee-based operations in Canadian libraries, and estimated local demand for a public library based, fee-for-service research and information services operation.

The library's need to diversify its revenue base and the potential impact of such a service on community economic development precipitated the study. The public library, like other not-for-profit organizations, depended on outside funding to achieve its mandate. Over 85% of the library's annual budget came from one source, the City of Prince George. In fact, the library's dependence on municipal funding had increased in recent years, despite attempts by its management to access other funding sources.

The authors developed the case for class discussion rather than to illustrate either effective or ineffective handling of the situation. The case and its accompanying instructor's manual were anonymously peer reviewed and accepted by the *Journal of Case Research and Inquiry*, Vol. 1, 2015, a publication of the Western Casewriters Association. The authors and the *Journal of Case Research and Inquiry* grant state and nonprofit institutions the right to access and reproduce this manuscript for educational purposes. For all other purposes, all rights are reserved to the authors. Copyright © 2015 by John Shepard & Allan Wilson. Contact: John Shepherd, Kwantlen Polytechnic University, 12666 72 Avenue Surrey, B.C., V3W 2M8, Canada, Tel. (604) 839-2449, email john.shepherd@kwantlen.ca

A research service could benefit entrepreneurs, businesses and local governments across Northern British Columbia, by providing them with enhanced access to information. In spite of the internet, key decision makers in rural areas lacked the same access to information as their urban counterparts.

A political reason also existed for the study. Individual city councilors had spoken to the Chief Librarian off the record. They noticed that fee-based research services were available in larger communities and suggested that the library consider such a service. Wilson desired a feasibility study to determine whether such a service was viable. After reading the CNC students' report, the Chief Librarian would make his recommendations to the Library's Board of Trustees whether to further explore an enhanced, fee-based research and information service.

Prince George Public Library

The Prince George Public Library (www.lib.pg.bc.ca) was the largest public library in northern British Columbia, supplying library services to the residents of the City of Prince George and surrounding communities.

The City of Prince George (www.princegeorge.ca) was located near the geographic center of British Columbia (see Appendix B), the westernmost province of Canada. The city of 80,000 people was the largest urban center in Northern British Columbia, and was over 450 miles northeast of Vancouver and 400 miles west of Edmonton. Prince George was embedded within the Fraser-Fort George Regional District, where an additional 10,000 people lived in rural communities north and east of the city. A regional district is similar to a U.S. county.

Prince George was located at the junction of several highways and railway lines supplying forestry and mining towns from the Pacific coast to the Yukon and Alberta borders. As the major transportation hub for the northern half of the province, the city served the surrounding

communities with a community college, a research university, a regional hospital, an airport, a large retail sector, and government offices.

The Prince George Public Library operated two facilities, the main Bob Harkins branch downtown, and the community Nechako branch, 9 kilometers north of the city. The library's 2007 annual budget of \$3.7 million (see Appendix A) was funded by the City of Prince George, Fraser-Fort George Regional District, and the Province of British Columbia. In 2008, the library employed 60 full-time and part-time people, including professional librarians, library technicians and support staff.

The Chief Librarian, the library's chief executive officer, reports to an independent Board of Library Trustees, appointed by the City Council of Prince George. The library was a provincially incorporated not-for-profit society. The Chief Librarian supervised a four person management team: a Public Services Manager, a Communications Manager, Manager of Technical Services, and a Manager of Administration and Finance.

The New Chief Librarian

Allan Wilson had an unusual background for a librarian. Prior to his library career, he was a welder with Whiting Equipment Canada, an operations manager of Control Building Services, both firms in Ontario, and as an International Traffic Supervisor in the shipping department of Molson Breweries.

Wilson returned to school as a mature student with degrees from Brock University in Slavic and Germanic Literature. He completed a Master of Library Science (MLS) degree at the University of Toronto and enrolled in the university's library doctoral program. His area of academic research was in Marxist Leninist library classification systems. He conducted his research in Moscow in 1992 during some turbulent times and later worked for St. Catharine's Public Library in southern Ontario.

In 1996, Wilson was hired as Deputy Librarian of the Prince Rupert Public Library. His mandate was to supervise the library's technical services and create an internet presence. He moved his young family 4,000 kilometers from Central Canada to the City of Prince Rupert on the Pacific coast, 60 kilometers south of the Alaska border. Two years later, he was promoted to Chief Librarian.

Allan Wilson enjoyed his time in the port community. Possessing an artistic flair, he entertained children and adults at local events by juggling various objects including flaming torches, and promoted history through storytelling. He was an expert photographer, a competitive level backgammon player, and a participant in live theatre. A founding member of Prince Rupert's Harbour Theatre, a fringe theatre group, Allan continued to attend the annual fringe festival called Udderfest.

Under his leadership, the Prince Rupert Public Library won provincial and federal awards for innovation, most notably for its First Nations library card and its unusual website, www.Bookboat.com. The Chief Librarian wrote successful funding proposals, initiated community projects, and built relationships with aboriginal communities.

One his proudest accomplishments was the repatriation of long lost community plans prepared between 1911 and 1913 by Francis Mawson Rattenbury, a prominent British Columbian architect and historical figure. Francis Rattenbury originally prepared the blueprints for a luxurious hotel at the Pacific terminus of the Grand Trunk Pacific Railway. The hotel was never built due to the untimely death of Charles Melville Hayes, the railway's president who sailed on the inaugural voyage of the RMS Titanic.

Later, Wilson envisioned a unique public library building on the Prince Rupert waterfront in partnership with John Rattenbury, son of Francis Rattenbury. The award winning architect studied under Frank Lloyd Wright, the most prominent American architect of the twentieth

century. The building's construction would have followed the organic style of architecture, blending it into the surrounding landscape through a combination of functional design and the use of local materials. The city's fiscal crisis prevented this dream from becoming reality.

After several years in Prince Rupert, Allan Wilson accepted a job offer as Chief Librarian with the Prince George Public Library in 2004. While the public library had a good reputation, the organization was challenged by years of stagnant funding, an obsolescent information system, employee morale issues, a limited number of professional staff, and its declining use by local residents. The new Chief Librarian was given the mandate by his Board of Trustees to address the many issues facing the institution.

Months later, after reviewing the recommendations of the needs assessment study, Allan Wilson proposed an ambitious plan to his board of trustees. His action plan had four themes: renewing collections, rebuilding information systems, renovating library facilities and restructuring operations: the four Rs. Subsequently, the library's collection was updated, a new information system installed, new professional staff was recruited and staff morale improved. None of these changes could have happened if the library's management team had not improved relationships with the City Council and secured additional funds from the City of Prince George and the Regional District of Fraser – Fort George.

City Hall Approved More Funds for the Library

After accepting the position of Chief Librarian, Allan Wilson sought additional funds from City Council, the elected committee who approved all municipal funding requests. A recent Online Computer Library Centre (OCLC) study stressed how challenging this task could be. According to De Rosa and Johnson (2008), elected officials were generally supportive of public libraries. However, public libraries were often viewed more as a community amenity than an essential service so their funding requests were ranked lower in priority than those from police or fire departments.

A two pronged strategy was followed to raise additional funds from local government. First, Allan Wilson joined and actively participated on municipal committees to raise his profile among the City Counsellors and Administrators.

Second, he used his theatrical background to improve the quality of the annual budget presentations made to City Council. In Prince George, all the municipal committees, advisory boards, commissions and societies made annual funding presentations to City Council. On behalf of the library, the Chair and Vice-Chair of the Board of Trustees presented the library's annual funding request and made a separate presentation to the Fraser Fort-George Regional District. Presentations were short, carefully scripted and rehearsed several times prior to City Council meetings.

These efforts, combined with an improving economy, increased municipal funding by \$530,000 a year: a 19% increase between 2004 and 2007. For example, the Fraser Fort-George Regional District doubled its annual contribution. While extra funds from local governments were greatly appreciated, the library's reliance on municipal funds increased over time.

Accessing other funding sources remained a challenge. Grants toward the cost of specific programs were available from senior governments, foundations and corporations. Restrictions on how these funds could be used, extensive reporting requirements and the tendency for funding priorities to change, limited the value of such grants to the library. For each new funding source, the expected revenue had to be carefully weighed against the cost and staff time required to access these monies, along with any restrictions placed on their use. For example, some library fundraisers such as galas probably operated at a loss if the cost of staff time used to organize these events had been included.

Funding Not-For-Profit Organizations

One characteristic of many non-profit societies was the separation of revenue generation from service delivery. The people who received services were not the same people who paid for those services. For example, a not-for-profit organization might receive funds from a government program to provide English as Second Language (ESL) training to recent immigrants. Allan Wilson, like the leaders of other not-for-profit organizations, had to manage two separate activities: the raising of funds and the spending of these funds to deliver services.

When raising funds, Foster, Kim and Christiansen (2009) recommended that the leaders of not-for-profits clarify which funding model was being used by their organization; they described ten common funding models (see Table 1). According their classification system, the Prince George Public Library followed the “public provider” funding model, whereby the City of Prince George funded the library to provide services such as early childhood literacy, computer training, and recreational reading materials. A lack of funding model clarity could cause an organization to deviate from its mission statement as it pursued new funding sources.

The public provider funding model was more commonly used in Canada than the United States. According to a survey of Canada’s voluntary and not-for-profit organizations (Statistics Canada, 2004), nearly half of the sector’s funds came from governments (e.g. 49%), with the balance from earned revenues (35%) and donations (13%). 65% of Canadian not-for-profits reported receiving less money from different levels of government in recent years.

Table 1. Ten Funding Models Used by Non-Profit Societies*Source: Adapted from Foster, Kim and Christiansen (2009)*

Funding model	Description
1. Public provider	Funded to supply essential services from existing government sources (e.g. public libraries).
2. Heartfelt connector	Funded by a broad cross section of the population for causes that people feel deeply about (e.g. Habitat for Humanity).
3. Member motivator	Funded by people for causes they feel about and jointly benefit from (e.g. professional societies).
4. Big Bettor	Funded by a small number of large contributors who were committed to a cause.
5. Policy innovator	Funded by governments for novel solutions for social issues by funds outside of existing programs.
6. Beneficiary Broker	Competed to provide services to the beneficiaries of government programs (e.g. services to the unemployed).
7. Resource recycler	Dispensed non-cash donations to individuals who cannot afford to buy them (e.g. food banks).
8. Market maker	Created markets for products that cannot be legally or profitably supplied by private enterprise (e.g. Donate Life America).
9. Local nationalizer	Met social needs at the community level through locally funded operations (e.g. Scouts Canada).
10. Beneficiary builder	Funded by clients helped in the past by their services (e.g. hospitals).

Can a Public Library Charge a Fee for its Services?

At the start of the study, one of the first questions asked by business students was whether a public library could legally charge user fees under provincial legislation. This same question was asked by city counsellors during their off-the-record conversations with the Chief Librarian. One councilor privately suggested that library users could be charged a nickel every time they borrowed a book or DVD.

Under the Constitution Act, the Canadian federal and provincial governments had respective spheres of exclusive legislative authority. Public libraries were regulated by provincial governments. The relevant legislation for B.C. public libraries was the British Columbia Library

Act. Section 46 of the Act clearly stated that public libraries must provide basic services to local residents free of charge. However, since patrons paid for services like photocopying, it was apparent that not all library services were considered basic.

One of the basic services was a staffed reference desk where a librarian helped patrons with basic information requests. However, many patrons required more in-depth assistance for more complicated information searches. Public libraries lacked the professional staff to provide in-depth services to more than a handful of users.

By charging a fee, a library could cover the cost of a library researcher and related operating costs. Libraries that offered fee-based services followed a business model similar to that of a professional services firm, charging clients for enhanced research and information management services. Professional librarians were experts in the search, classification and retrieval of information.

The right of a public library to charge for its services was clarified in the BC Library Act. According to Section 46(3): “A library board may charge fees for services not required to be provided free of charge under this section, including for the use of services described in subsection (2) by anyone who was not a resident or elector of an area served by the library board” (Library Act, s. 46(3)). The project team concluded that public libraries were permitted to charge customers for enhanced research and information management services.

Students Review the Literature

After determining the legality of offering fee-based services, students searched the literature to gather information on the experiences of libraries who offered similar services. One of the few Canadian articles on fee-based services described the experience of the University of Calgary’s Geology Library. After the Calgary oil and gas companies shut down their in-house libraries, they asked the university to provide similar services (Cloutier, 2005).

The service, based in the Geology Library, earned some revenue for the university and created part-time work for university students.

Fee-based services based in academic libraries could fail, like any business venture. McDaniel and Epp (1995) outlined the lessons learned from an unsuccessful fee-based operation at the University of Hartford. According to Foster and Bradach (2005), this outcome was common for commercial ventures established by not-for-profit organizations. Only a small percentage of not-for-profit organizations earned more than \$50,000 in profit from their commercial ventures.

At this point, the students focused their literature search on fee-based services offered by public libraries. Denmark revised its national library act to expand the range of services offered through public libraries. The intention was to cover the cost of these enhanced services through user fees. A few years later, Johannesen (2003) evaluated the impact of the fee-based aspect of Denmark's legislation. The researcher noted that most public library managers did not think like business people and placed a low priority on fee-based service operation. The attempt to generate significant revenues through user fees was unsuccessful.

The decision to charge fees for public library services remained contentious. There was a widespread belief among professional librarians that free and equal access to information was a basic human right. Charging for library services went against their belief system. Articles in professional and library science journals argued both sides of the issue. Agosto (2008) summarized several the arguments for and against U.S. public libraries pursuing alternative funding sources such as fee-based services. Dempsey (2004) stated that the public library's mission must be placed first, libraries needed to "define a line they won't cross," and they should not charge for traditional services.

Had the students broadened their literature search, they would have found similar debates within the broader not-for-profit sector. Three useful concepts in the earned revenue literature

were the Recourse Dependence Theory, Modern Portfolio Theory and the “mission-market tension.

According to the Resource Dependency Theory, the funding sources used by an organization and their relative proportions can influence its mission and operations. The more important a funding source, the greater its potential impact. Froelich (1999) evaluated the utility of different revenue source used by not-for-profit organizations based on their stability over time and potential influence on institutional structures and operations. Profits from not-for-profit business ventures compared favorably to other sources. Profits were more stable than private donations and fewer restrictions were placed on their use than contributions from foundations or governments.

One rationale for the venture was to reduce the library’s dependence on local government funding. According to Modern Portfolio Theory, a stock portfolio containing the common shares of several companies was less risky than one containing the shares of a single company. If this model were applicable to the not-for-profit sector, a not-for-profit organization financed by several funding sources should be more stable in terms of its revenue streams. Carroll and Stater (2009), using data from the Internal Revenue Service, found that not-for-profits with more diversified revenue sources experienced lower revenue volatility.

Other authors question the applicability of revenue diversification to not-for-profit organizations. Foster and Fine (2007) studied U.S. non-profits that achieved at least \$50 million in annual revenue. Such organizations focused on a single type of funder whose values closely matched those of the not-for-profits and aligned their fundraising operations to the needs of their primary funding source. The analysis of data from the National Centre for Charitable Statistics suggested that a focused funding strategy led to revenue growth (Chikoto & Neely, 2013).

Young, Jung and Aranson (2010) explored the “mission-market tension” faced by not-for-profit organizations who charged for their services. A society might charge lower prices for its services so they were more affordable, or charge full market prices to maximize profits. For example, Chicago Transit Board could lower bus fares to encourage socially marginal groups to use public transit or set higher fees to reduce the burden of the system on the taxpayers. Similarly, the Prince George Public Library could set a high hourly rate to maximize revenue generation or a lower rate to encourage small business owners to use its services.

Canadian Libraries with Fee-Based Services Departments

The college students contacted Canadian libraries known to offer fee-based services. University of Toronto’s Rotman School of Management and the Calgary, Edmonton, Kitchener and Vancouver Public Libraries agreed to participate in the survey.

The students first contacted the academic library of Rotman School of Management. One of its librarians described their fee-for-service operation over the telephone. The business library billed its corporate clients \$80 to \$100 per hour for research and industry tracking services. The librarian stressed the importance of anchor clients to provide a steady revenue source as the demand from business community varied over time.

The students next contacted Canadian public libraries known to offer fee-based services, after visiting their websites to determine the range of fee-based services available at each library. For example, the Vancouver Public Library’s *InfoAction* department listed document delivery, obituary searches, genealogical and archival research, city directory searches, market research, and due diligence background checks.

Calgary Public Library’s *ResearchPlus* options included document delivery, online database searches and comprehensive research services. Specific offerings included market research, city directory and due diligence searches, special collections access and a service titled “current awareness service for industry developments.” Edmonton Public Library’s *Smart Search* listed

company profiles, industry summaries, customized company lists, demographic data, industry overviews, trademark searches, investment information and media monitoring services.

In contrast, the staff of Kitchener Public Library's *InfoQuest* service stated that most requests were obituary searches of past newspaper issues and local history research. More of Kitchener's revenue came from these searches than from the local business community.

According to the 2006 Statistics Canada Census, the population of each city containing a public library with a fee-based service was as follows:

Table 2. Population of Canadian Cities, 2006 Canada Census

Source: Adapted from 2006 Canada Census, Statistics Canada

City	Population
Calgary	988,193
Edmonton	730,372
Kitchener	219,153
Vancouver	578,041

Except for standardized services such as credit checks, libraries responded to requests with quotations. For example, the Edmonton Public Library asked customers to fill in a form on its website. The libraries charged \$60 to \$100 per hour for their research services, plus the cost of copyright, database and photocopy fees. The fee schedule on the Vancouver Public Library's website was the most explicit. Two years prior, the Vancouver Public Library had increased its hourly billing rate from \$60 to \$90 per hour without much impact on client demand.

Students contacted each public library and conducted telephone interviews. Librarians stated that one of their biggest challenges was marketing their services. The libraries promoted such a wide range of programs and services that their fee-based services got lost in the media clutter. For the Calgary and Edmonton Public Libraries stated that creating awareness among potential users that the fee-based services existed was their first hurdle.

Another challenge was the expectation that public library services should be provided at no charge. As public libraries were funded through municipal taxes, users didn't expect to pay for library services. Newspaper chains and other media providers faced similar resistance when they started charging subscription fees for their online content.

Table 3. Fee Schedule of the Vancouver Public Library
Source: Adapted from Vancouver Public Library, March 2008

<i>Service</i>	<i>Fee</i>
Document delivery	\$15 - \$25
Obituary searches	\$25
Genealogical/archival research	\$65 per hour
City directory searches	\$65 per hour
Research/online searches	\$90 per hour
Due diligence background checks	\$150 plus database charges

The libraries marketed their fee-based services by building connections to business communities. The Edmonton Public Library promoted its service through community partnerships, booths at trade shows, and workshops during Small Business Week. Calgary Public Library's employees were proud of its *Librarian on Loan* Program, where librarians visited local businesses to educate their managers about library resources. The students discovered that the online presence of library fee-based departments needed work. Public library home pages often lacked direct hyperlinks so the students had to navigate through several levels of menus to find the fee-for-service webpage.

It was apparent that urban public libraries devoted significant resources to their fee-for-service operations. For example, Vancouver Public Library's *InfoAction* department employed two full-time librarians, one on-call librarian, and two research assistants. Fee-based services were generally located in an office separate from the other library staff, given the confidential nature of client queries. Such physical separation would be an issue at the Prince George Public Library given its limited office space.

Approximately 80% of the direct cost of a fee-based service operation was employee wages and benefits (Ward, Fong & Camille, 2002). According to Allan Wilson, the annual cost of a professional librarian including the cost of employee benefits was \$70,000 per year. More routine tasks, such as obituary searches, were done by library technicians. The cost of a technician was \$40,000 to \$50,000 per year.

The libraries probably understated the cost of their fee-for-service operations, as not all expenses were allocated to departmental cost centers. Costs such as building maintenance, office supplies, telephone services and general administration were not charged to departmental budgets. Another cost was subscriptions to expensive online databases not typically a part of the suite of information resources owned by a public library.

Similarities to Professional Services Firms

A fee-for-service operation resembled a professional services firm. Like a management consulting firm, the revenue earned on non-routine projects was determined by the hourly billing rate and the number of billable hours. As many of the requests involved customized, non-routine projects, higher work volumes did not lead to economies of scale (Ward, Fong & Camille, 2002). Fixed rates were charged for repetitive tasks such as background checks, work that could be done by library technicians.

While billable hours fluctuated throughout the year, most operating expenses of a professional service firm such as employee wages were fixed costs, unaffected by the number of hours billed to clients. As a result, the most common metric of employee productivity in such a firm was the number of billable hours per employee.

An online search of billable hours for consultants yielded an interesting rule of thumb. Without ongoing contracts, private sector consultants rarely billed out more than 20 hours per week, which translated into 1,000 hours per year. Consultants devoted many hours searching for work, responding to requests for proposals, and handling routine administrative tasks. None of

this work could be billed to clients. Consultants often specialized in repeatable work which reduced the uniqueness associated with any given contract. In library science, this was the difference between a known and an unknown search. The former was easily done; the latter was more time consuming.

Local Market Research

The students studied the market potential for fee-based research services in the community. They found a list of the 25 largest employers in Prince George (see Appendix C). Many of the major employers in Prince George were either government-funded, such as Northern Health Authority, or were regional offices of senior levels of government.

Large businesses in Prince George, such as Canadian Forest Products Ltd., were branch operations, with their head offices in cities such as Toronto. It became clear that large businesses had little interest in library-based research service because they would bring in their own expertise as required. The Chief Librarian followed up via phone calls to some of these selected businesses who made clear that confidentiality was the paramount consideration when conducting research. They either performed research in-house or outsourced it to trusted business associates.

A community profile, prepared by British Columbia Statistics, summarized the number of firms in Prince George, by employment size. Most businesses in Prince George were relatively small and heavily concentrated in the light manufacturing, retail, food services, personal services, and business services sectors. Small business owners and entrepreneurs were a potential market. However, they were price sensitive and only had an occasional need for a research service. The size of the market for local residents for personal searches, such as genealogical research, was not estimated.

The students searched for local consultants in the community, checking the membership list of the Prince George Chamber of Commerce, the municipal business license database, and Yellow

Pages listings. They used key words such as “consultant” and “business advisor.” Their search yielded surprisingly few names. The students met several well-connected people such as staff members of the Prince George Chamber of Commerce and the local representative of the National Research Council.

Eventually, a picture emerged. Many consultants in Prince George worked out of their homes, often without business licenses. They used their own sources of research, were reluctant to be identified with any particular area of expertise, and maintained a distance from government oversight. The Chief Librarian thought that some consultants lived in other communities and only appeared to be based in Prince George for marketing reasons. It was unclear how much paid work consultants did in the community.

The fragmented nature of the business services sector created problems for people who wanted to track down sources of local expertise. Past attempts to assemble a database of local experts failed, due to the challenge of maintaining current, reliable information about each consultant.

There were three local players in the field of economic development. Community Futures of Fraser-Fort George (<http://cfdc.bc.ca>) was a federally-funded society providing grants, loans, and training to local entrepreneurs. Its staff welcomed any service that would improve the quality of business plans or applications that their organization routinely received. However, improved business information, by itself, did not guarantee a quality business plan.

Initiatives Prince George (www.initiativespg.com) was a municipally-funded economic development agency with the mandate of attracting new businesses and investment to the community. Initiatives Prince George competed for funds with the Prince George Public Library and could react negatively to an expansion of the library into business services. While Initiatives Prince George researched into business opportunities in the North, it did not supply research services to entrepreneurs or investors.

Finally, Northern Development Initiative Trust (www.northerndevlopment.bc.ca/) was created to promote community economic development across Northern British Columbia. Northern Development's trust account funded marketing initiatives, industry attraction plans, feasibility studies, and economic development capacity building for communities within its service area. The proposed service might have qualified for trust monies under the capacity building category. It was not clear, however, if the library could successfully bid for studies funded by Northern Development within its service area. Northern communities often viewed outside consultants as more credible or qualified than their local counterparts.

Other Factors to Consider

A fee-for-service venture was potentially scalable from a part-time activity for a single librarian to a department with several staff members. If demand could not justify a full-time research librarian, such a person could perform other duties within the library. The library would have to maintain subscriptions to business databases regardless of whether the fee-based service was offered on a full-time or part-time basis.

The distance of Prince George from major urban centers, where professional librarians were trained, had recruiting implications. Northern communities needed to attract and retain qualified professionals, whether doctors or librarians. Rural libraries tended to act as a revolving door for professional staff. Recent library science graduates worked a few years in a northern library to obtain work experience, and then applied for jobs in larger cities.

Key to the success of the new service was attracting and retaining the right candidate for the job. Recruiting for a suitable research librarian would be a challenge. The ideal employee would combine professional training as a librarian with a background in market research or management consulting. Then again, the opportunity to work on a diverse range of research projects with a high degree of autonomy would appeal to the right candidate.

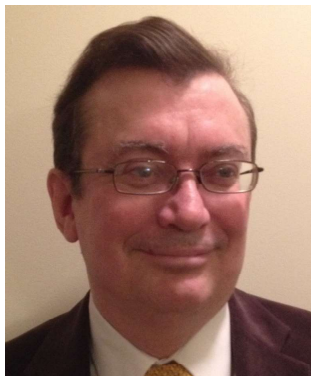
Even if fee-based services were viable, the profit earned was only one factor. The mission of the public library was to meet the needs of a diverse range of users, including the business community. The library's board of trustees and management team would have to carefully consider the political optics of such a service.

It would be hard to anticipate community reaction to a fee-based research service. An affordable research service with expertise in Northern issues might appeal to the business community. Timely access to accurate information was vital, as any plan was only as good as the information contained in it. Despite improvements in information access due to the internet, rural communities remained at an information disadvantage relative to their urban counterparts. The service could support decision making in organizations from home-based businesses to municipal governments through the provision of relevant, unbiased information.

Alternatively, community groups might react negatively. If the library started competing for consulting contracts, the reaction from local consultants would be predictable. They might protest that competition from taxpayer subsidized organizations was unfair. Furthermore, the cost of such a service would be funded from the library budget unless money were available from another source. Like any new venture, two or three years would be required until revenues grew sufficiently to cover the cost of the service. Library users, such as the parents of young children, might object if children's programs, book purchases or other library services were reduced to support a service that mainly benefitted the business community.

Recommendation to the Board of Trustees

After meeting with the students, Allan Wilson thought about the recommendations he would make to his board concerning the topic of fee-based services. While he was intrigued by the concept, he was not sure if the fee-based service was viable and whether it fit with the strategic plan of the organization.



John Shepherd is a faculty member at Kwantlen Polytechnic University and lecturer at Laurentian University. Shepherd holds an MBA from the University of British Columbia, an MSc with Distinction from Heriot-Watt University, and the Certified General Accountant and Fellow of the Canadian Securities Institute professional designations. His not-for-profit experience includes past service on the boards of the Prince Rupert Public Library, Prince George Public Library, Northwest Community College and Prince Rupert Airport Authority and as District Commissioner of Scouts Canada. Shepherd is currently the Vice-Chair of the Surrey Public Library and Past President of the Rotary Club of North Delta. His research interests include not-for-profit performance measurement and experiential education.

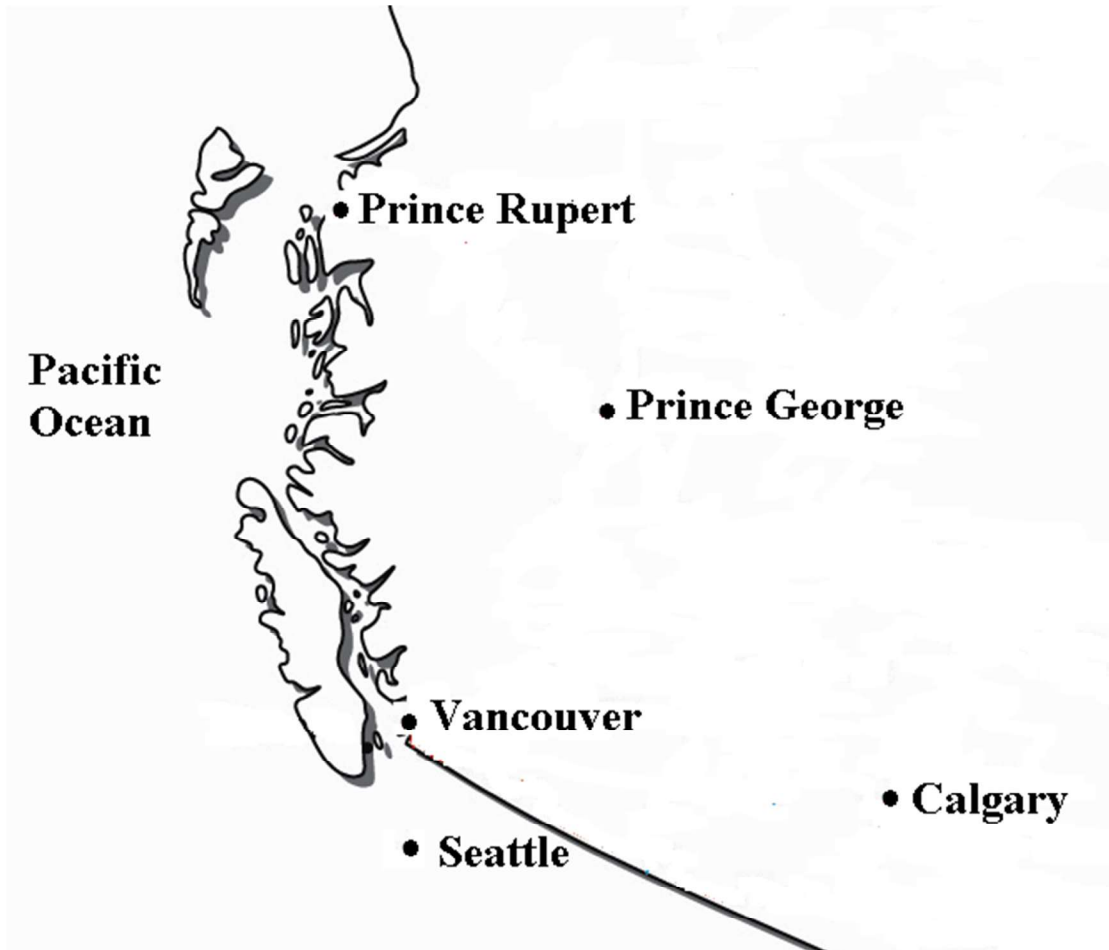


Allan Wilson is the University Librarian at the Geoffrey Weller Library at the University of Northern British Columbia. Previously, he was the Chief Librarian at Prince George Public Library and at the Prince Rupert Library. He holds an Honours BA in German, an Honours BA in Russian and Slavic literature, and a Master of Library & Information Science. He was cross-appointed in the PhD program at the Faculty of Library Science and the Russian Research Centre at the University of Toronto, while studying at the former Lenin Library (now the Russian National Library in Moscow) in 1992. He is interested in evidence-based librarianship and the role of ideology and propaganda in information systems.

Appendix A. Prince George Public Library Statement of Earnings
Prince George Public Library Statement of Revenue, Expenditure and Deficit
 Year Ended December 31, 2007

	2007 Budget (Unaudited)	2007 Actual	2006
Revenues			
Municipal funding sources	\$3,328,879	\$3,328,878	\$3,095,633
Provincial funding sources	214,180	209,713	210,028
Fundraising	-	96,610	117,392
Internally generated sources	165,500	190,670	171,546
	<u>3,708,559</u>	<u>3,825,871</u>	<u>3,579,279</u>
Expenditures			
Program delivery	2,364,695	2,338,665	
Acquisitions	23,892	18,598	
Circulation	5,540	1,860	
Materials	455,940	478,761	
Stationary and supplies	8,500	6,212	
General and administrative	670,482	781,004	
Repairs and maintenance	179,510	108,382	
Fundraising	-	96,610	
	<u>3,708,559</u>	<u>3,830,092</u>	<u>3,590,037</u>
Excess of revenues over expenditures	-	(4,221)	(10,758)
Surplus, beginning of year	-	1,516	12,274
(Deficit) surplus, end of year	<u>\$ -</u>	<u>\$(2,705)</u>	<u>\$1,516</u>

Appendix B. Map of Western Canada



Appendix C. Top 25 Employers in the City of Prince George
Source: Adapted from Initiatives Prince George website, 2008

Employer	No of Employees	Industry Sector
Northern Health Authority	3,174	Health Care
School District 57	2,200	Education
Government of British Columbia	1,500	Government
Canfor Forest Products	1,210	Manufacturing - Forestry
Canfor Pulp	1,200	Manufacturing - Forestry
University of Northern British Columbia	808	Education
City of Prince George	757	Government
Save-on-Foods	475	Retail
College of New Caledonia	450	Education
Canadian National Railway	400	Transportation
Aim – Hi	400	Social Services
Affiliated Computer Services	350	Call Center
Government of Canada	350	Government
Wal-Mart	327	Retail
Telus	258	Telecommunications
McDonalds	250	Restaurant
Costco	245	Retail
Treasure Cove Hotel	240	Tourism/Accommodations
Dunkley Lumber	230	Manufacturing - Forestry
Home Depot	185	Retail
Lakeland Mills	175	Manufacturing - Forestry
British Columbia Hydro	160	Utilities - Electrical
Sears Canada	130	Retail
Coast Inn of the North	125	Tourism/Accommodations
Lomak Bulk Carriers	125	Transportation

References

- Agosto, D. E. (2008). Alternative Funding for Public Libraries: Trends, Sources, and the Heated Arguments that Surround It. *Advances in Librarianship*. 31, 115 – 140.
- BC Library Act (RSBC 1996) c. 264. Retrieved on February 5, 2015 from http://www.bclaws.ca/civix/document/id/complete/statreg/96264_01
- Carroll, D. A., & Stater, K. J. (2009). Revenue Diversification in nonprofit organizations: does it lead to financial stability? *Journal of Public Administration Research and Theory*, 19(4), 947-966.
- Chikoto, G. L., & Neely, D. G. (2013). Building nonprofit financial capacity: The impact of revenue concentration and overhead costs. *Nonprofit and Voluntary Sector Quarterly*. 43(3), 570 – 588.
- Cloutier, C. (2005). Setting up A Fee-Based Information Service in an Academic Library. *The Journal of Academic Librarianship*. 31(4), 322 – 238.
- De Rosa, C. & Johnson, J. (2008). From Awareness to Funding: A Study of Library Support in America. Online Computer Library Centre, retrieved on April 4, 2012 from <http://www.oclc.org/reports/funding/fullreport.pdf>.
- Dempsey, B. (2004). Cashing in on Service. *Library Journal*. 129(18), 38 – 43.
- Foster, W., & Bradach, J. (2005). Should nonprofit seek profits. *Harvard business review*, 83(2), 92-100.
- Foster, W., & Fine, G. (2007). How nonprofits get really big. *Stanford Social Innovation Review*, 5(2), 46-55.
- Foster, W. L., Kim, P., & Christiansen, B. (2009). Ten nonprofit funding models. *Stanford Social Innovation Review*, 7(2), 32-39.
- Froelich, K. A. (1999). Diversification of revenue strategies: Evolving resource dependence in nonprofit organizations. *Nonprofit and voluntary sector quarterly*, 28(3), 246-268.
- Initiatives Prince George. (2008). Top 25 Employers in the City of Prince George, retrieved on November 16, 2010 from http://www.businesspg.com/Documents/Statistics/major_employers_list.pdf,
- Johannsen, C. J. (2004) T. Managing Fee-Based Public Library Services: Values and Practices. *Library Management*. 25(6/7), 307 – 315.
- McDaniel, E. A., & Epp, R. H. (1995). Fee-based Information Services: The Promises and Pitfalls of a New Revenue Source in Higher Education. *Cause/Effect*, 18, 35-39.
- Statistics Canada (2004). Cornerstones of Community: Highlights of the National Survey of Nonprofit and Voluntary Organizations. Catalogue no. 61-533-XPE. Ottawa, ON: Ministry of Industry.
- Ward, S. M., Fong, Y. S., & Camille, D. (2002). Library fee-based information services: financial considerations. *The Bottom Line*, 15(1), 5-17.
- Young, D.R, Jung, T. & Aranson, R. (2010). Mission – Market Tensions and Nonprofit Pricing. *The American Review of Public Administration*, 40 (2), 153 – 169.