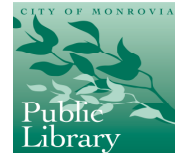




**CITY OF MONROVIA
LIBRARY BOARD
AGENDA REPORT**



DEPARTMENT: Community Services

MEETING DATE: February 26, 2015

PREPARED BY: Carol Kampe
Adult Services Librarian II

AGENDA LOCATION: AR-1

TITLE: Library DVD Rental Fee and Revenue Analysis Update

OBJECTIVE: To provide the Library Board with an evaluation of the DVD rental fee and revenue.

BACKGROUND: The Audiovisual Collection, consisting of popular movie and TV series DVDs, was implemented with the Library's grand opening in May 2009. Staff developed the DVD collection based on award winners, critically reviewed titles and popularity. The initial collection was funded by the Library Division's Expenditure Control Budget (ECB) savings in the amount of \$26,586.

The Library Board approved a rental fee of \$2.00 for DVDs in 2009 to offset the cost of new titles and replacements, and to keep the collection entirely self-sustaining. Collected revenue would also purchase supplies needed to maintain the collection, such as security and replacement cases. Along with the fee, DVDs had a three day loan period, with a maximum of three DVDs checked out per library card. The initial popularity of the DVD collection resulted in revenue of \$12,025 in fiscal year 2009-10. Over the next five years, the combination of an aging collection and fewer current popular titles resulted in waning rentals and steadily decreasing revenue. In 2014, the Library Board approved a fee decrease to \$1.00 per title and exhorted Staff to experiment with the collection.

ANALYSIS: The experimentation paid off. Starting in July 2014, with the rental fee reduced to \$1.00, DVD checkouts more than doubled from the previous July. They continued to climb over the next five months. In November Staff decided to extend the rental period from three days to seven days, just in time for the holidays. At the same time, the Library removed the three DVD limit. To advertise the new plan, Staff created a lobby display, used social media outlets, including the Library's website and Facebook, and talked it up with patrons. The marketing plan worked. In November 2013 there were 204 total rentals; in November 2014 there were 550. In December 2013 there were 233 rentals; in December 2014 there were 561.

ENVIRONMENTAL IMPACT: There is no environmental impact associated with this report.

FISCAL IMPACT: The Library currently purchases approximately 22 titles a month, or 264 titles per year, requiring \$6,200 in revenue to sustain the collection at its current purchasing level. The following is a side-by-side comparison of DVD rentals for FY2013-2014 and FY2014-2015 July through December.

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	July 2013	Aug 2013	Sept 2013	Oct 2013	Nov 2013	Dec 2013	Total
Rentals	204	151	256	250	204	233	1,298
	July 2014	Aug 2014	Sept 2014	Oct 2014	Nov 2014	Dec 2014	Total
Rentals	489	548	532	456	550	561	3,136
Increase	285	397	276	206	346	328	1,838

STAFF COMMENTS: With the increase in circulation, the resulting revenue is meeting expectations. Just six months into the fiscal year, revenue is more than halfway to our yearly goal of \$6,200. Should figures decline again, reducing the number of titles purchased per year is the likely outcome. As of February 2014, the Library's DVD revenue surplus is \$31,687, an increase of \$6,687 from the previous year.

OPTIONS: The following options are presented for consideration:

- 1) Recommend to the City Council that there are no changes to the DVD Rental Fees.
- 2) Direct Staff to explore other options.

RECOMMENDATION: Staff recommends the Library Board move to accept and recommend to the City Council that there are no changes to the DVD Rental Fees.

LIBRARY BOARD ACTION REQUIRED: If the Library Board concurs, the appropriate action would be a motion to: ***Recommend to the City Council that there are no changes to the DVD Rental Fees.***