

FRIENDS OF THE PALO ALTO LIBRARY
BOARD OF DIRECTORS ANNUAL RETREAT

Wednesday Jan 14, 2015

Mitchell Park Library Community Room

The meeting was called to order at 10:08 AM by President Peter Dehlinger.

1. Roll Call

Present: Nancy Cohen, Peter Dehlinger, Charlotte Epstein, Nigel Jones, Ann Justice, Tina Kass, Suzanne Brown Little, Gerry Masteller, Karen Neier, Jim Schmidt, Martha Schmidt, Steven Staiger

Absent: Tom Clark

Guests: Jerry Stone

2. Agenda Approval

The agenda was approved as presented.

3. Minutes of December 2014 meeting.

The minutes were approved as presented.

4. Treasurer's Report - Karen Neir

Karen presented the 1/2 year report along with the December report. The 1/2 reports shows that very little grant money has been requested but that will probably change after the last library is opened.

Steve will follow up with Tom Wyman Jr on which subject areas should be supported by the Wyman Fund.

Total book sales income for December was \$33,294.20. Total book sale expense was \$17,650.36 leaving a net book sale income of \$15,643.84. Other income was \$7,218.40 and other expenses were \$20 for a net total income without grants of \$22,842.24.

5. Book Sale Report - Suzanne B. Little

The Book Sale Committee is going to buy two new canopies, one for the ephemera sale and one for the red cart sale. One canopy is 10 x 10 and the other is 10 x 20 for a total cost of around \$700-800.

The Mitchell Park FOPAL store is going very well in terms of sales and staffing. One problem is that people are dropping donations at the FOPAL store. There will be an effort to publicize the correct location for donations.

The December Member's Early Sale was well received. One improvement was that members who had their cards in hand could get in much faster. December sales were more than \$6000 higher than in January.

The Book Sale Committee in consultation with Janette will discuss the best month for the mid year sale.

Tina has talked with Monique le Conge about our use of the meeting rooms. Monique is open to us meeting where we want at MP. However, the library doesn't open until 10AM and it might be inconvenient for Janette if we moved our meetings away from the Annex.

6. President's Remarks - Peter Dehlinger

Peter remarked that it is time to consider the changes that are occurring in book buying and selling and how we can adapt to these changes. Jerry Stone has been invited to the retreat to speak on these issues.

7. Retreat topic, The Future of FOPAL Monthly Sales and HV Book Sales - Jerry Stone

Jerry will first address questions that Peter had suggested prior to the meeting.

The first question was directed to considering how ebooks will affect donations. Ebooks started gaining popularity in 2009 and by now the percentage of new books sold as ebooks is somewhere between 23-27%. The first years of ebooks saw dramatic growth but that growth rate has now slowed. The iPad and the Kindle/Kindle app are the dominant forces in the growth of ebooks.

Jerry doesn't see a threat to our donations in the near future (5-10 years). There will still be many available hardcopy books for donations that can be sold at retail and on our online sales. He commented that the younger generations are not accumulating stuff in the same way that previous generations have done so perhaps in 30 years there might be many fewer books owned that can be turned into donations.

The next question Jerry addressed was what book sections might be most impacted by ebooks. Already the computer section has been highly impacted. There are almost no useful hardcopy

books after 2010. Most new computer books are published as ebooks. Other areas that will likely be impacted are travel guides, science and math text books, and young adult fiction. Fiction is the largest category of sales and since these readers usually read a lot they might eventually move to subscription ebooks. Gift books and collectibles are unlikely to be replaced by ebooks.

Jerry then addressed possible changes to buyer habits with ebooks. Ebooks aren't that much cheaper than hardcopy books and the buyer doesn't actually own the book so the book cannot be given away or resold. At the moment \$9.99 is the sweet price spot for ebooks and many times it is cheaper to buy a used hardcopy which is then yours to give away or resell.

Jerry addressed the changes that came to the music industry by piracy. Sites like Napster exposed people to a lot of music that they might never have heard otherwise but it also killed the way that money is made in the music industry. Musicians now make money from touring not from CDs. There might be similar changes that will come to the publishing industry.

Jerry talked about the demographics of ebook and hardcopy buyers. Women dominate book buying. Ebooks buyers tend to be younger and affluent. 75% of all books sold are fiction. The demographics for FOPAL are that the main sales are dominated by resellers who are mostly men but retail sales are mostly women. He commented that his numbers from about 5 years ago indicated that 65-80% of the Saturday sales went to resellers. Comments from the board suggest that the number of resellers has declined. There are fewer tabs and the amounts are smaller. Jerry was asked where resellers sell and he said that some sell online and some sell at physical locations not close to Palo Alto.

Jerry brought up an issue that we don't usually talk about which is the dozen or so book buyers who are hoarders. Jerry has been clearing up the books from a deceased buyer and he estimates that a million to 2 million books were piled up in warehouses.

Jerry addressed the question of how the rise of ebooks would affect online sales. Computer book sales will definitely decline and this is already happening. His estimate is that computer and tech books provide 30% of HV revenue. There is still an interest in classic science and tech books for online sales. Ebooks won't have much effect for the next 5 years. Books that are highly technical, arcane, rare, collectible and old children's books will likely be resistant to being replaced by ebooks.

Another question was what FOPAL could do to increase revenue from online sales. Jerry's answer was that we should encourage section managers to manage their own online sales. Nigel, Nancy and Dick Grote already do this. When they do their own listing, they often list books that might not normally qualify for HV. One comment from the board was that listing had been presented as a difficult process and another comment was that many section managers might not want to sit in front of a computer. They like books not necessarily computers. He

suggested that section managers who are already looking up books could be approached individually and suggest that they might become listers.

Jerry mentioned two tools that can be helpful for listing. One is a PC tool developed by a volunteer that has stock phrases that can be quickly dropped into the form to create a listing. The other is the free Amazon buying app on a phone or tablet which uses the camera to quickly scan the covers of books or barcodes and then brings up the relevant book information.

Section managers should be encouraged to send more lower priced books to Amazon such as current best selling fiction. These books have a short shelf life but will sell quickly if priced reasonably. Also cookbooks sell well and can be aggressively priced.

Another suggestion was that FOPAL consider adopting a version of the SF Friends model. The SF Friends have 3 full time employees who determine the book flow. They try to get higher priced books to the retail store and to the online sales and are less focused on the periodic book sales.

Jerry currently takes books off the shelves that are underpriced and places them into the HV flow.

He suggested the possibility of having an non Amazon online portal that we operate so we could save the fees paid to Amazon.

We need more volunteers for shipping. We only have one at the moment. The time that Jerry spends on shipping takes away from his ability to list and find underpriced books. Shipping needs to be done consistently on Monday, Wednesday and Friday which also includes a trip to the post office. In answer to a question Jerry said that there is probably a 9 month backlog of books to be listed. We should have a system to prioritize listing.

Jerry noted that the future of book sales starts with maintaining the reading of physical books to children. If children don't read, then the future of books would be in question.

We must continue with pickups from homes and businesses as this puts us ahead of other sales that don't pick up and can bring us very special donations. These pickups and special donations help maintain community interest in the book sales.

We haven't tried paid advertising for sales.

Computers will likely be the first sale section to be eliminated but otherwise it is hard to get a take on how the sections are doing. Many books that are on hold should probably be going to the Bargain Room.

A few dealers have told Jerry that they can make \$500 a month from what they buy. We should consider that this is money that we are losing.

Jerry suggested that we get BR pricing out of the Main Room. Main Room pricing should be \$2 for PB and \$3 for HB. This would eventually improve the quality of the sale in the MR.

We could consider having a FOPAL pop-up store that might be seasonal or for a limited amount of time. It would provide community exposure, we could sell lots of books and it could be a place to drop off donations.

Jerry thinks that FOPAL has not defined whether it is raising money for libraries or serving as a community volunteer organization. Jerry sees his job as maximizing assets but sometimes his way of doing his job goes against the expectations of some people in the MR. Comments from the board indicate that this is an area that we should discuss in the future.

8. Other business

There was a comment that the process of forming a nominating committee should start. Peter will work on this.

9. The meeting was adjourned at 11:45.

The board enjoyed sandwiches from Ada's Cafe.

Respectfully submitted,

Charlotte Epstein
Secretary