



PARSONS BRANCH GRAND OPENING | JUNE 4, 2016

FINANCIAL SUMMARY

AS OF JUNE 30, 2016

July 2016

**To the Citizens of the City of Columbus and Franklin County,
The Board of Trustees and Chief Executive Officer of Columbus Metropolitan Library**

As Fiscal Officer and Chief Financial Officer of Columbus Metropolitan Library (CML), it is with great pleasure that I submit to you CML's 2016 financial summary. This summary has been developed with the participation and cooperation of CML's administrative and executive leadership staff.

CML's vision is of a thriving community where wisdom prevails. The 2016 budget (January 1 – December 31) supports investments in a purposeful manner for CML's five strategic areas of Young Minds, My Library, Life Skills, CML Partners and CML Staff. Each year CML sets concrete goals and objectives to support our strategies. This budget will afford CML the capacity to respond to areas of urgent need: children unprepared for kindergarten (Ready for Kindergarten); third-grade reading proficiency (Reading Buddies), high school retention rates (Homework Help, Summer Reading Club); and adults in need of employment resources.

CML's purpose is to inspire reading, share resources and connect people. To that end, CML has made a significant commitment to replace or renovate 10 aged, high-maintenance and inefficient buildings. In 2012, the Board of Trustees approved long-term debt as a major source of funding by leveraging CML's Aa2 Moody's Investors Service, Inc. rating. CML issued \$92.3 million in bonds, which sold at a premium for \$99 million and are maturing from FY 2012 - FY 2037.

CML follows a strategy of fiscal sustainability. This fiscally prudent approach will allow CML to continue to invest in our customers via mission-critical programs and services. CML will work diligently to get the largest return from every dollar of public investment.

I greatly appreciate the guidance, advice, time and effort that each member of the Board of Trustees, executive leadership teams and library staff has contributed to the development of the 2016 budget. CML has put forward a great effort to provide the most relevant information in an easily understandable format. If you have any questions, comments and/or suggestions about this document, please direct them to Jamie Lang, Manager of Financial Planning and Analysis at (614) 849-1062 or send an email to jang@columbuslibrary.org.

Respectfully submitted,

Paula Miller
Chief Financial Officer/ Fiscal Officer

Columbus Metropolitan Library: Organization & Structure

CML is a County District Library with boundaries including all of the land area within Franklin County, Ohio, except for the land area lying within the boundaries of other public library districts in the County. CML was formed March 4, 1872 and the Public Library and Reading Room opened in 1873 at the New City Hall. CML has since expanded to 22 branches, a Main Library and an Operations Center.

CML is governed by a Board of Trustees. The Board of Trustees is the policy-making body for the institution and is responsible for approving strategic direction and short/long term budgets and financial direction. CML is a separate legal entity, financially and operationally independent from the City of Columbus and Franklin County.

CML adopted a circular organizational chart that aligns talents to better support organizational strategies and promote organization-wide execution while focusing on the customer. The chart helps staff understand that everything the organization does is guided by customer need, not by the people of the organization.

Library Services

CML's collection contains approximately 2 million items including books, eBooks, audio eBooks, compact discs, DVDs, audiobooks, magazines, maps and sheet music, all of which circulated 17.3 million times in 2015. In 2015, CML had 571,000 registered cardholders and over 5.0 million user visits. CML is a member of the Central Library Consortium (CLC), consisting of 14 library systems throughout the central Ohio area. As a member of CLC, CML shares an online catalog and select online resources with 13 other systems to offer customers a collection of over 5 million items and over a million unique items to its customers.

Public computers at all library locations provide access to the internet, Microsoft Office products and a wealth of online databases; customers used these computers more than 1.5 million times in 2015. CML's website, columbuslibrary.org, provides access to eContent, the catalog and information about the library's programs and services. CML's website had over 8.0 million web visits; nearly 1.4 million digital items were downloaded during 2015.

CML offers programs and services for customers of all ages with a focus on children and teens. The programs noted to the right illustrate CML's commitment to Young Minds, CML's number one strategy. Other programs led by CML staff and volunteers include genealogy resources training, resume writing and basic technology classes. Additional programs are offered through the library and led by partnering agencies such as Columbus Literacy Council, Columbus State Community College and AWH, a local organization providing software coding training to young adults.

CML continues to work with local and national organizations and neighborhood groups to archive Columbus and the surrounding region's history. The African American digital collection of letters, newspapers, photographs and other items specific to the Columbus African American community now has over 200,000 items and continues to grow. This collection is just one part of CML's digital collection called My History. Other collections focus on Columbus historic photos, local school yearbooks and Columbus City Directories. These materials are available on columbuslibrary.org for all to discover and access.

WHAT YOU CAN DO AT CML

- Check out books, CDs and DVDs
- Reserve items online and pick up at any location
- Use public computers
- Access free WiFi
- Reserve meeting rooms to gather
- Get help with technology and job skills
- Explore genealogy and local history with our experts at Main Library

WE HELP CHILDREN SUCCEED

- **Storytime:** Helping babies, toddlers and preschoolers get ready to read
- **Homework Help Centers:** Helping K-12 students at all locations after school
- **Reading Buddies:** Helping K-3 students with reading skills
- **Ready to Read Corps:** Helping at-risk children and families get ready for kindergarten
- **Ready for Kindergarten:** Programs and spaces to help families be prepared for the first year of school
- **School Delivery:** Providing students regular access to high interest books at select elementary schools

Summarized Financial Reports

The Financial Summary is un-audited and presented in a non-GAAP format. The Comprehensive Annual Financial Report was prepared on a GAAP basis and can be obtained from CML's website at columbuslibrary.org.

General Fund Revenue and Expenditures

The table below provides a summary of the actual and forecasted revenue and expenditures of CML for its General Fund. The annual budget serves as the foundation for financial planning, monitoring performance, decision making, and control of expenditures. During 2016, CML's forecasted General Fund revenue is \$68.0M and \$70.4M has been appropriated for library expenditures which includes funding for facility and technology projects, 2020 Vision Plan (2020VP) Furniture, Fixtures & Equipment, both of which account for the variance between revenue and expenditures. Expenditures include staffing, library materials, programs and services, replacement furniture and equipment.

2016 General Fund Revenue & Expenditures

Revenue (in thousands)	2016 Budget	2015 Actual	2014 Actual	2013 Actual
General Property Tax	\$ 50,103	\$ 50,992	\$ 51,594	\$ 52,120
Public Library Fund (PLF)	\$ 21,587	\$ 21,128	\$ 18,897	\$ 19,268
*PLF Debt Service Transfer	\$ (5,816)	\$ (5,819)	\$ (5,818)	\$ (5,817)
Net PLF Total	\$ 15,771	\$ 15,309	\$ 13,079	\$ 13,451
Customer Fines	\$ 550	\$ 588	\$ 838	\$ 1,185
Charges for Services	\$ 691	\$ 648	\$ 670	\$ 694
Investment Revenue	\$ 525	\$ 531	\$ 319	\$ 154
Miscellaneous	\$ 310	\$ 358	\$ 659	\$ 274
Proceeds from Long-Term Debt	\$ -	\$ -	\$ -	\$ -
Interfund Transfers In	\$ -		\$ 12,860	
TOTAL Revenue	\$ 67,950	\$ 68,426	\$ 80,019	\$ 67,878

**Approximately 27-30% of the PLF annually is used to support the Debt Service Fund*

Expenditure (in thousands)	2016 Budget	2015 Actual	2014 Actual	2013 Actual
Salaries & Benefits	\$ 38,683	\$ 37,319	\$ 37,104	\$ 35,370
Capital Outlay	\$ 9,883	\$ 3,419	\$ 2,901	\$ 847
Operational Services	\$ 11,140	\$ 9,749	\$ 8,571	\$ 10,857
Library Materials	\$ 7,665	\$ 7,579	\$ 6,953	\$ 7,004
Other	\$ 1,978	\$ 1,035	\$ 1,036	\$ 991
Supplies	\$ 1,073	\$ 830	\$ 974	\$ 995
Interfund Transfer Out	\$ -		\$ -	\$ 8
TOTAL Expenditures	\$ 70,422	\$ 59,931	\$ 57,539	\$ 56,072
Revenue less Expenditures	\$ (2,472)	\$ 8,495	\$ 22,480	\$ 11,806
Beginning Cash Fund Balance	\$ 70,895	\$ 62,400	\$ 39,920	\$ 28,114
Ending Cash Fund Balance	\$ 68,423	\$ 70,895	\$ 62,400	\$ 39,920

Debt Service Fund

The Debt Service Fund provides for the retirement of the current year portion of CML's long-term debt obligations and payment of any trustee fees associated with administration of the debt. In 2012, CML issued \$92.3M of Public Library Fund (PLF) Notes, which sold at premium with CML receiving \$99M, for the purpose of constructing, renovating and improving 10 library facilities. PLF monies are receipted annually in the Debt Service Fund to cover debt repayment. Annual payments are outlined in a debt payment schedule with the final payment due December 2037. The detailed debt service schedule is included in CML's Comprehensive Annual Financial Report.

Revenue Definitions

General Property Tax: funds provided based on calculations from a 2.8 mill continuing property tax levy.

Public Library Fund: revenue received from the State of Ohio's Public Library Fund. The Public Library Fund is funded with 1.66% of the state's General Revenue Fund tax revenue and divided among Ohio's public libraries. (The percent of General Revenue Fund tax revenue was temporarily increased to 1.70% for FY 16 and FY 17.)

Charges for Services: contracts from other libraries in the Central Library Consortium for transportation services; Main Library parking garage fees; library copier and printing fees.

Miscellaneous: is comprised of E-Rate reimbursements (which are based on qualifying communications reimbursements from a federally funded program), grants/contributions to support library programs, rebates and proceeds from the sale of real and personal property.

Customer Fines: overdue and lost library material fees.

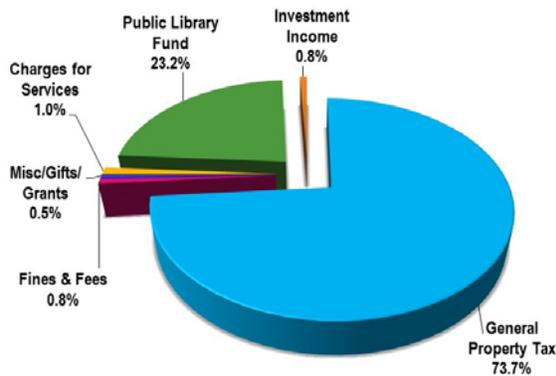
Investment Revenue: is a result of interest earnings on investments.

Proceeds from Long-Term Debt: CML issued \$92.3 million in bonds which sold at a premium for \$99M in 2012 to fund the 2020 Vision Plan, a capital building plan.

Interfund Transfers In: Furniture, fixtures and equipment monies, in support of the new and renovated projects, were moved from the Capital Projects Fund to the General Projects sub-fund (within the General Fund) based on new accounting rules.

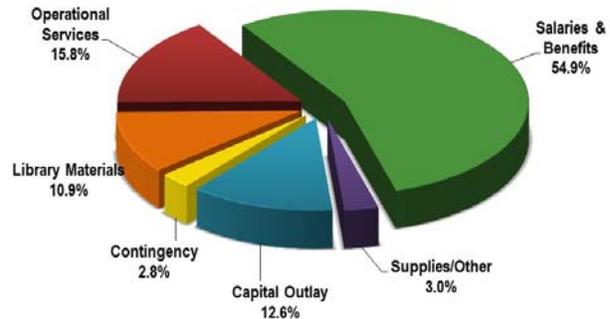
Where the Money Comes From

2016 General Fund Revenue Estimates \$67,949,812



Where the Money Goes

2016 General Fund Expenditure Estimates \$70,422,349



Total General Fund Expenditures

The 2016 expenditure budget supports the 2020 Vision Plan, adult and juvenile library materials, facility repairs and improvements, equipment and support staff development. The budget includes funding to provide updated technology for customers, such as mobile technology and new public computers. Additionally, this budget includes facility renovations and repairs, such as renovating restrooms in 11 branches. The 2020 Vision Plan is discussed in more detail on the next page.

Salaries & Benefits – CML is focused on talent management as organizational needs change. The newest positions support newly expanded and opened branches. Staff will be realigned as needed to fill vacancies during construction projects.

Capital Outlay – budget focuses on furniture, fixtures and equipment over \$500 and replacement of PCs. Levels are unusually high in 2016 due to furniture and fixtures expenditures in light of the new and renovated libraries. Additional items budgeted in this category include miscellaneous branch furniture, chairs, projectors, self-checkout stations, digital scanners, kids tablets, replacement security cameras and DVRs.

Operational Services – budget includes a broad spectrum of payment types such as Training/Travel, Professional Services, Custodial Cleaning, Hardware/Software Support, Licensing, Building Repairs, Utilities and Rents/Leases. Facility and Technology projects planned in 2016 include projects to restore or reconfigure facilities, complete technology upgrades and support CML's tactical plan.

Library Materials – budget was developed with a focus on continuing the success of the Young Minds strategy by providing materials for initiatives and programs; refreshing the collection at Parsons Branch and Main Library and creating refreshed collections for the new branches opening in late 2016, Northern Lights and Shepard; providing an eBook collection based on customer interest and continuing to provide multiple formats based on customer demand.

Supplies/Other – ranges from office to cleaning and maintenance supplies, including furniture and equipment under \$500 and promotional supplies. This budget also houses planned contributions to support the joint venture with Worthington Libraries for the Northwest Library on Hard Road and some contingency funds for unexpected expenses.



The new Story Circle at Main Library is where Storytimes and other Young Minds programming for Ready for Kindergarten initiatives are held.

2020 Vision Plan

CML's long-term facilities plan, the 2020 Vision Plan, identified projects based on such considerations as building age, size, population, parking, user visits, and public computer usage data. In 2012 the Board of Trustees approved borrowing funds, in anticipation of future Public Library Fund receipts, to accelerate the building of Phase I projects.

Phase I of CML's 2020 Vision Plan will replace or renovate 10 branches. The 2020VP projects are planned to be implemented through 2018 with an estimated cost of \$130 million. The 10 new or renovated facilities will address the following issues: space constraints, increased technology options and the changing dynamics of the library service model. The new or renovated facilities are designed using CML's Guiding Principles to ensure alignment with CML's strategic and tactical plans. CML successfully opened newly constructed branches Driving Park Branch (2014), Whitehall Branch (2015), Parsons Branch (2016) and renovated Main Library (2016). Two branch grand openings are expected in late 2016 with the remaining four branches scheduled to open in 2017 or 2018.

CML capital projects have traditionally been approved by the Board of Trustees as individual project budgets. The budgets for the projects within the 2020 Vision Plan were established and approved by the Board as components of the entire 2020 Vision Plan. Establishing budgets by component will provide more cross-project flexibility and manage the variance across multiple projects.

The project components are defined as:

- Program Budget – costs associated with project and construction management, including pre-construction design services
- Land Budget – costs associated with purchasing property, including soil evaluation and legal fees
- Construction Budget – costs associated with design and construction of a facility, including legal, permit and connection fees
- Furniture, Fixtures and Equipment Budget – costs associated with contents of a building, including security system, technology and public art

The 2020 Vision Plan is aligned with CML's strategic plan. A key focus of the strategic plan is My Library: Creating the Next Generation Library. The 2020 VP project brings our communities these next generation, 21st century libraries and our customers tell us we've created libraries that are working for them.



Above: New
Parsons Branch
Right: New
Whitehall Branch



2020VP PHASE I PROJECTS*

- **Driving Park Branch:** newly constructed branch opened July 12, 2014.
- **Whitehall Branch:** newly constructed branch opened April 11, 2015
- **Parsons Branch:** newly constructed branch opened June 4, 2016
- **Main Library:** the renovated Main Library opened June 25, 2016 with Park Plaza connecting to historic Topiary Park to provide an outdoor experience.
- **Northern Lights Branch:** expansion and renovation of the existing facility. The branch is scheduled to open Sept. 24, 2016.
- **Shepard Branch:** a new building; scheduled to open Oct. 13, 2016.
- **Northside Branch:** a new building between the Short North and the University District. The project completion is expected in 2017.
- **Martin Luther King Branch:** a new building expected to be complete in 2018.
- **Hilliard Branch:** this new building is expected to open in 2018.
- **Dublin Branch:** this new building is expected to open in 2018.

**Preliminary, subject to change.*

Operating Projects

PROJECTS COMPLETED DURING 2015

In 2015, over \$2.8 million was invested in facility and technology projects. The following projects were completed:

- Opened CML's 23rd location, Canal Winchester Branch. Canal Winchester is an express branch with services focused on computer access, high interest print collection, reserve pick-ups, Ready for Kindergarten and Homework Help spaces. The total project was \$490K.
- Main Library Parking Garage maintenance included structural repair, waterproofing and other preventative items. The estimated cost of this project is \$391K.
- Replaced photocopiers and printers in all branches. CML is able to offer new services to public customers such as faxing and scanning. The new equipment includes multifunction copiers that provide copying, printing, scanning and faxing options. The cost of this project was \$451K.
- Replaced the phone system. The new system includes features such as Voice over IP, audio conference and video conferencing. The cost of this project was \$263K.
- A new catalog and mobile application was implemented. Customers are have more relevant search results, seamless access to eContent and integrated social features. The cost of this project was expected to be \$125K.
- CML purchased approximately 400 computers to replace public computers at Whetstone, New Albany, Gahanna, Hilltop, Franklinton and Linden branches. The cost of this project was \$455K.



PC Refresh at Franklinton Branch

PROJECTS PLANNED FOR 2016

The funds appropriated in 2016 for general fund and operational projects includes a contingency for future unplanned projects. The following projects are scheduled for 2016:

- Replace all remaining computers throughout CML (those not replaced in 2015), which is approximately 1,160 computers and associated peripherals. CML succeeded in extending the lifespan of this technology. Best practice is to replace heavily used public technology every 3-5 years and the computers being replaced are 5-8 years old. The cost of this project is expected to be \$1.4M.
- Remodel and update restrooms in 11 branches, including men's, women's, family and staff. Updates range from touch-ups and upgrades to full gutting and replacement of the current facilities. The cost of this project is expected to be \$844K.
- Replace the Main Library Parking Garage gate controls and pay system. The current pay system is obsolete and no longer supported and has no pay option at the exit gates. The new pay system will have a pay option at the exit gates. The cost of this project is estimated to be \$248K.
- Moving to a cloud-based managed services is planned to ensure CML's data is secure, minimize business disruption related to technology availability and to reduce costs related to hardware maintenance and replacement. The expected cost is \$1.1M over three years.
- Replace full interior carpet at Reynoldsburg Branch and Linden Branch. The expected cost is \$145K.
- Upgrade or replace facility lighting at Gahanna Branch and Hilltop Branch. The expected cost is \$195K. The project will more than double the lighting output while saving energy costs.



New interior lighting at Gahanna Branch

2015 MAJOR INITIATIVES & ACCOMPLISHMENTS

CML is focused on customers and the future of the community. Initiatives are aligned with and support the Strategic Plan. The Strategic Plan focuses on Young Minds, My Library, Life Skills, CML Partners and CML Staff. More detailed information on CML's Strategic Plan is available at columbuslibrary.org.

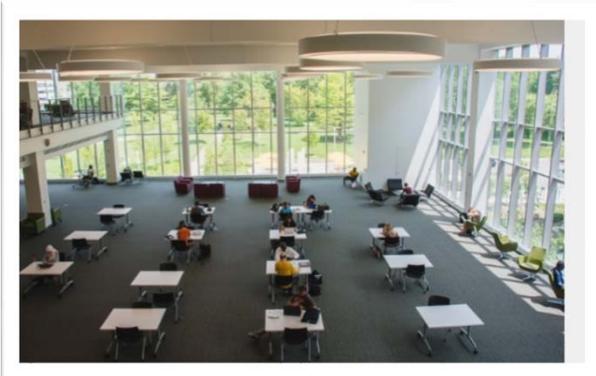
- Opened the new Whitehall Branch in April 2015. The new building is nearly triple the size of the former building.
- Won the AIA Ohio Valley Region Design Award for the new Driving Park Branch, which opened in 2014.
- Selected the architect for the building project to replace the Martin Luther King Branch.
- Held Summer Reading Camps at six (6) branches. Experienced teachers working on Master's Degrees at Ashland University lead 2 week camps for 1st – 3rd graders. Children read, write and play literacy games during camp with the goal of improving their reading skills.
- Opened the fifth Ready for Kindergarten space at Southeast Branch. This dedicated space helps families prepare for kindergarten.
- Introduced Shared Account Access for participating library systems in the Central Library Consortium (CLC). Shared Account Access allows customers of CLC libraries access to library materials and services across participating libraries without having to obtain a library card from each library.
- Partnered with Toyota Production System Support Center to bring lean methodology to CML's delivery and reserve process to reduce the number of days it takes to place library materials in the hands of customers.
- Registered 68,500 kids, teens and adults for the 2015 Summer Reading Club.
- Held nearly 26,000 Reading Buddy sessions in 2015. This program provides one-on-one reading practice with library staff and volunteers to support Ohio's Third Grade Reading Guarantee.
- Offered over 2,100 educational programs in 2015 that brought reading and learning fun to children and teen throughout CML. Programs were presented by CML staff, performers and community groups.
- Partnered with Center of Science and Industry (COSI) who created a special program, "Superhero Science", that was offered at all locations. The program was designed to show kids how to be superheroes using the powers of electricity, heat, light and magnetism.
- Offered teen programs that incorporated college and career sessions like the CollegeWise series. This series helped teens learn everything from the college selection process to writing admission essays.
- Piloted a Kindergarten Readiness Boot Camp at Hilltop and Whitehall branches. Over a two-week session, parents learned how to prepare their kids for kindergarten. Camps were lead by local kindergarten teachers.
- In 2015 CML led a major reading initiative *Columbus READS: One City, One Book*. The initiative was an effort to encourage the whole city to read and talk about one book. The selected book was best-selling author Wil Haygood's *Showdown: Thurgood Marshall and the Supreme Court Nomination that Changed America*.
- Introduced single stream recycling for the entire organization. Over 90% of total waste in 2015 was recycled and 432 tons of material was recycled.
- Technology and Innovation:
 - Successfully installed 70 new multifunction public copiers and printers and 65 vending units at all CML branches.
 - Replaced public computers at six branches. Computers at the remaining branches are scheduled for replacement in 2016.
 - Deployed 62 new touchscreen self-checkout stations at multiple branches, providing a better and more efficient check-out experience for the customer.



Ready for Kindergarten space
at Southeast Branch

CHALLENGES FOR 2016 AND BEYOND

- State legislative changes creating uncertainty in state funding (Public Library Fund)
- Investing at the right levels in technology with available resources to meet future expectations
- Increasing outcomes of early literacy programs
- Balancing future staffing levels and expected services within budget
- Increased and changing service demands, customer and community expectations
- Pursuing partnerships, advocacy and community relationships to supplement the budget



OPPORTUNITIES

- Providing quality customer services, programs and products
- Investing in staff (training, development, recognition, diversity planning, workforce planning)
- Investing in the right technology for a changing environment
- Streamlining/automating processes and adopting best practices
- Identifying cost-effective ways to improve operations
- Increasing communication to the community and customers
- Partnering with library leaders to impact the evolving roles of libraries within communities



CML's collection is showcased for a better customer experience. Visitors discover interior spaces designed to provide unique experiences in the new buildings.

