

# 2018 FINANCIAL SUMMARY

April 2018

**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 present CML's 2018 Financial Summary. This summary has been developed with the participation and cooperation of CML's administrative and executive leadership staff. This report is intended to summarize CML's financial activities and operating results and highlight its programs, services and initiatives. This report is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis. CML's audited Comprehensive Annual Financial Report is located on CML's website, [columbuslibrary.org](http://columbuslibrary.org).

CML's vision is "a thriving community where wisdom prevails." The 2018 budget (January 1 – December 31) supports purposeful investments in CML's three external strategies: Young Minds, My Library and Life Skills. Each year, CML sets concrete goals and objectives to support them. In addition to supporting the needs of our customers with a diverse and popular collection of library materials and access to resources such as computers, wireless internet and community spaces, 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 graduation rates (Homework Help, Summer Reading Club); and adults in need of employment and educational resources.

CML's purpose is to "inspire reading, share resources and connect people". To that end, in 2012, CML made a significant commitment to replace or renovate 10 aged, high-maintenance and inefficient buildings with the approval of the 2020 Vision Plan, CML's long-term facilities plan. In 2012, the Board of Trustees approved long-term debt as a major source of funding for this plan by leveraging CML's Aa2 rating from Moody's Investors Service, Inc. CML issued \$92.3 million in bonds, which sold at a premium for \$99 million and have a final maturity in 2037. In 2016 and 2017, CML took advantage of the low interest rate environment and refinanced a portion of the Series 2012 PLF Notes. After issuing the 2016 and 2017 PLF Refunding Notes, CML's overall debt obligation was reduced. To date, seven of the ten projects have been completed in the last four years. Two new branches, Martin Luther King and Hilliard, will be completed in 2018; the 10th branch, Dublin, is expected to be completed in 2019.

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

I sincerely 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 2018 budget. The CML Financial Planning and Analysis team has put forward a great effort to provide the most relevant 2018 budget information in a clear and concise format. If you have any questions, comments or suggestions about this document, please contact Jamie Lang, Manager of Financial Planning and Analysis at (614) 849-1062 or send an email to [jiang@columbuslibrary.org](mailto:jiang@columbuslibrary.org).

Respectfully submitted,

Lauren Hagan  
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 six 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, short/long term budgets and financial direction. CML is a political subdivision as defined by the Ohio Revised Code, 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. The organization chart is located on CML's website, [columbuslibrary.org](http://columbuslibrary.org).

## 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 15.7 million times in 2017. In 2017, CML had 656,000 registered cardholders and 5.8 million user visits. CML is a member of the Central Library Consortium (CLC), consisting of 17 library systems throughout central Ohio. As a member of CLC, CML shares an online catalog and select online resources with 16 other systems to offer customers a collection of over 4 million items with over a million unique items.

Public computers at all library locations provide access to the Internet, Microsoft Office products and a wealth of online databases; customers used these computers and wireless sessions 2.0 million times in 2017. CML's website, [columbuslibrary.org](http://columbuslibrary.org), provides access to eContent, the catalog and information about the library's programs and services. CML's website had over 9.0 million web visits; 1.8 million digital items were downloaded during 2017.

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 research, job search assistance including resume writing and basic technology classes. Additional programs are offered through the library and led by partnering agencies such as Columbus Literacy Council, an organization providing English Classes for Speakers of Other Languages.

CML continues to work with local and national organizations and community 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. Other collections focus on Columbus historic photos, local school yearbooks, surrounding communities and Columbus City Directories. These collections are part of CML's My History digital collection and are available on [columbuslibrary.org](http://columbuslibrary.org) for all to discover and access.

### WHAT YOU CAN DO AT CML

- Check out books, eBooks, eAudio, CDs and DVDs
- Reserve items online and pick up at any location
- Use public computers
- Access Wi-Fi
- 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

- **Ready for Kindergarten Storytime:** Helping parents and caregivers be their child's first teacher through 4 key skills
- **Homework Help Centers:** Helping K-12 students at all locations after school
- **Reading Buddies:** Helping K-3 students with reading skills
- **Ready for Kindergarten Classes:** Helping at-risk children and families get ready for kindergarten through hands-on practice. Offered at select branches.
- **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 unaudited 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](http://columbuslibrary.org).

### General Fund Revenue and Expenditures

The table below provides a summary of the actual and forecasted revenue and expenditures of CML for the General Fund. The annual budget serves as the foundation for financial planning, monitoring performance, decision making, and control of expenditures. During 2018, CML's forecasted General Fund expenditures (\$72.6M) exceed the forecasted General Fund revenue (\$70.8M). It's common for government organizations with a tax levy to see revenue exceed expenditures in the first half of the levy cycle (first 4-5 years) allowing the general fund balance to grow. In the second half of the levy cycle (year 6-10), expenditures typically exceed revenue and the fund balance is drawn down.

2018 General Fund Revenue & Expenditures

Revenue (in thousands)	2018 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual
General Property Tax	\$ 52,468	\$ 51,867	\$ 51,021	\$ 50,992	\$ 51,594
Public Library Fund (PLF)	\$ 21,130	\$ 21,098	\$ 21,018	\$ 21,128	\$ 18,897
*PLF Debt Service Transfer	\$ (5,726)	\$ (5,734)	\$ (5,778)	\$ (5,819)	\$ (5,818)
Net PLF Total	\$ 15,404	\$ 15,364	\$ 15,240	\$ 15,309	\$ 13,079
Customer Fees	\$ 200	\$ 281	\$ 549	\$ 588	\$ 838
Charges for Services	\$ 906	\$ 926	\$ 670	\$ 648	\$ 670
Investment Revenue	\$ 1,479	\$ 1,112	\$ 836	\$ 531	\$ 319
Miscellaneous	\$ 316	\$ 1,525	\$ 233	\$ 358	\$ 659
Interfund Transfers In		\$ -			\$ 12,860
<b>TOTAL Revenue</b>	<b>\$ 70,773</b>	<b>\$ 71,075</b>	<b>\$ 68,549</b>	<b>\$ 68,426</b>	<b>\$ 80,019</b>
<i>*Approximately 27-30% of the PLF annually is used to support the Debt Service Fund</i>					
Expenditure (in thousands)	2018 Budget	2017 Actual	2016 Actual	2015 Actual	2014 Actual
Salaries & Benefits	\$ 42,548	\$ 40,013	\$ 36,908	\$ 37,319	\$ 37,104
Capital Outlay	\$ 7,041	\$ 3,631	\$ 8,166	\$ 3,419	\$ 2,901
Operational Services	\$ 12,096	\$ 11,493	\$ 10,437	\$ 9,749	\$ 8,571
Library Materials	\$ 7,992	\$ 7,403	\$ 7,775	\$ 7,579	\$ 6,953
Other	\$ 1,914	\$ 1,010	\$ 1,038	\$ 1,035	\$ 1,036
Supplies	\$ 1,031	\$ 810	\$ 987	\$ 830	\$ 974
<b>TOTAL Expenditures</b>	<b>\$ 72,622</b>	<b>\$ 64,360</b>	<b>\$ 65,311</b>	<b>\$ 59,931</b>	<b>\$ 57,539</b>
Revenue less Expenditures	\$ (1,849)	\$ 6,715	\$ 3,238	\$ 8,495	\$ 22,480
Beginning Cash Fund Balance	\$ 80,848	\$ 74,133	\$ 70,895	\$ 62,400	\$ 39,920
Ending Cash Fund Balance	\$ 78,999	\$ 80,848	\$ 74,133	\$ 70,895	\$ 62,400

### Debt Service Fund

The Debt Service Fund provides for the retirement of the current year portion of CML's long-term debt obligations, interest and payment of any trustee fees associated with administration of the debt. In 2012, CML issued \$92.3M of Public Library Fund (PLF) Notes. The Notes were issued for the purpose of constructing, renovating and improving 10 library facilities. CML refinanced a portion of the Series 2012 PLF Notes in 2016 and 2017. By refinancing, CML achieved nearly \$1.5M in net present value savings on the two series of refunding notes.

PLF monies are received annually in the Debt Service Fund to cover debt repayment. The detailed debt service schedules are 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 percentage is temporarily set at 1.68% from June 2017 through June 2019.

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

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

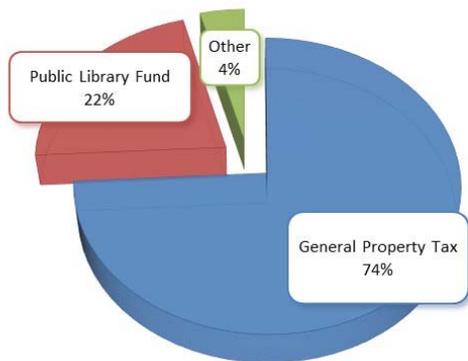
**Customer Fees:** lost library material fees. Overdue fines were eliminated January 2017.

**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. \$9.9M was refinanced in 2016 and \$8.5M was refinanced in 2017.

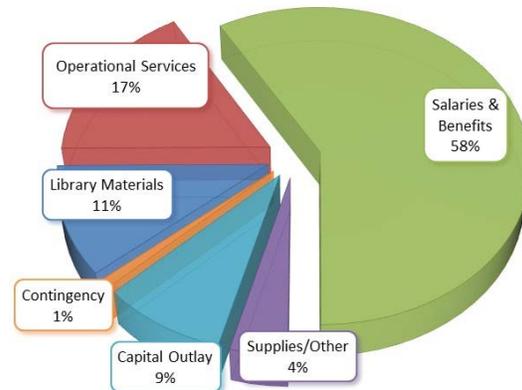
## Where the Money Comes From

2018 General Fund Revenue Estimates  
\$70,773,019



## Where the Money Goes

2018 General Fund Expenditure Estimates  
\$72,622,740



## Total General Fund Expenditures

The 2018 expenditure budget supports the 2020 Vision Plan, library programming and materials, facility repairs and improvements, technology infrastructure and staff development. The budget has a continued focus on IT technology improvements and an increase in facility improvements, such as new public computers, public meeting room audio/visual upgrades and parking lot repairs. 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 continue to be high in 2018 due to furniture and fixtures expenditures for the new and renovated branches. Additional items budgeted in this category include branch refreshes, fire alarm replacements, parking lot repairs and elevator upgrades.

**Operational Services** – budget includes a variety of expenses such as professional services, custodial cleaning, hardware and software support, licensing, building repairs, training, utilities and rents/leases. Projects planned for 2018 include facility updates and repairs, technology upgrades and library programming such as Ready for Kindergarten and the Carnegie Author Series.

**Library Materials** – budget was developed with a focus on continuing the success of CML's three external strategies by investing in the following: providing materials in support of Young Minds programs and services; refreshing collections at the Hilliard and Martin Luther King Branches in anticipation of the new buildings; providing an eContent collection based on customer interest including a new product, Kanopy, that streams films and documentaries; providing multiple formats based on customer demand; and providing online informational databases to support the Young Minds, My Library and Life Skills strategies.

**Supplies/Other** – budget includes office supplies, cleaning and maintenance supplies, furniture and equipment under \$500, and program supplies. This budget also includes planned contributions to support CML's joint venture with Worthington Libraries for the Northwest Library on Hard Road and contingency funds for unexpected expenses.



The YouMedia learning lab allows teens to create music, videos, digital art and photography.

# 2020 Vision Plan

CML's long-term facilities plan, the 2020 Vision Plan, is nearing completion with the final branch scheduled to open in 2019. The original objective of the plan was the replacement or renovation of seven urban branches, two suburban branches and Main Library. The projects were identified based on building age, building size, population served, parking capacity, 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 fund the 10 building projects with an estimated total cost of \$132 million. In addition, the Columbus Metropolitan Library Foundation, a separate 501(c)(3), has contributed \$21.5 million to fund the plan.

The 10 new or renovated facilities 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 plan. CML has successfully opened the following newly constructed or renovated branches: Driving Park (2014), Whitehall (2015), Parsons (2016), Shepard (2016), Northern Lights (2016), Main Library (2016) and Northside (2017). Two branch grand openings are expected in 2018 with the remaining branch scheduled to open in 2019.

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 Plan. Establishing budgets by component provides more cross-project flexibility and allows for better management of variances across projects.

The project components are defined as:

- Program Budget: costs associated with pre-construction design services and construction management fees.
- Land Budget: costs associated with purchasing property, if applicable, site preparation fees and related legal fees.
- Construction Budget: costs associated with design and construction of a facility, including legal, permit and utility 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 Vision Plan brings 21<sup>st</sup> century (next generation) libraries to our communities creating a library that works for the customer and the community.



New Northside Branch

## 2020VP 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:** newly renovated and expanded branch opened September 24, 2016.
- **Shepard Branch:** newly constructed branch opened October 13, 2016.
- **Northside Branch:** a new building between the Short North and the University District. The new branch opened June 22, 2017.
- **Hilliard Branch\*:** this new two-story building is expected to open in summer 2018.
- **Martin Luther King Branch\*:** a new building expected to be complete in late 2018.
- **Dublin Branch\*:** this new building is expected to open in 2019.

*\*Estimated, subject to change.*

## OPERATIONAL PROJECTS

- **Marion-Franklin Branch:** express branch located in the former Beery Middle School opened September 15, 2014.
- **Canal Winchester:** express branch located in the gymnasium of the city's former high school opened January 25, 2016.

# Operating Projects

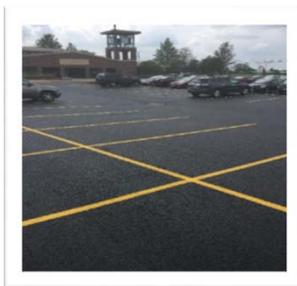
## PROJECTS COMPLETED DURING 2017

In 2017, nearly \$2.0 million was invested in facility and technology projects. The following projects were completed:

- Installed new security cameras and hardware at 12 branches and the Main Library parking garage. The total cost of the project was \$681K.
- Replaced parking lots at Karl Road and Southeast Branches. The scope of work included replacement of asphalt, deteriorated curbs, drainage aprons and restriping. The total project cost was \$364K.
- Replaced Main Library south gallery plumbing. A portion of the 30-year old sanitary main was replaced due to age and failing pipe bedding. The total project cost was \$315K.
- Replaced and upgraded children's Early Literacy Stations in 11 branches. The total project was \$233K.
- Modernized Main Library's elevator which included drive unit modernization, power unit pump upgrades, installing hydraulic coolers, door operator upgrades and controls modernization. The upgrades improved the operational efficiency and ensured reliable service. The project cost was \$193K.
- Improved customers' wireless session experience at Main Library. Customers and the general public can access CML's free public wireless on the Main Library back plaza and throughout the Topiary Garden located behind the Main Library. The project cost was \$19K.
- Replaced fire alarm system at South High Branch. The project cost was \$16K.



Above: New book drop at Hilltop Branch  
Right: New Southeast Branch parking lot



## PROJECTS PLANNED FOR 2018

The funds appropriated for general fund and operational projects includes a contingency for unplanned projects. The following projects are scheduled for 2018:

- Branch refreshes including interior reconfigurations and upgrades to lighting, doors and circulation desks. The Franklinton Branch, Livingston Branch and Southeast Branch will be renovated and the cost of these projects are estimated to be \$770K.
- Continued modifications to Main Library and Driving Park Branch are estimated to be \$700K. These projects include lighting upgrades, door replacements, circulation room renovations and repairs to the exterior of Driving Park.
- Upgrade Main Library North Lobby and parking garage elevators to increase ADA access and add stops on the half levels of the parking garage. The expected cost of the project is \$655K.
- Parking lot replacements at Whetstone, Reynoldsburg and Livingston Road Branches. The cost of this project is expected to be \$360K.
- Electrical and lighting upgrades to the Main Library parking garage and loading dock. The project includes replacing all outdated fluorescent fixtures with energy efficient LED fixtures, upgrading emergency exit lights and adding beacons to the emergency call boxes. This project is expected to cost \$300K.
- Replace outdated fire alarm systems at Reynoldsburg, Whetstone, Gahanna and New Albany branches with an updated system with improved technology. The cost of this project is expected to be \$220K.
- Replace all non-ADA book drops. The cost of this project is expected to be \$70K.

## 2017 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 three external strategies: Young Minds, My Library and Life Skills; and three internal strategies: Our People, Our Partners and Our Work. More detailed information on CML's Strategic Plan is available at [columbuslibrary.org](http://columbuslibrary.org).

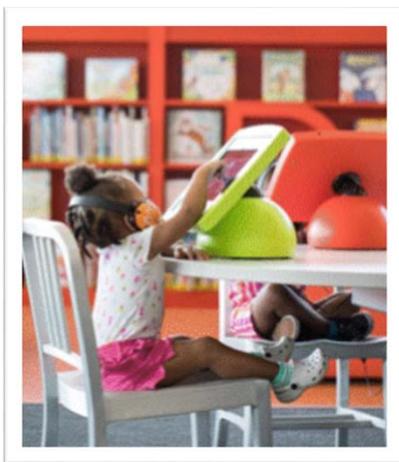
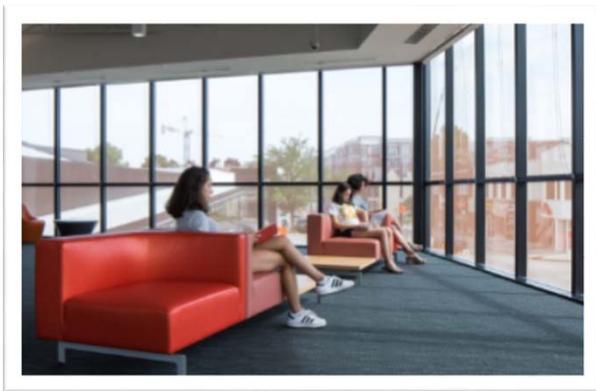
- CML kicked off the Carnegie author and family series at Main Library bringing in nearly 2,600 customers to hear from 6 high profile authors.
- Opened the new Northside Branch (June 2017). The new Northside Branch is more than three times the size of the original building.
- Achieved LEED (Leadership in Energy and Environmental Design) silver status for the Whitehall Branch from the U.S. Green Building Council. LEED certified buildings are resource efficient and use less water and energy and reduce greenhouse gas emissions.
- Held 34,000 Reading Buddies sessions. This program provides one-on-one reading practice for students in Kindergarten through Grade 3 to support Ohio's Third Grade Reading Guarantee.
- Registered 60,000 children, teens and adults for the 2017 Summer Reading Club with a brand new online program. Participants were able to register and track reading and activities online to earn badges and prizes.
- Partnered with 23 local schools to deliver 78,000 books to 400 classrooms. The School Delivery program gets high interest, quality children's books off public library shelves and into students' hands and supports the community goal of ensuring all children learn to read and grow academically.
- Homework Help Centers registered 101,000 visits from students in kindergarten through Grade12 seeking homework help after school.
- Nearly 110,000 children attended Ready for Kindergarten Storytime. Storytime is a fun and interactive way to teach children Ready for Kindergarten skills such as letter recognition, beginning letter sounds, rhyming and vocabulary.
- Ninety-nine families graduated from CML's Kindergarten Bound program. The program is designed for 4 year olds and their families the year before starting kindergarten.
- Processed 284 tons of discarded material through a single stream recycling program where an estimated 80% of the material was turned into usable recycled materials.
- CML's 2020VP Projects received architecture awards:
  - Whitehall Branch received the Ohio American Institute of Architects 2017 Design Award.
  - Shepard Branch was awarded the American Institute of Architect Columbus Merit Award.
  - Parsons Branch received the Design Citation from the National Organization of Minority Architects.
  - Northside Branch received the International Interior Design Honor Award and American Institute of Architect Columbus Honor Award.
- Technology and Innovation:
  - Deployed 53 new all-in-one Early Literacy Stations in 11 branches to help build literacy skills
  - Installed JAWS (Job Access With Speech) software on over 1,200 public computers. JAWS is a screen reader program that allows customers who are blind or visually impaired to read the screen via text-to-speech program
  - Purchased 50 Playaway Launchpads to evaluate and enhance the Reading Buddies program. Launchpads will increase the student's understanding of what they read by providing additional reading time, fluency enrichment and comprehension activities.

Storytimes are a fun and interactive way to teach children Ready for Kindergarten skills.



## CHALLENGES AND OPPORTUNITIES FOR 2018 AND BEYOND

- Long-term uncertainty in state funding (Public Library Fund)
- Transforming technology to meet future expectations
- Correlating outcomes of early literacy programs
- Investing in staff to meet evolving community demands
- Increased and changing service demands and customer and community expectations
- Pursuing partnerships, advocacy and community relationships to supplement the budget and enhance services
- Streamlining/automating processes and adopting best practices
- Providing quality customer services, programs and products
- Identifying cost-effective and innovative ways to improve operations
- Broaden 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. Spaces are inviting and designed to spur curiosity in all age groups.

