2019
FINANCIAL SUMMARY
April 2019

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 2019 Financial Summary, a summary of the 2019 Budget as approved by the Board of Trustees. This report is intended to summarize CML’s financial activities and operating results and highlight its programs, services and initiatives. This summary has been developed with the participation and cooperation of CML’s administrative and executive leadership staff. This report is unaudited and presented on a non-GAAP (Generally Accepted Accounting Principles) basis. CML’s audited Comprehensive Annual Financial Reports for prior years are located on CML’s website, columbuslibrary.org.

CML’s vision is “a thriving community where wisdom prevails”, and the 2019 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 these strategies. 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 Challenge); college and career readiness and employment 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 ten 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, nine of the ten projects have been completed. The 10th branch, Dublin, will be completed in 2019. In June 2018, the Board of Trustees approved the continuation of the 2020 Vision Plan and authorized four additional building projects. Phase II of the 2020 Vision Plan continues CML’s commitment to replace or renovate aging facilities.

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

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 2019 budget is sincerely appreciated. The CML Financial Planning and Analysis team has made every effort to provide the most relevant 2019 budget information in a clear and concise format. If you have any questions about this document, please contact Jamie Lang, Manager of Financial Planning and Analysis, at (614) 849-1062 or send an email to jlang@columbuslibrary.org.

Respectfully submitted,

Lauren Hagan
Chief Financial Officer/Fiscal Officer
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 appointed by the Judges of the Court of Common Pleas and the Franklin County Commissioners. 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, and therefore financially and operationally independent from the City of Columbus and Franklin County.

CML has adopted a circular, relational organizational chart that aligns talents and teams to better support organizational strategies and promote organization-wide execution while always focusing on the customer. The chart helps staff understand that everything the organization does is guided by customer need. The organization chart is located on CML’s website, columbuslibrary.org.

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 million times in 2018. In 2018, CML had 668,000 registered cardholders and 5.5 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 1.8 million times in 2018. 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 9.0 million web visits in 2018.

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 and job search assistance (e.g. resume writing and basic technology classes). Additional programs are offered through the library and led by partnering agencies such as Columbus Literacy Council and Ohio Means Jobs.

CML continues to work with local and national organizations and community groups to archive the history of Columbus and the surrounding region. 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 and Columbus City Directories. In 2018, the Columbus Dispatch Digital Archive was added. It is a searchable archive from 1871 to present of the Columbus Dispatch. These collections are part of CML’s My History digital collection and are available on columbuslibrary.org for all to discover and access.

What You Can Do At CML
• Check out books, eBooks, eAudio, CDs, DVDs and stream music and movies
• 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
• Homework Help Centers: Helping K-12 students at all locations after school
• Reading Buddies: Helping K-3 students with reading skills at all locations
• 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. Offered at select branches.
• 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 Reports are prepared on a GAAP basis and can be obtained from CML’s website: 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, performance monitoring, decision making, and control of expenditures. For 2019, CML’s General Fund expenditures ($72M) are budgeted to exceed General Fund revenue ($74M). This is not unusual for government organizations with a tax levy to see revenue exceed expenditures in the first half of the levy cycle (first five years) allowing the general fund balance to grow. In the second half of the levy cycle (years 6-10), expenditures typically exceed revenue, and the fund balance is drawn down.

### Revenue Definitions

**General Property Tax**: funds provided from a 2.8 mill continuing property tax levy

**Public Library Fund (PLF)**: 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% for 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**: 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 investment of CML’s fund balance.

### Debt Service Fund

The Debt Service Fund provides for the retirement of the current year principal and interest on 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. The Notes were issued for the purpose of constructing, renovating and improving ten 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 receipted annually in the Debt Service Fund to cover debt repayment. The detailed debt service schedules are included in CML’s Comprehensive Annual Financial Report.

CML offers programs and resources to help students improve reading skills.
The 2019 expenditure budget supports library programming and materials, facility repairs and improvements, technology infrastructure and staff development. The budget has a continued focus on programming enhancements, facility maintenance and IT technology improvements, such as new public computers, wireless enhancements, fire alarm replacements and parking lot repairs. The 2020 Vision Plan and Capital Project Fund are 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 are realigned as needed to fill vacancies during construction projects.

Capital Outlay – this budget focuses on furniture, fixtures and equipment over $10,000. Spending levels continue to be high in 2019 due to furniture and equipment expenditures for the new Dublin Branch. Additional items budgeted in this category include fire alarm replacements, parking lot repairs and facility improvements.

Operational Services – this 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 2019 include general facility maintenance and repairs, technology upgrades and library programming such as the Carnegie Author Series and Music at Main Library.

Library Materials – this 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 and Life Skills programs and services; refreshing collections at the Dublin Branch in anticipation of the new building; providing eContent and other collections based on customer interest including the new Columbus Dispatch Digital archive, and providing online informational databases to support the Young Minds, My Library and Life Skills strategies.

Supplies/Other – this budget includes office supplies, cleaning and maintenance supplies, furniture and equipment under $10,000, program supplies and computers. This budget also includes CML contribution supporting the joint venture with Worthington Libraries for the Northwest Library on Hard Road. Contingency funds for unexpected expenses are also budgeted in this category.
CML’s long-term facilities plan, the 2020 Vision Plan, is aligned with CML’s strategic plan and a key focus of the strategic plan is My Library: Creating the Next Generation Library. The 2020 Vision Plan brings 21st century (next generation) libraries to our communities creating a library that works for the customer and the community. Projects are identified based on a number of criteria including, but not limited to, building age, building size, population served, growing needs of the community, and usage statistics. New or renovated facilities address space constraints, improved technology and the changing dynamics of the library service model.

Phase I of the 2020 Vision Plan is nearing completion with the final branch, Dublin, scheduled to open in June 2019. The Phase I plan included the replacement or renovation of seven urban branches, two suburban branches and Main Library. In 2012, the Board of Trustees approved borrowing funds, in anticipation of future Public Library Fund receipts, to fund the Phase I projects with an estimated total cost of $132 million. In addition, the Columbus Metropolitan Library Foundation, a separate 501(c)(3), contributed $21.5 million to fund the plan.

In June 2018, the Board of Trustees authorized four additional building projects. Phase II of the 2020 Vision Plan will include renovating or replacing two urban branches and two suburban branches. Phase II will be funded through a combination of debt, operational savings and fundraising. Phase II is expected to cost approximately $77 million.

CML capital projects have traditionally been approved by the Board of Trustees as individual project budgets. The budgets for the 2020 Vision Plan are established and approved by the Board as components for each Phase. 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.

2020VP PROJECTS – PHASE I

Projects & Opening Date
- Driving Park Branch: July 12, 2014
- Whitehall Branch: April 11, 2015
- Parsons Branch: June 4, 2016
- Main Library: June 25, 2016
- Northern Lights Branch: September 24, 2016
- Shepard Branch: October 13, 2016
- Northside Branch: June 22, 2017
- Hilliard Branch: June 21 2018
- Martin Luther King Branch: October 18, 208
- Dublin Branch: this new building will open in 2019.

2020VP PROJECTS – PHASE II

- Karl Road Branch*: the new building is expected to open in 2021.
- Hilltop Branch*: the renovated building is expected to open in 2021.
- Reynoldsburg Branch
- Gahanna Branch

*Estimated, subject to change.
OPERATING PROJECTS

PROJECTS COMPLETED DURING 2018

In 2018, over $4 million was invested in facility and technology projects. The following projects were completed:

• Purchased Columbus Dispatch Digital, offering customers free access to a keyword-searchable archive of the entire 147-year history of the Columbus Dispatch. The total cost is $975K.

• Upgraded the Main Library north lobby and parking garage elevators to improve and increase ADA access, added stops on the half levels of the parking garage, created vestibules on the garage levels and replaced an elevator cab. The project improved overall functionality and enhanced customer safety. The total project cost was $682K.

• Refreshed the Livingston and Southeast Branches which included interior reconfigurations and upgrades to the lighting, doors and circulation desk. The total project cost was $393K.

• Upgraded lighting in the Main Library parking garage and loading dock to enhance safety and security of the garage. The project replaced all outdated fluorescent fixtures with energy efficient LED fixtures, upgraded emergency exit lights and added beacons to the emergency call boxes. The cost of the project was $303K.

• Replaced the end-of-life parking lots at Whetstone, Reynoldsburg and Livingston Branches. The scope of the work included replacement of asphalt, trenching over storm sewer lines and restriping. The project cost was $294K.

• Replaced outdated fire alarm systems at Reynoldsburg, Whetstone, Gahanna and New Albany Branches. The project cost was $157K.

• Deployed new meeting room software making it easier for customers to reserve meeting and study rooms. The project cost was $55K.

• Replaced end-of-life public printers at 10 branches. The project increased job output capacity and speed. The project cost was $15K.

PROJECTS PLANNED FOR 2019

The funds appropriated for general fund and operational projects includes a contingency for unplanned projects. The following projects are scheduled for 2019:

• Refresh the Livingston Branch interior and exterior, including new shelving, building a Ready for Kindergarten area, upgrading interior and exterior lighting and installing new ground storm drainage. The project is estimated to be $490K.

• Refresh the Franklinton Branch exterior to repair or replace the deteriorating exterior envelope, front and lobby doors and retaining wall. Replace exterior and interior lighting to improve safety and security. The cost of the project is estimated to be $340K.

• Replace nearly 200 aging public PCs at three branches. The cost of the project is estimated to be $220K.

• Improve customers’ wireless experience at all locations by replacing the aging wireless system. The new system will improve security, allow more efficient transmission of data and increase bandwidth. The cost of the project is estimated to be $200K.

• Update audio visual equipment and install hearing technology in meeting rooms to enhance listening experience for those with a hearing impairment. The cost of the project is estimated to be $175K.

• Replace outdated door hardware to increase ADA access at eight branches. The cost of the project is estimated to be $150K.

• Parking lot repairs and maintenance at eight branches. The cost of the project is estimated to be $150K.

• Replace aging public furniture at nine branches. The cost of the project is estimated to be $110K.

• Install credit card scanners at all public print stations for customer convenience. The cost of the project is estimated to be $50K.
2018 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.

- The new Hilliard Branch opened (June 2018) with triple the square footage of the old branch and nearly double the number of customer visits, over 66,000 customers visited the new branch in the first 30 days compared to the same month in 2017.

- Northside Branch received the 2018 James B. Recchie Design Award from Columbus Landmarks Foundation.

- Board of Trustees approved four additional building projects. Phase II of the 2020 Vision will include renovating or replacing the Hilltop Branch, Karl Road Branch, Gahanna Branch and Reynoldsburg Branch.

- Opened the new Martin Luther King Branch (October 2018) with Mr. Martin Luther King III, the oldest son of Dr. Martin Luther King Jr., providing the keynote address and helping dedicate the new branch named for his father. The former Martin Luther King Branch was dedicated by Martin Luther King Sr. and was the first public library in the country named in honor of the late Civil Rights leader.

- CML piloted a Winter Reading Challenge for K-12 students to keep their reading skills strong over the holidays. From December through the end of February students were challenged to read six hours and make a reading bingo to earn a book and other incentives. Over 4,900 students signed up for the new program.

- Began offering customers free access to Columbus Dispatch Digital archive, providing keyword-searchable access to the Columbus Dispatch newspaper dating back to 1871.

- Improved customer safety and security by upgrading security cameras, enhancing signage and wayfinding, adding more lighting and new emergency boxes in the Main Library parking garage, and upgrading fire and security panels in multiple branches.

- Became a member of Digital Public Library of America (DPLA) making CML’s digital collections accessible to researchers across the country. CML is one of the first libraries in Ohio to become a member.

- Partnered with WOSU Public Media to find America’s best-loved book as part of The Great American Read. The Great American Read is an eight-part series with viewer participation to select America’s favorite novel.

- Sorted and delivered 145,868 bins of library materials to CML branches and members libraries of the Central Library Consortium (CLC). CLC is a network of library systems whose catalogs are accessible by all members.

- Processed 290 tons of discarded material through a single stream recycling program, where an estimated 82% of this material was turned into usable recycled materials.

- CML is focused on helping children succeed. In 2018 CML:
  - Registered nearly 60,000 children, teens and adults for the 2018 Summer Reading Challenge, which included more than 1,000 programs to enrich learning.
  - Recorded 94,000 visits from students in kindergarten through grade 12 in the Homework Help Centers.
  - Had over 100,000 children attend Ready for Kindergarten Storytime. Storytime is a fun and interactive way to teach children letter recognition, beginning letter sounds, rhyming and vocabulary.
  - Held 37,000 Reading Buddies sessions. Reading Buddies provides one-on-one reading practice for students in Kindergarten through Grade 3.
  - Delivered 65,000 books to 400 classrooms through the School Delivery program.

Music at Main Library is a fun and educational program for the whole family.
CHALLENGES AND OPPORTUNITIES FOR 2019 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
• Continuing to enhance safety and security