

Fiscal Review of the Cleveland Public Library & Scan of State and National Trends in Library Funding

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April 17, 2012

Fiscal Review: Components

- Literature review
 - Trends in library fiscal management
- Changes to Public Library Fund
- Fiscal review
 - Financial metrics for Ohio and national peer libraries
- Case Studies
 - Ohio and national peer libraries

Peer Libraries to CPL: Ohio

- Akron-Summit County Public Library (Akron, OH)
- Columbus Metropolitan Library (Columbus, OH)
- Cuyahoga County Public Library (Parma, OH)
- Dayton Metro Library (Dayton, OH)
- The Public Library of Cincinnati & Hamilton County (Cincinnati, OH)
- The Public Library of Youngstown & Mahoning County (Youngstown, OH)
- Toledo-Lucas County Public Library (Toledo, OH)

Peer Libraries to CPL: Nationally

- Boston Public Library (Boston, MA)
- Denver Public Library (Denver, CO)
- District of Columbia Public Library (Washington, D.C.)
- Enoch Pratt Free Library (Baltimore, MD)
- Las Vegas-Clark County Library District (Las Vegas, NV)
- Milwaukee Public Library (Milwaukee, WI)
- Seattle Public Library (Seattle, WA)
- St. Louis Public Library (St. Louis, MO)

Overall Themes Literature Review & Case Studies

- Libraries continue to struggle to stay relevant due to the accessibility, availability, and affordability of technology
- Libraries need to continue to build relationships and connect with communities and stakeholders
- Libraries need to find ways to demonstrate their value proposition

Fiscal Review: CPL Fiscal Position

- Moderate to Strong Revenue Growth: 1998 - 2010
- Controlled Expenditures
- Healthy Cash Reserves
- No Debt
- Low Growth in Assessed Valuation (1998 – 2010)
- Decline in Population

Fiscal Review: Revenue Position

- Moderate to Strong Revenues: 1998 - 2010
 - General Fund Revenues Expanded 48.2 % or 3.7%/yr
 - Exceeding the rate of inflation
 - Strong growth in Revenues 1998 through 2006: 62.3% or 6.9%/yr
 - Then recession related modest decline 2007 through 2010: -11.6 or 2.3%/yr
 - Governmental Funds: 51.6% overall or 3.97%/yr

Fiscal Review: Expenditure Position

- **Controlled Expenditures: 1998 - 2010**
 - General Fund Expenditures Grew 33.6% overall or 2.6%/yr
 - Below the annual rate of inflation
 - In 2010, Expenditures at 2005 level
 - Public Services: 32.4% overall or 2.5%/yr
 - Administration & Support: 43.1% overall or 3.3%/yr
 - Capital Outlay: 27.3% overall or 2.1%/yr
 - Government Funds Expenditures: Grew 1.78% overall or 0.14%/yr
 - Below the annual rate of inflation

Fiscal Review: Operating Position

- Strong Cash Reserves: 1998 – 2010
 - General Fund Undesignated Fund Balance
 - Annual Average 2000 – 2010: 33.1% of Revenues
 - Ranged from 5.7% to 51.2%
 - Strong Liquidity Ratio
 - Annual Average of 1:14.8
 - Range from 1:6.5 to 1:22.0

Fiscal Review: Debt Position

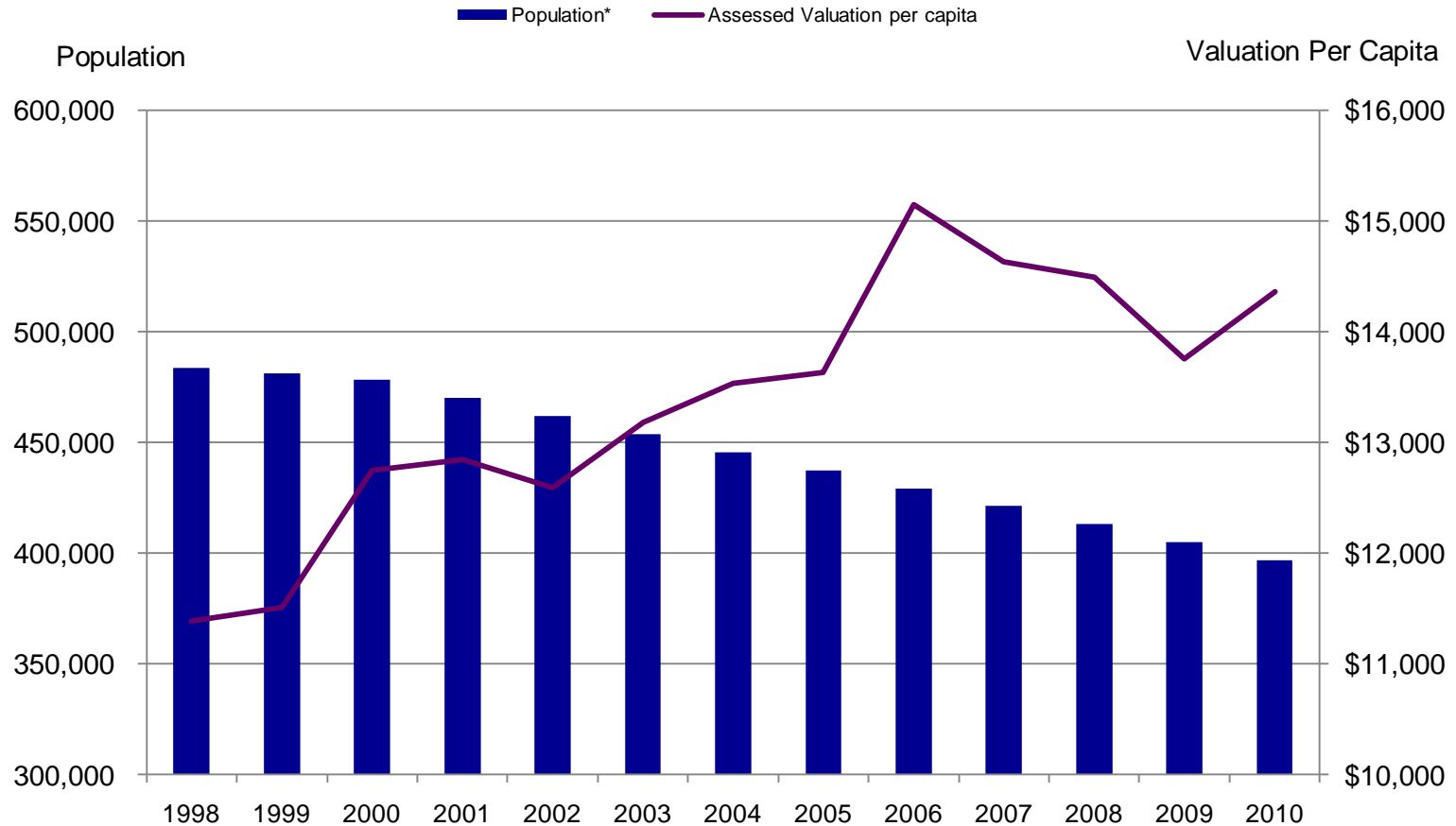
- No G.O./Revenue Debt: 1998 – 2010

Economic/Demographic Position

- 2009 Real Property Reassessment results in a 5.5% decline
 - Direct implication on value of CMSD property tax levy
- Significant decline in population, 2000-2010

Economic/Demographic Position

Valuation and Population Change, City of Cleveland



*Population changes from the 2000 to the 2010 decennial census have been annualized



CPL Fiscal Position

- CPL is in Moderate to Strong Financial Condition:
 - CPL has well managed Revenues, Expenditures, Cash Reserves, and Debt Position
 - Declining Assessed Valuation trend may further threaten future Revenues
 - Reduction in Expenditures lagged behind Revenues (2008 vs. 2006)
 - Cash on hand can continue to provide a buffer
 - No Debt: Not Contained in Annual Financial Reports
 - Reduced Staffing in 2010: 558 FTEs in 2010, 1998 – 2010 Annual Average 617 FTEs
- Unknown Factor:
 - Satellite Libraries Operating Cost as a share of overall Expenditures
- Other Issues:
 - Need more/better financial data: Comprehensive Annual Financial Reports

Fiscal Review: Ohio Metrics

Library	Staff	Revenues	Expenditures	Population	Revenues Per Capita	Expenditures Per Capita	Staff per 1,000 Population
Cleveland Public	558	\$63,760,587	\$58,534,175	396,815	\$160.68	\$147.51	1.41
Columbus Metropolitan	609	\$42,549,048	\$43,639,406	850,213	\$50.05	\$51.33	0.72
Cincinnati and Hamilton County	686	\$59,649,021	\$54,247,920	851,494	\$70.05	\$63.71	0.81
Dayton Metro	364	\$30,174,417	\$26,347,768	465,127	\$64.87	\$56.65	0.78
Toledo-Lucas County	290	\$32,470,629	\$31,593,475	463,493	\$70.06	\$68.16	0.63
Youngstown and Mahoning County	150	\$11,860,142	\$10,850,207	237,978	\$49.84	\$45.59	0.63
Cuyahoga County	601	\$68,905,624	\$67,385,597	568,306	\$121.25	\$118.57	1.06
Akron-Summit County	303	\$23,959,268	\$24,281,765	377,213	\$63.52	\$64.37	0.8



Fiscal Review: National Metrics

Library	Staff	Revenues	Expenditures	Population	Revenues Per Capita	Expenditures Per Capita	Staff per 1,000 Population
Cleveland Public	558	\$63,760,587	\$58,534,175	396,815	\$160.68	\$147.51	1.41
Enoch Pratt (Baltimore)	491	\$36,758,700	\$36,758,700	637,455	\$57.66	\$57.66	0.77
Milwaukee Public	320	\$23,961,312	\$24,201,590	604,477	\$39.64	\$40.04	0.53
Boston Public	398	\$40,300,000	\$45,959,098	617,594	\$65.25	\$74.42	0.64
Denver Public	421	\$33,052,479	\$29,473,750	592,052	\$55.83	\$49.78	0.71
Seattle Public	511	\$50,066,922	\$49,757,371	608,660	\$82.26	\$81.75	0.84
St. Louis Public	313	\$24,944,169	\$21,071,070	319,294	\$78.12	\$65.99	0.98
D.C. Public	392	\$41,004,778	\$40,786,571	601,723	\$68.15	\$67.78	0.65
Las Vegas-Clark County	454	\$65,700,429	\$49,433,708	1,439,699	\$45.63	\$34.34	0.32

Fiscal Review

- Findings
 - Loss of value in property assessment may present serious revenue threat for library
 - Move to a Comprehensive Annual Financial Report (CAFR) format