

Board Work Session
February 08, 2014



CLEVELAND PUBLIC LIBRARY



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Agenda

- 8:00-8:30 AM Continental Breakfast
- 8:30-9:00 AM Introduction and Overview
- 9:00-10:00 AM Patrick Losinski, CEO, Columbus Metropolitan Library
- 10:00-11:30 AM Strategic Planning Work Session with CPL Leadership Team
- CPL Assumptions – Felton Thomas
- Safety – Cindy Lombardo
- Technology – Rod Houpe
- Education – Tim Diamond
- Preservation – John Skrtic
- Financial Overview – Carrie Krenicky
- 11:30-1:00 PM Lunch & Discussion (Trustees and CPL Executive Team)
- 1:00 PM Adjourn



Bold Plans

Columbus Metropolitan Library,
OH, has launched a comparable
effort with the highly successful
sale of Library Fund Facilities
Notes which have generated \$99
million to finance the library's 2020
Vision Plan.



“CPL 150 Assumptions” - General

1. Given the current economic conditions and environment, *library budgets will continue to be constrained* and there is more competition for either the same or shrinking pot of funds.
2. *Private fundraising*, as well as other forms of alternative funding streams, will become more and more necessary.
3. Libraries must be able to demonstrate *return on investment* (ROI) to the public and to decision makers.



“CPL 150 Assumptions” - General

4. State, local, and/or federal *funding may go away*.
5. *Increasing skepticism* toward public funding of libraries as a public service, reflective of increasing skepticism of all public services.
6. *Disruptions in book, video, and audio publishing* will impact the delivery of services at the library.
7. Libraries will continue to be viewed as *discretionary* as opposed to education, which is viewed as mandatory.



“CPL 150 Assumptions” - Safety

1. The library as a place for the community to congregate will continue to grow.
2. Definitions of family will continue to change.
3. Libraries are viewed as “in loco parentis.”
4. Changing views of civility will affect the ways people interact and behave in public space, including public libraries.
5. While downtown’s population will grow, almost all other communities will see a population decrease.
6. Cleveland’s challenges with violent behavior will not significantly decrease.



“CPL 150 Assumptions” - Technology

1. Technology will affect everything libraries do.
2. Technology will allow libraries the opportunity to attract and serve new client groups.
3. Libraries will continue to be a technology safety net for a large percentage of the population.
4. As technology expands there will be changes in the way people access personal health and government records.
5. There will be a greater reliance on technology for everyday life.
6. As state and local governments downsize there will be more requirements for libraries to provide access to eServices.
7. Patrons expect multiple access modes to the library, different for each person.



“CPL 150 Assumptions” - Education

1. Stratification of social values will increase creating more tension between conservative and liberal views, especially around the issue of education.
2. Public libraries will remain a symbol of democracy and self-sustenance providing a strategic opportunity for growth and financial support.
3. National, state, and local political agendas will change and the public’s support for public education will continue to fluctuate.
4. Libraries will continue to focus on having a seat at the decision-making table in regards to education.
5. Trends in the way education is delivered will continue to affect the role of and the services provided by public libraries.
6. Reading and other forms of literacy will continue to be critical to success in life.
7. More of Cleveland’s school-age children will attend schools outside of CMSD than within.



“CPL 150 Assumptions” - Preservation

1. Copyright and digital licensing will continue to evolve and be volatile.
2. Confidentiality/privacy will become more complex and will affect patron use, records, maintenance, and requirements for registration.
3. Increased expectation that libraries will incorporate archival practices into their operations.
4. Space and financial constraints will make the library the last resort for many historical documents.
5. The traditional structure of libraries makes it harder for them to change to a more experience-oriented service.
6. The nature of our work with the public is changing and the traditional staffing structure will have to be adjusted.



“Gold Standard” Criteria for Branch Facilities

- Minimal maintenance required
- Energy efficient
- LEED certified
- Bright and airy décor reflective of the culture/traditions of the service area
- Professional and welcoming staff focused on customer service
- Separate children’s, young adult, and adult areas (both collections and technology)



Challenges with Current Branch Facilities

FACILITIES ASSESSMENT

A facilities assessment was conducted by Westlake Reed Leskosky in 2011 covering 25 branches (exclusive of Rice, Garden Valley, Broadway, and Woodland branches). The assessment evaluated:

- Site improvements
- Architectural elements
- Mechanical and plumbing systems
- Electrical systems
- Signage
- Programming/functional elements (square footage of program areas and existing collection capacity by category)



Challenges with Current Branch Facilities

PRIORITY AREAS

Assessment findings were grouped into four priority areas:

Priority 1 = critical conditions (life safety, accessibility, and structural concerns)

Priority 2 = serious conditions (building envelope, energy consumption, failing systems requiring high maintenance)

Priority 3 = moderate conditions (moderate building envelope conditions, recommended repairs, or building systems at the end of their useful lifespan)

Priority 4 = minor condition (minor repairs or interior finishes requiring upgrading)



Challenges with Current Branch Facilities

COST ESTIMATES

Ozanne Construction assigned an estimated cost to each item in each of the priority areas for each assessed branch. Upon completion the estimated cost to address all of the issues for the assessed branches (excluding South Branch) was:

Priority 1	\$ 1,613,580
Priority 2	\$ 2,794,452
Priority 3	\$ 8,214,974
Priority 4	\$ 842,144
TOTAL	\$13,465,150



CPL 150 Task Force

1. The branches identified for Phase I are those that we envision being operational for the long-term
2. These branches can be significantly improved by implementing the recommendations in the assessment plan
3. Investing resources in these branches will guarantee that they are “safe, warm, and dry.”



Key Considerations & Questions

- Types and number of structural issues
- Cost and time required to correct/address these structural issues
- Physical location of current branches (Do we have the right number of branches? Are they in the right geographical locations?)
- Size of existing branches
- Community needs/expectations (Are we providing the right mix of programs and services to meet these as demographics shift?)

Only ONE branch (Rice) currently approaches the “gold” standard.



Statistical Success

Year	Circulation	Hours Open	Circulation per Hour
2008	6,514,722		
2009	6,873,457	82,009	83.81
2010	6,777,753	75,466	89.81
2011	6,799,839	73,426	92.61
2012	6,830,416	73,062	93.49
2013	6,840,905	71,309	95.93



Approaches to Community Change

1. Create Consolidation Plans for the Main Library, Branches and Library Departments.
2. Analyze different funding options (voter funded, non-voter funded) to completely re-build CPL.
3. Examine past practices and policies to determine their effectiveness within a “Big Shift” environment.
4. Re-think how we use our restricted funds to become creators not facilitators. (Lockwood Thompson)
5. Quickly build a Friends Foundation and use the funds to promote community programming.



STEP

S = Safety

Presented By: Cindy Lombardo

Providing Safe, Warm and Dry Facilities
and
Creating Safety Zones for Youth



Creating Safety Zones for Youth

RTA's "Safe Place" initiative provides a model that could be implemented at library locations

Partnership with Westhaven Youth Shelter and Bellefaire Homeless Youth Program

Targeted to youth 17 and younger in crisis situations

Provides immediate help using trained counselors



Technology for Safety

Providing Technology, Training, and Staffing for Safety

The Safe Spaces Taskforce surveyed staff, identified concerns, and is addressing needs in three areas:

- Technology
- Training
- Staffing



Technology for Safety

- Installation of surveillance cameras (in process)
- Implementation of a centralized monitoring system
- Implementation of access control system at Main, LSW, and Lake Shore facility (completed)
- Installation of AEDs at multiple library locations
- Provision of additional personal protective equipment for SPS staff



Training for Safety

2013 staff training programs included:

- Rape Aggression Defense
- Violent Intruder Response Strategies
- Civility, Effective Communication, Teamwork
- Conflict Resolution
- Angry Individual
- Preventing Slips, Trips, and Falls
- Myths of AEDs
- Documenting Workplace Accidents
- Workers Compensation and Transitional Work
- Serving Patrons with Behavioral Issues



Training for Safety

2014 planned training programs for staff include:

- Rape Aggression Defense
- Personal Safety Training
- Gang Identification
- Mental Health
- Fire Extinguisher
- AED
- Ohio Peace Officer Training Academy (OPOTA) for selected SPS staff



Staffing

Evaluating contract security effectiveness (current contract ends in June)

Enhancing mobile patrol presence

Developing strategies for more effective use of SPS staff

Assessing hours of coverage at all locations



HEALER

Healthy Eating, Active Learning, Early Reading

Coordinated by the CPL FIT (Feeling Incredible Together) Committee

Proposed components include:

- Using seed libraries to promote gardening and healthy eating
- Installing vegetable gardens where space is available at branches
- Offering different types of fitness classes for all ages at multiple library locations
- Recruiting and training seniors to work voluntarily with youth on reading initiatives (“Seniors plant the seed to reading.”)



STEP

T = Technology

Presented By: Rod Houpe



Technology

Self-check Implementation

- Self-check options provide convenience and privacy for patrons and more flexibility in scheduling staff (freeing them for other duties).
- Many patrons are already familiar with self-service options in retail stores, gas stations, etc., that use barcodes, radio frequency identification (RFID), or similar technologies.
- According to Pew's *Library Services in the Digital Age*:
 - 41% of respondents thought that most services should definitely be automated.
 - Participants felt that having both self-check and staff assistance allowed people to choose the level of service with which they were comfortable.
- Aligns with Safety and Technology in CPL's Strategic STEP Priorities
 - Projected Timeline: 2014 – 2017
 - Pilot beginning April 2014
 - 9 libraries a year; completion December 2017



Technology

Tech Central Expansion

- Built on a comprehensive strategic vision of information technology
- Built on standards and best practices within CPL will permit decentralized innovation
- Expansion and introduction of newer technologies for project based learning; collaboration; customer exploration
- Implement a culture of meeting the timely demand of the public
 - Laptop/tablet dispensers
 - MyCloud
- Tech Central East and West Opening 2Q2014
 - Mini Tech Central Branches (East/West) 2016
 - Digital Hub branch locations (East/West) 2017



Technology

Mobile Application (MyAccess)

- Development of a mobile application identifying nearest free Wi-Fi locations
 - Begin in Ohio City
 - Seek local business participation
 - Identification of nearest free Wi-Fi “hot spots”
 - Would include our library locations in nearest proximity
- Project timeline – 2014 begin research and community partnerships
 - 2014 - Application development; testing
 - 2015 - Pilot and beta launch
 - 2016 –Application launch



STEP

E = Education

Presented By: Tim Diamond



Every Child Ready to Read

- Reinvent *On the Road to Reading*.
- Take *I'm Ready to Read* campaign to the next level.
- Open “Read to Succeed” labs.



Out-of-School Time Learning Opportunities

- Let kids hang out, mess around, and geek out.
- Offer kids an online platform to share . . . create . . . collaborate.
- Hire teens to tutor teens.



Life Long Learning at The People's University

- Open online high school.
- Inspire Clevelanders to *Learn4Life*.
- Help seniors connect.



STEP

P = Preservation

Presented By: John Skrtic

Preserving Cleveland's Cultural Heritage



Preservation

- Create the Digital Hub in Main Library
- Preserve and share local histories from our patrons, focusing on seniors
- Partner with prominent local organizations (e.g. Cleveland Metroparks, Cleveland Indians, community newspapers) for preservation of unique materials relevant to Cleveland
- Main Library collections, including the Library's archives, will be evaluated and prioritized for preservation and inclusion in a cohesive digital strategy



Financial Overview

Presented By: Carrie Krenicky



General Fund Projection for 2014-2019 Revenue Assumptions

- **Public Library Fund (PLF)**

Percentage of Revenue-based Funding resumed July 2013; 1.66% GRF

CPL to continue to receive same % (41.1843%) per Agreement with 9 Libraries

2015-2019 - 0% growth in General Revenue Fund taxes per year

~Based on estimated growth as recertified 12/20/13 ~

7/25/13 COUNTY PUBLIC LIBRARY FUND CY 2014 ESTIMATES reflected an estimated

1.5% increase in growth (from \$20,460,566)

12/20/13 COUNTY PUBLIC LIBRARY FUND CY 2014 ESTIMATES reflected an estimated

2.1% *decrease* in growth (to \$19,744,566)

- **Property Tax**

Based on TY13/CY14 certification; no further decrease in collection rate

- **TPPT/CAT**

Revenue completely phased out by 2016

- **Fines/Fees, Interest, Donations and Misc**

Flat/No growth...High/Low ?

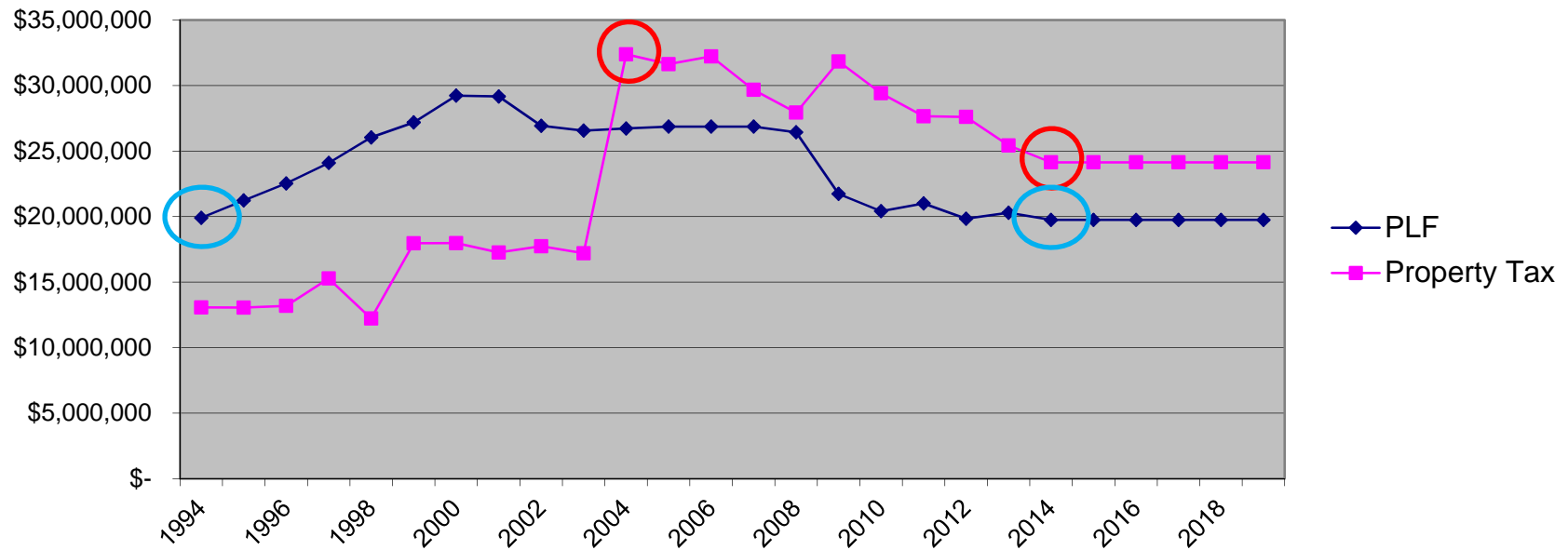
- **Contracts**

CLEVNET Revenue estimated at +5% per annum.



CPL's Two Primary Revenue Sources

PLF and Property Tax History & Projection



In 2000, PLF was 54% and Property Tax was 33% of total revenue.
 In 2013, PLF was 37% and Property Tax was 46% of total revenue.

1994 PLF \$19.9m
 2014 PLF \$19.7m

In 2004 – 1 mill continuous & 5-Yr 5.8 mill began (3.0 mill replacement & 2.8 mill increase) levies
 In 2014 – 1 mill continuous & 5-Yr 5.8 mill renewal levies

Same millage, CY 2014 certified **\$8.2m less** than received in CY 2004

General Fund Projection for 2014-2018 Expenditure Assumptions

- **Salaries/Benefits**

For 2014, projecting from current salary and benefits as of December, 2013 + 01/01/2014 health insurance renewal rates.

For 2015, same salary and benefit base as of December, 2013; current wellness point structure; 27% increase in medical premiums with current enrollment; 2% increase in dental, vision, life; (this reflects a general increase of 2.4% over 2014's projection)

For 2016-2018 general increase 2.5% per annum (low/high? Currently unknown - especially in 2018*)

- **Supplies** - Increase 0% per annum; since revenue is declining, maintaining 2%

- **Purchased Services** - Increase 0% per annum; since revenue is declining, 16-18%

- **Library Materials** - Increase 0% per annum; since revenue is declining, 15-17%

- **Capital & Other** - Increase 0% per annum

Capital Improvements/Projects funding in Building & Repair Fund

CLEVNET/CPL IT - \$2,000,000/year for operational hardware/software

Facilities Assessment -2014 – “Safe, Warm and Dry” ~\$3.5m; 2015-2020 \$?

Main Library Consolidation - 2014-Phase 3 Digital Hub; 2014-2018 (Phases 2, 4 & 5) no projections estimated



Revenue & Expenditures

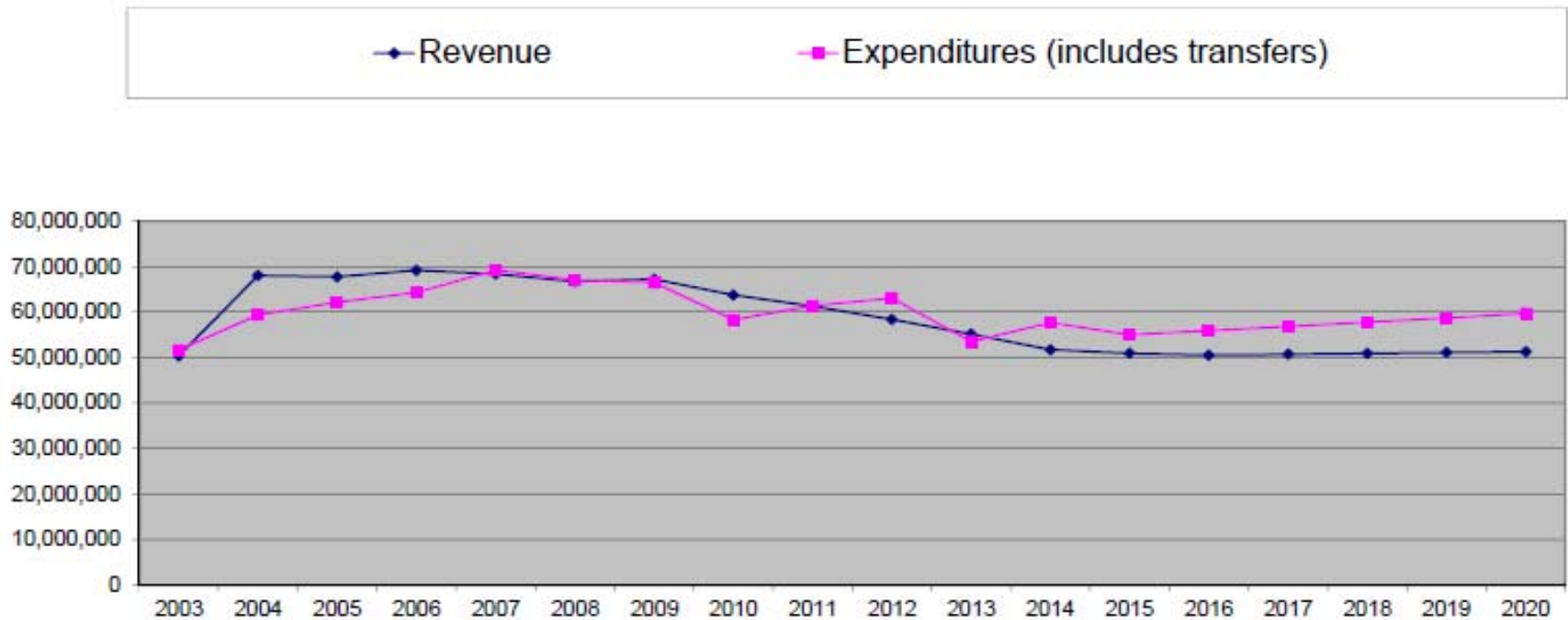
Our History-Where We've Been (Our Last Levy)

	2008 5.8 mill Replacement				
	Actual	Actual	Actual	Actual	Actual
	2009	2010	2011	2012	2013
Total Revenue	\$ 67,218,917	\$ 63,760,587	\$ 61,270,540	\$ 58,355,953	\$ 55,157,487
Subtotal Operating Expenditures	63,346,870	58,239,012	56,167,107	53,013,053	53,212,016
Advances/Transfers	139,900	54,600	210,000	40,000	262,134
Capital Projects	3,000,000	0	5,000,000	10,000,000	0
Total Expenditures	\$ 66,486,770	\$ 58,293,612	\$ 61,377,107	\$ 63,053,053	\$ 53,474,150
Revenue +/- Expenditures	732,146	5,466,975	(106,566)	(4,697,100)	1,683,338
Cash January 1	29,074,110	29,806,256	35,273,231	35,166,664	30,469,564
Cash Balance December 31	\$ 29,806,256	\$ 35,273,231	\$ 35,166,664	\$ 30,469,564	\$ 32,152,901
Encumbrance	5,140,315	6,311,375	6,314,409	6,869,257	6,974,063
Unencumbered Balance	\$ 24,665,941	\$ 28,961,856	\$ 28,852,255	\$ 23,600,307	\$ 25,178,839
OLC Recommends Maintain Unenc Fund Bal of 4 months of Op Exp	\$ 21,115,623.47	\$ 19,413,004.16	\$ 18,722,368.94	\$ 17,671,017.81	\$ 17,737,338.52

Revenue & Expenditures Where We're Heading

	Negative Cash Position with listed assumptions						
	5-Year Renewal of 5.8 mill				Continue 5-Year Renewal of 5.8 mill		
	Projected 2014-1	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Total Revenue	\$ 51,736,981	\$ 50,926,621	\$ 50,534,604	\$ 50,713,507	\$ 50,901,355	\$ 51,098,595	\$ 51,305,697
Subtotal Operating Expenditures	54,186,055	55,021,834	55,906,809	56,813,909	57,743,686	58,696,707	59,673,555
Advances/Transfers	0	0	0	0	0	0	0
Capital Projects	3,500,000	0	0	0	0	0	0
Total Expenditures	\$ 57,686,055	\$ 55,021,834	\$ 55,906,809	\$ 56,813,909	\$ 57,743,686	\$ 58,696,707	\$ 59,673,555
Revenue +/- Expenditures	(5,949,074)	(4,095,213)	(5,372,205)	(6,100,402)	(6,842,331)	(7,598,112)	(8,367,857)
Cash January 1	32,152,901	26,203,827	22,108,614	16,736,410	10,636,008	3,793,677	(3,804,435)
Cash Balance December 31	\$ 26,203,827	\$ 22,108,614	\$ 16,736,410	\$ 10,636,008	\$ 3,793,677	\$ (3,804,435)	\$ (12,172,292)
Encumbrance	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Unencumbered Balance	\$ 20,203,827	\$ 16,108,614	\$ 10,736,410	\$ 4,636,008	\$ (2,206,323)	\$ (9,804,435)	\$ (18,172,292)
OLC Recommends Maintain Unenc Fund Bal of 4 months of Op Exp	\$ 18,062,018.33	\$ 18,340,611.22	\$ 18,635,602.98	\$ 18,937,969.54	\$ 19,247,895.26	\$ 19,565,569.13	\$ 19,891,184.84

Revenue & Expenditure 11 Year History – 7 Year Projection



Our History

Current Year & Projecting through 2020
Need to get on a path of redesign & sustainability

Building & Repair Fund Unencumbered Balance

Fund Balance, December 31, 2013	\$ 13,919,431.93	
		(665,201.22) Security Cameras
		(26,245.00) Digital Hub
		(17,540.00) Temporary South (Will Close-Waiting on signed CO's)
		(317,564.98) CPL Computer Hardware/Software
		(105,895.77) CLEVNET Hardware/Software
		(30,855.14) NE Ohio Media Group Grant
		(77,545.26) Access Control Systems
		(17,005.00) ML Reconfig Plan-Ph 2
		(23,210.00) Lakeshore Fire System
		(500,849.81) Main Library Heat Conversion
		(2,638.11) Jefferson Parking Lot (Closed 1/1/14)
Encumbrances	<u>(1,784,550.29)</u>	
Unencumbered Balance 12/31/2013	<u>\$ 12,134,881.64</u>	
2014 Budget	(1,270,575.00)	CPL Hardware/Software
	(524,550.00)	CLEVNET Hardware/Software
	3,500,000.00	1/16/14 Transfer
	(1,884,640.00)	1/16/14 Board approved Digital Hub Project Budget
	(11,779.30)	1/16/14 Board approved IPS 4th Amendment-Access Control
	<u>(3,500,000.00)</u>	<i>"Safe, Warm and Dry" Priority 1's</i>
Estimated 12/31/14 Fund Balance	<u>\$ 8,443,337.34</u>	
1/31/2015 Transfer	0.00	
2015 Projected Budget	(\$2,000,000.00)	CLEVNET/CPL Hardware/Software
Estimated 12/31/2015 Fund Balance	<u>\$ 6,443,337.34</u>	
1/31/2016 Transfer	0.00	
2016 Projected Budget	(2,000,000.00)	CLEVNET/CPL Hardware/Software
Estimated 12/31/2016 Fund Balance	<u>\$ 4,443,337</u>	
1/31/2017 Transfer	0.00	
2017 Projected Budget	(2,000,000.00)	CLEVNET/CPL Hardware/Software
Estimated 12/31/2017 Fund Balance	<u>\$ 2,443,337</u>	
1/31/2018 Transfer	0	
2018 Projected Budget	(2,000,000.00)	CLEVNET/CPL Hardware/Software
Estimated 12/31/2018 Fund Balance	<u>\$ 443,337</u>	