Mary Taylor, CPA
Auditor of State

CLERMONT COUNTY
PUBLIC LIBRARY
PERFORMANCE AUDIT

JANUARY 15, 2008

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Auditor of State

To the Residents of Clermont County and Board of Trustees of the Clermont County Public Library:

On June 13, 2007, the Clermont County Public Library (the Library) entered into an agreement with the Auditor of State to provide an assessment of the efficiency and effectiveness of its operations. This assessment was designed to assist the Library in achieving its strategic goals, optimizing funding, and maintaining and recalibrating service levels to meet the needs and expectations of Clermont County residents.

The four functional areas assessed in the performance audit were planning and financial management, staffing and organization, general operations, and library program management. These areas were selected because they are important components of the Library's operations which support its mission of providing innovative access to information and services that stimulate the diverse educational, informational, and recreational needs and interests of the community. The performance audit contains recommendations which identify the potential for cost savings and efficiency improvements, as well as ways to enhance its effectiveness. While the recommendations contained in the audit report are resources intended to assist in developing and refining more efficient processes and procedures, the Library is also encouraged to assess overall operations and develop other alternatives independent of the performance audit.

An executive summary has been prepared which includes the project history; an overview of the Library; the scope, objectives and methodology of the performance audit; and a summary of issues for further study, recommendations, and financial implications. This report has been provided to the Library and its contents have been discussed with the appropriate officials and management. The Library has been encouraged to use the results of the performance audit as a resource in further improving its overall operations, service delivery, and financial stability.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. In addition, this performance audit can be accessed online through the Auditor of State of Ohio website at http://www.auditor.state.oh.us/ by choosing the "On-Line Audit Search" option.

Sincerely,

Mary Taylor

MARY TAYLOR
Auditor of State

January 15, 2008

Executive Summary

Project History

In its ongoing efforts to enhance its services to Clermont County residents, the Clermont County Public Library (CCPL or the Library) engaged the Auditor of State (AOS) in June, 2007 to conduct a performance audit of the Library. The goal of the performance audit was to provide an assessment of the efficiency and effectiveness of operations which could assist the Library in its efforts to achieve strategic goals, optimize funding, and maintain or recalibrate service levels to meet the needs and expectations of Clermont County residents.

The overall objective of this performance audit was to present findings based on data related to CCPL operations and to develop recommendations for improvements. In accordance with the desires of the CCPL Board of Trustees (the Trustees), the following areas were assessed in this performance audit: planning and financial management, staffing and organization, general operations, and program management.

Library Overview

CCPL is governed by seven Trustees appointed by the Clermont County Commissioners and the Judges of the Court of Common Pleas. The Trustees select the Director and Clerk-Treasurer who implement policies and oversee operations. CCPL has approximately 114 full-time equivalent (FTE) employees with the largest number of employees working as library assistants (29.9 FTEs), reference librarians (20.8 FTEs), and pages (13.3 FTEs).

The Library strives to be responsive to the needs and interests of the community and serves as a cornerstone for promoting and providing open access to information by maintaining a collection of over 441,000 books, as well as numerous magazines and newsletters, feature films, books on tape, and compact discs (CDs). In addition, CCPL provides information assistance to all patrons, including access to research databases and the Internet, as well as word processing software through library computers. Finally, the Library provides voter registration services and educational programs and it also houses the Clermont County Genealogical Society's collection at the Doris Wood (Batavia) branch.

Table 1-1 displays key statistics for CCPL and its State-wide ranking as provided by the State Library of Ohio (SLO) for 2005.

Table 1-1: CCPL Statistics and State Ranking

	Total	State Ranking
Borrowers	95,118	14th
Circulation	1,824,167	18th
Volumes	441,536	16th
Library and Local Government Support Fund	$5,990,898	11th
Operating Revenue	$7,827,413	13th
Materials Expenditures	$1,452,918	9th
Staffing Expenditures	$4,279,847	13th
Operating Expenditures	$7,071,408	13th

Source: SLO

Table 1-2 compares CCPL 2006 operating statistics to the peer average.

Table 1-2: CCPL and Peer Operating Statistics

	CCPL	Peer Library Average [1]	Percent Variance
Legal Service Area (LSA) Population	190,589	100,806	89.1%
Total Registered Borrowers [2]	105,139	69,611	51.0%
Borrowers as Percent of LSA	**55.2%**	**69.1%**	**(13.9%)**
Annual Library Visits	922,532	859,083	7.4%
Library Visits per Capita [3]	**4.8**	**8.5**	**(43.5%)**
Program Attendance	83,762	24,701	239.1%
Program Attendance per 1,000 Capita	**439.5**	**245.0**	**79.4%**
Total Collection	565,300	491,985	14.9%
Total Circulation	1,543,805	1,659,198	(7.0%)
Material Expenditures	$1,269,542	$917,710	38.3%
Materials per Capita	**3.0**	**4.9**	**(38.8%)**
Material Expenditures per Capita	**$6.66**	**$9.10**	**(26.8%)**
Circulation Per Capita [4]	**8.1**	**16.5**	**(50.9%)**
Turnover Rate [5]	**2.7**	**3.4**	**(20.6%)**

Source: SLO

[1] Peer libraries include: Clark County Public Library; Cleveland Heights-University Heights Public Library; Franklin Public Library; Geauga County Public Library; Greene County Public Library; Lane Public Library; Lorain Public Library; Troy-Miami Public Library; Warren-Trumbull County Public Library; Washington-Centerville Public Library; Westerville Public Library; and Worthington Public Library.

[2] This number includes residents of CCPL's LSA as well as residents of surrounding counties. In 2006, 9,456 (or 9.0 percent) of CCPL registered borrowers were residents of other counties.

[3] Per capita is calculated using the population of each library's LSA.

[4] Circulation per capita relates the number of library materials lent to the number of persons the library serves.

[5] The turnover rate compares the number of materials circulated to the number of materials the library has in its collection. Turnover rate is equal to circulation divided by the number of physical materials held. Because libraries are not required to submit data to SLO on physical materials held, total collection was used instead. The difference between collection and materials held is that the collection accounts for the number of subscriptions while physical materials would account for all items held.

CCPL's operating structure differs from a majority of Ohio libraries in that it does not operate a main branch. CCPL consists of an administrative office located in Batavia and 10 branch libraries located in the communities of Amelia, Batavia, Goshen, New Richmond, Bethel, Union Township, Milford, Owensville, Felicity, and Williamsburg. Additional administrative offices are also located in the Owensville branch.

In 2006, CCPL's estimated legal service area population was 190,589. The Trustees set a goal to have a library branch within a 15 minutes drive time for all Clermont County residents. This goal was achieved in 2005 when CCPL constructed its 10th library branch in Bethel. CCPL is planning to replace the Union Township branch with a newly constructed branch in this area. Although still in the planning phase, the projected construction costs for this project range from $6 to $10 million.

Diagram 1-1 displays the location of CCPL's branch libraries.

Diagram 1-1: CCPL Map of Branch Locations
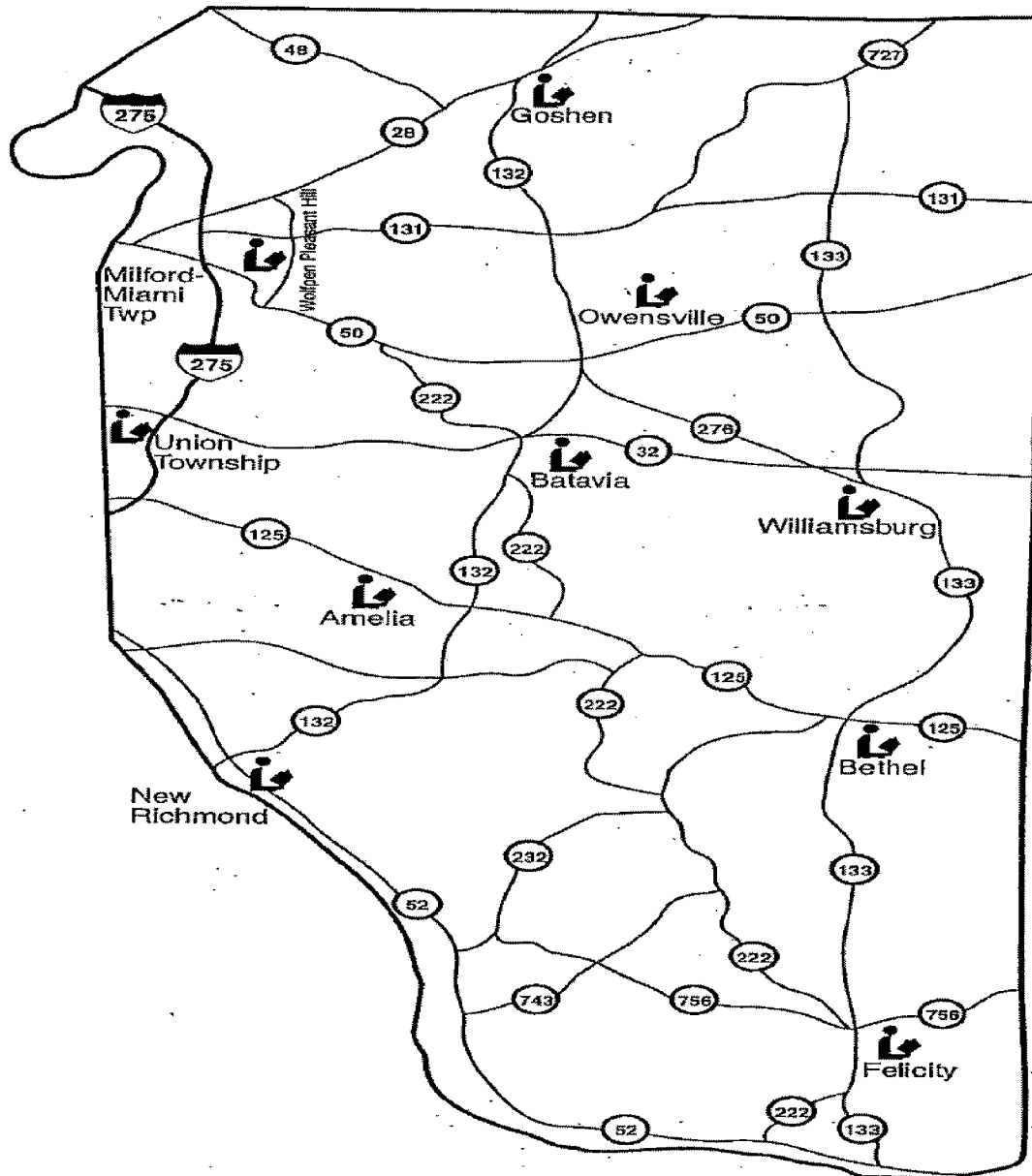
Source: CCPL

CCPL receives a majority of its revenues from two sources: Library and Local Government Support Fund (LLGSF) distributions and from State and local property taxes. In 2006, CCPL received 74.3 percent of its total revenues from LLGSF distributions. Total tax receipts from the Library's 0.5 mill continuing property tax levy comprised 17 percent of total receipts while the

remaining 8.7 percent came from other sources, such as interest on investments and fines and fees collected. For 2006, 57.5 percent of total expenditures was allocated to salaries and benefits and 15.9 percent was allocated to materials.

Through sound fiscal management, CCPL has historically maintained a cash balance of at least $5.0 million. CCPL has indicated that this cash balance is needed for a potential pay-off of long-term debt and the construction of a new Union Township branch. CCPL complies with fiscal reporting requirements for libraries per the Ohio Revised Code and the Ohio Administrative Code. In addition, the Library has taken steps to improve internal controls over cash receipts.

Several areas examined found that CCPL's practices were consistent with peers, industry standards, or best practices. These areas are highlighted in each section of the performance audit. The results of these assessments indicate that CCPL has sound management practices in many areas and that the Trustees and Library staff, overall, have managed their resources well and provided quality services to Clermont County residents.

CCPL also uses advanced measurement techniques to track its performance in several areas. As the Library is just beginning to use performance measurement to align its goals and actions, application of this information and public communication of this process is an area that would benefit from additional attention. Similarly, CCPL could better target certain populations and align its resources more closely with the desires of library users through use of benchmarking and survey information. As the Library proceeds into its new strategic plan, using the information it has collected will help CCPL ensure that it meets the expectations of patrons and residents.

Subsequent Events

After the completion of fieldwork, the CCPL Director reported that the Library is reforming its Grant Writing Taskforce as a part of its strategic plan. This goal of this group will be to develop the procedures and policies needed for grant writing, as well as to develop the grant writing skills of the group's members.

CCPL has begun to use the Columbus Metropolitan Library model for strategic planning and has developed a strategy map planning module for use in each of its branches and departments. The new strategy map outlines the strategies and objectives of the overall plan and provides branches/departments with a format that will assist the staff in developing annual goals and critical metrics. The Library also updated its strategic plan to remove the fund raising position.

CCPL's Clerk-Treasurer also reported that the Library began using a technology project code which enables the Library to track all technology expenditures across all of its 10 branches.

CCPL has implemented a number of personnel changes, in the Williamsburg, Bethel, Amelia, Goshen, New Richmond and Owensville branches. The Library is also commencing the hiring process for 12 vacant staff positions. It has created a new position, Branch Services Coordinator, to oversee branch operations and system programming. This will provide a more centralized programming approach and allow the Library to better analyze programs, standardize training, allocate staff time, and to more accurately track expenses. Also, the Information Coordinator is now located in the Owensville branch and will serve as the manager for that branch.

In the area of human resources management, CCPL has instituted a merit based pay system that will begin in January 2008.Furthermore, the Catalog Assistant Manager moved from the Collection Development Department to the Human Resources Department to facilitate centralization of training. This will allow the Library to track training, control costs, provide consistent and standardized training, and create on-line employee training opportunities. Finally, CCPL is in the process of setting up WebX, which is an on-line communications tool that allows employees to meet on-line instead of having to travel to a central site. The Library's cost analysis indicated a savings, on average, of $100 per meeting through mileage and staff time reductions.

CCPL is planning to install one self-service checkout station at the Milford branch during 2008. This may allow circulation and reference staff to be reallocated. If this new process is effective, the Library may purchase two additional stations, one in Amelia and one in Union Township, for 2009. CCPL has opted for a self-service checkout system that uses radio frequency identification (RFID) tags to be placed on Library materials. Its implementation cost estimate is $25,000 for the hardware and about $40,000 for RFID tags.

Objectives, Scope and Methodology

This performance audit was conducted in accordance with Generally Accepted Government Auditing Standards. The audit assessed the key operations of the District in the areas of planning and financial management, staffing and organization, general operations, and program management. For a list of objectives completed in each section see **Appendix 1-A**.

To complete this report, auditors gathered and assessed data from various sources pertaining to key operations, conducted interviews with CCPL personnel, and addressed and requested information from CCPL and other libraries. AOS and CCPL administrators selected 12 peer libraries within the State which were comparable to CCPL in terms of location, size, organizational structure, budget, and other variables. The selected libraries were as follows:

- Clark County Public Library;
- Cleveland Heights-University Heights Public Library (Cuyahoga County);
- Franklin Public Library (Warren County);
- Geauga County Public Library;

- Greene County Public Library;
- Lane Public Library (Butler County);
- Lorain Public Library (Lorain County);
- Troy-Miami Public Library (Miami County);
- Warren-Trumbull County Public Library;
- Washington-Centerville Public Library (Montgomery County);
- Westerville Public Library (Franklin County); and
- Worthington Public Library (Franklin County).

The information obtained from the comparison libraries was not tested for reliability, although it was reviewed, in detail, for reasonableness. Also, several external organizations and sources were used to provide comparative information and benchmarks. They included the State Library of Ohio (SLO), the Society for Human Resource Management (SHRM), the Ohio Library Council, Government Finance Officers Association (GFOA), the International Facilities Management Association, the U.S. Government Accountability Office (GAO), and the Association for Library Collections and Technical Services. Information used as criteria (benchmarks or leading practices) was also not tested for reliability.

Statistics provided by SLO and used in this audit report were found to have errors in some of the key data elements. For example, CCPL inconsistently reported its 2006 circulation data. Although this information is audited by SLO, consistent recording of data by libraries is not guaranteed. No other source was available for a majority of this data and it could not be replicated as it reflected 2006 operations. The accuracy of annual Library data is discussed in *issues for further study*. Due to limited staffing classification detail reported in the SLO statistics, AOS contacted all 12 peer library requesting detailed staffing information. Of the 12 peer libraries contacted, only Lorain Public Library, Cleveland Heights-University Heights Public Library, Greene County Public Library, and Warren-Trumbull County Public Library provided the detailed staffing information.

The performance audit process involved significant information sharing with CCPL, including preliminary drafts of findings and proposed recommendations related to the identified audit areas. Furthermore, periodic status meetings were held throughout the engagement to inform the Library of key issues impacting selected areas, and to share proposed recommendations to improve or enhance operations. Throughout the audit process, input from CCPL was solicited and considered when assessing the selected areas and framing recommendations. Finally, the Library provided written and verbal comments in response to the various recommendations, which were taken into consideration during the reporting process. Where warranted, AOS modified the report based on CCPL's comments.

The Auditor of State and staff express their appreciation to the Clermont County Public Library for its cooperation and assistance throughout this audit.

Noteworthy Accomplishments

- **Emergency Coverage**: CCPL organized a committee to review ways of ensuring that branches have adequate coverage when staff calls off unexpectedly. The committee designed and CCPL implemented an Emergency Coverage Plan. The Emergency Coverage Plan is available Monday through Thursday from 5:00 p.m. to 9:00 p.m. and all day Saturday. In the first six months of 2007, branches requested emergency coverage 71 times. The Emergency Coverage Plan has enabled CCPL's branches to remain fully operational despite unexpected staff absences.

- **Genealogy Collection**: In order to track the use of genealogical materials, Library staff scans the materials before re-shelving. The Library also uses a patron contact form to record patron questions regarding genealogy as well as the number of researchers using the collection each day. Additionally, the Visitor's Inquiry Book is used to track the type of research being conducted. Although genealogy circulation is not included in the Library's total circulation reported to SLO, CCPL has established methods to provide its staff and the Clermont County Genealogical Society with key information about patrons' use of the collection.

- **Service Quality Task Force**: CCPL's Service Quality Task Force (SQTF) committee meets monthly to discuss and evaluate the Library's operations, programs, and services. In 2005, the SQRT conducted the Benchmark Study of Programming in order to set goals for program attendance within the branches. The benchmarks included recommended levels of attendance and provided CCPL with a tool to measure and improve Library programs. In addition to program attendance, SQTF reviews a variety of data and ratios used to measure Library services. These ratios are included in the Library's strategic plan. Reviewing this material provides CCPL with a valuable method to determine what is and is not effective within the Library, and allows CCPL staff to focus on areas that could be improved.

- **Community Services**: CCPL's Dream Weavers and Hands-Up Puppet Troup outreach programs are effective ways to provide services to community members across Clermont County. These programs are educational and entertaining to citizens of all ages and provide the Library means to attract new borrowers. Additionally, these system-wide programs are efficient as they are planned and provided by a small group of staff dispersed across the County and can be repeated with different groups of residents.

Key Recommendations

The performance audit contains several recommendations pertaining to CCPL's operations. The most significant recommendations are presented below.

In the area of *planning and financial management,* CCPL should:

- Amend its strategic plan to incorporate its operating budget and five-year forecast. Implementing this change to the strategic plan should position the Library to more effectively maintain program and operational effectiveness over an extended period of time by ensuring that all goals receive appropriate financial support. In addition, the Library should set targets for all metrics included in its strategy map. CCPL should also consider including goals that span over the entire strategic planning period.

- Formally state its intentions regarding its General Fund cash balance. Should CCPL decide to renovate or build a new branch, it should formally reserve funding for the construction of new facilities. If CCPL concludes that new construction is not warranted, it should consider reserving funds for capital improvements of all facilities. In addition, CCPL should create a stabilization fund of no more than 5 percent of the previous year's General Fund revenues to protect against an unpredicted temporary revenue shortfall or significant one-time expenditure.

- Develop a more comprehensive five-year financial forecast that includes detailed assumptions outlining changes in all major revenue and expenditure categories. CCPL's forecast should, at a minimum, include assumptions on expected salary and benefit levels for all employees as well as all major funding sources. CCPL should continually maintain the forecast throughout the year as factors change and more relevant and accurate information becomes available. CCPL should also make its forecast available to the public through its website.

- Adopt a chart of accounts that could track costs for specific functions of the Library such as technology or support costs and use this data for its annual budget and strategic plan. CCPL should modify its existing software, or implement alternative software, to record cost data in this manner. If the Library elects to change software, it should require that the system have the capability to modify its chart of accounts to meet management goals and objectives.

- Use its metrics as an internal benchmarking tool. CCPL should set internal goals and targets and track progress towards achieving these targets. CCPL should incorporate strategies on how it plans to use expended funds to achieve the set target and publicly

report these strategies (and its year-to-year progress) in its annual budget. CCPL should also consider working with other similar-sized libraries and SLO to develop performance measurements to help gauge the effectiveness of specific programs and functions.

In the area of *staffing and organization,* CCPL should:

- Develop a formal staffing plan that takes into consideration factors, such as circulation, borrowers, legal service area population, and patrons. A formal staffing plan will help CCPL to ensure that it maintains adequate staffing levels to provide consistent services. Furthermore, CCPL will be better positioned to forecast personnel costs and staffing needs.

- Calculate formal workload measures based on circulation statistics, registered borrowers, branch visits, services, programs, and legal service area population. CCPL should use workload measures to benchmark its staffing against peer libraries, industry standards, or internal measures. The workload measures would allow the Library system to use the information to ensure proper staffing levels. The workload measures should be incorporated into CCPL's staffing plan and should be used by the Library to assess the adequacy of staffing distribution across branches.

- Reallocate staff to achieve a circulation-per-FTE that is comparable to the peer average. To accomplish this, CCPL should consider adjusting operating hours, closing one of its branches, and implementing new technologies, such as self-service checkout. The effective allocation and deployment of staff would help CCPL ensure that patron needs are met and that the Library is operating in an efficient manner.

In the area of *general operations,* CCPL should:

- Develop a facilities master plan. The plan should contain information on capital improvements projects and preventative maintenance projects. The facilities master plan should also encompass continuously updated facilities assessment information to ensure the maintenance of buildings and to sustain overall health and safety conditions. Additionally, CCPL's facilities master plan should contain an up-to-date patron-use projection and capacity analysis for all buildings.

- Establish a formal capital improvement plan. A formal plan will help ensure expenditures for work are needed and that routine preventative maintenance is conducted. A formal plan that is submitted to the Trustees along with any budgetary requests would increase the likelihood that projects receive adequate funding.

- Update its disaster recovery plan. In addition to information regarding new servers/upgrades, the Library should include detailed strategic information that will guide actions during a crisis. The plan should also address all the components recommended by the GFOA and AOS *Best Practices*. Once developed, the plan should be tested and updated at least annually.

- Revise its technology strategic plan to incorporate best practices suggested by the GFOA, as well as SLO's model technology plan and plan review checklist. Further, the Operations Coordinator should ensure that the technology plan be approved on an annual basis by the Trustees.

- Create a comprehensive professional development plan for technology users. The Library should expand ongoing training for staff members by developing a list of technology core competencies. Further, CCPL should annually assess staff needs, as well as establish a regular training schedule to address those needs. CCPL should also use comprehensive professional development plans to annually budget for professional development for information technology staff.

In the area of *program management,* CCPL should:

- Consider restructuring its total operating hours by allocating 65 hour weeks only to the busiest branches and using more targeted service hours at the branches with lower circulation and fewer borrowers. In conjunction with restructuring operating hours, CCPL should consider extending operating times to include Sunday hours at select branches. CCPL should implement a process to evaluate the hours of operation offered at each branch and the related levels of circulation and program attendance. The net savings to CCPL for reducing hours at six branches and adding Sunday hours at three branches would be approximately $53,000.

- Consider closing one branch library based on data, such as branch attendance and demographic information including population density and square mileage. Closing a branch would allow the Library to redirect resources, such as materials, programs, and other services, to the remaining branches. A branch closure, along with adjusting operating hours, is an important issue for the Library to consider when developing its strategic plan. Annual savings for closing one branch would be approximately $200,000.

- Explore additional low-cost options for expanding its services to seniors as the population in this age group increases. Options include using the U.S. Postal Service's free postage for the blind for those participants who have visual impairments, as well as assigning someone the responsibility of managing and organizing outreach services for Clermont's

County's seniors. Until funds become available to develop this position, the Library should consider using volunteers to provide services to additional participants.

- Develop target goals in all areas of operations using the data collected by the SQTF. Because CCPL's process for improving program attendance through this type of target setting has proved successful, the Library should implement this process specifically for collection, circulation, and the number of registered borrowers. Internal target goals can motivate employees to strive for improvements and provide CCPL with a means to measure the progress of its efforts.

- Improve its promotional efforts by educating all employees about the programs and services offered and how to promote them. As full time ambassadors of the Library's resources, it is vital that CCPL's employees are educated and informed in order to effectively communicate available services to the community. CCPL could improve its promotional efforts by modeling the techniques described in the American Library Association's *Library Advocates Handbook.*

Issues for Further Study

Auditing standards require the disclosure of significant issues identified during an audit that AOS did not review in depth. These issues may not be directly related to the audit objectives or may be issues that the auditors do not have time or the resources to pursue. AOS has identified the following issues.

Medical Premiums: The Library's FY 2006-07 medical premiums were below the 2006 average for the Cincinnati area as reported by the State Employment Relations Board (SERB).[1] However, the Library's medical premiums increased 15.5 percent for FY 2007-08 and the State 2006 average for premium increases for the Cincinnati area was 9.9 percent for single and 11.7 percent for family. The Clerk-Treasurer stated that the Library could benefit from efforts to become more competitive in purchasing healthcare insurance. Options include participating in insurance consortiums or joining Clermont County's plan. The Clermont County Administrator mentioned that while other organizations within Clermont County have asked to participate in the County's medical insurance plan, CCPL has not requested to be included.

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[1] CCPL maintains its financial records on a calendar year as required for county entities. However, it contracts for medical insurance on a fiscal year basis starting July 1 and running through June 30.

Change Management: CCPL has implemented large scale procedural changes in the past, such as centralizing collection development, and is in process of implementing additional procedural changes identified in its strategic plan. While it has been successful in implementing new initiatives, the performance audit identified opportunities for improvements in the implementation, communication, and ongoing monitoring of new processes.

Change management is the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers. The U.S. Office of Secretary of Defense (OSD) issued a *Change Management Concept Paper* (2002) that identified two types of change that challenge and impact organizations:

- **Internal**: Structured shifts or programs that are an ongoing phenomenon within an organization. These changes may be undertaken to avoid deterioration of current performance or to improve future performance of a process or system.

- **External**: Environmental changes that come from outside the organization and the organization exercises little or no control over them. In government, it can mean changes in the world situation, the administration, legislation, budgetary issues, or management reform.

Change management is a fundamental competency needed by managers, supervisors, and organization leaders. OSD noted that the degree to which leaders are able to manage change, develop consensus, and sustain commitment will determine the success (or failure) of any financial management initiative or reform effort. The Library may benefit from further study of its change management activities and should examine strategies, such as training for the CCPL administrative staff, to support and enhance their ability to be effective leaders and change agents.

Annual Library Data: CCPL and peer library data used in this performance audit was obtained from the SLO 2006 Annual Statistical Report, which provides valuable information including financial, personnel, and operational statistics for all public libraries in the State. However, the instructions for submitting data to SLO allow for discrepancies among libraries in how data is reported. SLO indicated that it plans to revise the description of the reporting processes to facilitate improved consistency and accuracy. After SLO completes its reporting instruction revisions, CCPL should incorporate these new instructions into its own internal process and ensure that consistent and accurate data is reported each year. The Library should ensure that its updated policies and procedures include an opportunity to review the data before it is submitted to SLO.

Summary of Financial Implications

The following table summarizes the performance audit recommendations which contain financial implications. These recommendations provide a series of ideas or suggestions which CCPL should consider. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the performance audit.

Summary of Performance Audit Recommendations

Recommendation	Annual Cost Savings	Annual Implementation Cost/Loss of Revenue	One-Time Implementation Cost
R3.3 Implement self-service checkout technology			$45,000
R4.7 Increase available bandwidth		$8,580	
R5.1 Reduce operating hours in six branches	$73,000		
R5.1 Increase operating hours in three branches		$20,000	
R5.2 Close one branch library	$200,000		
R5.2 Implement bookmobile		$90,000	$92,500
R5.12 Remove fee for videos		$115,000	
Total Impact of Performance Audit Recommendations	**$273,000**	**$233,580**	**$137,500**

Source: AOS recommendations

Note: Financial implications are presented on an individual basis. The magnitude of cost savings associated with some recommendations could be affected or offset by the implementation of other interrelated recommendations. Therefore, actual cost savings, when compared to estimated cost savings, could vary depending on the implementation of various recommendations.

Appendix 1-A: Audit Objectives

Objectives completed for each section of this audit are as follows:

<u>Planning and Financial Management</u>

- Has the Library developed a strategic plan that helps it allocate resources, clarifies its role in the community, and evaluates Library services and collections?

- Has the Library established an effective performance measurement system?

- How does the Library's revenue structure compare to the peers and is the Library effectively allocating expenditures?

- Does the Library maximize revenues derived from fundraising and grants?

<u>Staffing and Organization</u>

- Are staffing levels appropriate and does the Library operate under an efficient and effective organizational structure?

- Are employee workloads appropriate and is the Library's reporting structure adequate?

- Is employee compensation in line with the peers?

- Are employee benefits comparable to State benchmarks?

<u>General Operations</u>

- Does the Library efficiently manage the use of its facilities?

- Does the Library maximize the use of information technology for administrative functions?

- Does the Library's technology infrastructure facilitate a technology function that adequately meets the Library's needs?

Program Management

- To what extent are the Library services used by legal service area?

- Does the Library effectively manage programs offered?

- Is the Library's collection management efficient and effective?

- Is the Library's centralized management function effective and efficient?

PLANNING & FINANCIAL
MANAGEMENT

Planning and Financial Management

Background

This section of the performance audit focuses on the planning and financial management of the Clermont County Public Library (CCPL or the Library). **Appendix 1-A** provides a summary of the audit objectives for this section. The current financial condition, along with financial management policies and procedures, were evaluated for the purpose of developing recommendations for improvements and identifying opportunities to increase efficiency. CCPL's policies and procedures were evaluated against best practices, industry benchmarks, operational standards, and peer libraries.[1] Financial information and other relevant statistics collected from the annual State Library of Ohio (SLO) survey were also used for evaluation.

Financial Operations and Management

CCPL has two primary sources of revenue: the State Library and Local Government Support Fund (LLGSF)[2] and local property taxes. The LLGSF was established in 1985 and is intended to protect the quality of public library service for all Ohioans and ensure access to information, technology, and business, educational, and government resources (such as tax and voter registration forms). In 2006, LLGSF funding accounted for approximately 74 percent of CCPL's total revenues. While more than 78 percent of Ohio's public libraries depend almost entirely on funds from the LLGSF, the peer libraries are less dependent on State revenues—these average 53.9 percent of total revenues.

The Library's other primary source of funding is derived from a 0.5-mill continuous operating levy. This levy was approved by Clermont County voters in 1986. In 2006, the Library received approximately $1.3 million in local property tax revenues from this levy, comprising approximately 17 percent of CCPL's total revenues. Of the 12 peer libraries, 8 had local levies

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[1] See **executive summary** for a description of the 12 peer library average used as a benchmark throughout this report.

[2] The LLGSF is established in ORC § 5747.03 at 5.7 percent of personal income tax. However, because State income taxes collected have decreased dramatically since 1985, the Ohio General Assembly implemented a freeze on LLGSF funding at 2001 levels. In 2003, the General Assembly passed H.B. 405, stipulating that LLGSF distributions were to be the lesser of the permanent law amount or the freeze amount. The LLGSF distribution formula divides LLGSF funds among all Ohio counties in two ways. First, the formula guarantees each county the amount of revenue received from the fund in the preceding year plus an adjustment for inflation. This part of the distribution is called the "guarantee share." Second, if any money remains in the fund after paying each county's guarantee share, then that remainder is distributed according to an "equalization ration." This aspect of the formula distributes the excess over the guarantee in inverse proportion to per capita funding levels among the counties – those counties which received less per capita in the guarantee share receive more in the equalization share. Thus, over time, the distribution to counties balances.

generating tax revenues. The percentage of local tax receipts in relation to total revenues ranged from a low of approximately 13 percent for the Warren-Trumbull County Public Library to a high of approximately 65 percent for Worthington Libraries (Franklin County). CCPL's local revenue composition falls well below the peer average (see **Table 2-2**).

In April 2005, the CCPL Board of Trustees (Trustees) outlined steps to reduce operating expenditures in anticipation of a decrease in State funding. At this time, the Trustees called for a hiring freeze, a reduction in branch hours of operations, and reduced spending in the areas of materials, technology, equipment, and library programs. While the reduction in branch hours was not implemented (see **R5.1** in **program management**), the other actions contributed to a 2.9 percent reduction in total disbursements for 2005 resulting in a positive cash flow of approximately $289,000. These cost reduction efforts continued through 2006 and the Library ended the year with a $430,200 positive cash flow (see **Table 2-1**).

The fiscal operations of a library include budgeting, general accounting, and financial reporting. Ohio libraries must comply with fiscal requirements stipulated by Ohio Revised Code (ORC) and the Ohio Administrative Code (OAC). Specifically, OAC Chapters 117-2 and 117-8 enumerate budgeting and financial reporting requirements for libraries. The fiscal requirements are minimal for libraries and reporting under Generally Accepted Accounting Principals (GAAP) is not required. Libraries are required to report on a cash basis, however, some libraries[3] have elected to report on a GAAP basis and compile a comprehensive annual financial report (CAFR).

Financial management of CCPL is the responsibility of the Trustees-appointed Clerk-Treasurer. The responsibilities of this position are outlined in ORC § 3375.32. Chief among these responsibilities is that the Clerk-Treasurer is to serve as the chief fiscal officer of the library and, as such, is legally accountable for the proper maintenance of financial records and bookkeeping procedures. Other areas of responsibility include receipts, investments, and disbursements, as well as ensuring that expenditures are properly encumbered.

CCPL's Clerk-Treasurer was selected by the Trustees in December, 2005 and has strengthened internal controls over cash receipts by requiring detailed deposit slips. In addition, the Clerk-Treasurer brought the payroll function back in-house; it had been contracted out to a third-party. CCPL also employs a full-time Accounting Specialist who assists the Clerk-Treasurer.

Planning

During the course of the audit, the Director and staff completed a draft strategic plan for the period 2008 through 2010. This plan was evaluated against recommended practices and other library strategic plans (see **R2.1**). In the area of financial planning, financial forecasting is not a

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[3] Columbus Metropolitan Library and Cleveland-Heights University-Heights Public Library are two libraries that report on GAAP basis and issue a CAFR.

required practice for libraries; however, CCPL has developed a five-year forecast that presents alternative revenue and expenditure scenarios and their impact on the Library's year-end cash balances (see **R2.2**).

Financial History

Table 2-1 presents CCPL's revenues and expenditures for 2004 through 2006.

Table 2-1: CCPL Revenues and Expenditures 2004-2006

	2004	2005	Annual Variance	2006	Annual Variance
LLGSF (State Income Tax)	$5,958,023	$5,990,898	0.6%	$5,990,898	0.0%
Property Tax	$1,208,049	$1,236,713	2.4%	$1,199,493	(3.0%)
Other Tax including Homestead	$107,406	$110,533	2.9%	$173,851	57.3%
Fines/Fees	$115,120	$252,857	119.6%	$379,885	50.2%
Investment Earnings	$69,468	$151,715	118.4%	$257,799	69.9%
Contributions/Gifts/Donations	$15,057	$18,275	21.4%	$17,458	(4.5%)
Miscellaneous	$23,101	$22,016	(4.7%)	$46,454	111.0%
Other Sources of Income	$0	$0	0%	$206,850	100.0%
Transfers In	$5,898	$125	(97.9%)	$0	(100.0%)
Total Receipts	**$7,502,122**	**$7,783,132**	**3.7%**	**$8,272,688**	**6.3%**
Salaries	$3,445,552	$3,399,737	(1.3%)	$3,444,864	1.3%
Retirement	$436,971	$464,883	6.4%	$488,688	5.1%
Insurance (employer)	$460,892	$408,758	(11.3%)	$509,796	24.7%
Employee Benefits	$729	$6,469	787.4%	$68,180	953.9%
Supplies	$148,418	$135,056	(9.0%)	$144,729	7.2%
Contracted Services	$804,717	$1,082,617	34.5%	$923,691	(14.7%)
Database Licenses/Indices	$0	$0	0%	$45,642	N/A
Misc. Other	$540,377	$0	(100.0%)	$161,486	N/A
Print Materials	$721,554	$795,107	10.2%	$739,861	(6.9%)
Electronic Materials	$67,081	$57,133	(14.8%)	$0	(100.0%)
Periodicals	$47,601	$41,063	(13.7%)	$36,579	(10.9%)
Audio/Visual Materials	$256,840	$510,325	98.7%	$406,984	(20.3%)
Other Library Materials	$2,327	$49,290	2,018.2%	$86,118	74.7%
Furniture	$0	$13,148	N/A	$13,077	(0.5%)
Equipment	$0	$107,822	N/A	$320,240	197.0%
Vehicles	$0	$0	N/A	$44,658	100%
Transfers Out	$784,202	$422,259	(46.2%)	$407,921	(3.4%)
Total Disbursements [1]	**$7,717,261**	**$7,493,667**	**(2.9%)**	**$7,842,514**	**4.7%**
Total Cash Receipts Over/(Under) Cash Disbursements	**($215,139)**	**$289,465**	**(234.5%)**	**$430,174**	**48.6%**

Source: CCPL and SLO

Note: Between September and December of 2005, CCPL operated without a Clerk-Treasurer and this position's responsibilities were divided among administrative staff. This resulted in significant reporting errors in the 2005 financial data. While the line item detail for 2005 is less reliable, there is no other source for this information.

[1] Disbursements includes transfers out and an adjustment made to Public Employees Retirement System (PERS) expenditures for 2006.

As shown in **Table 2-1**, CCPL revenues increased 6.3 percent in 2006; however, $206,850 of this is attributed to a one-time property sale. Excluding this, CCPL's total revenues increased only 3.6 percent, similar to 2005. In total, CCPL has experienced positive cash flows the past two years after incurring a negative cash flow of approximately $215,000 in 2004.

For the three-year period shown in **Table 2-1**, there were several revenue and expenditure categories that fluctuated significantly, including:

- **Fines and fees** – grew as a result of an increase in fee amounts during 2005. The 2006 increase was due to the implementation of a fee for feature films and the Library contracting with a collection agency for past due fines and fees.

- **Investment earnings** – increased as a result of CCPL switching banks to achieve higher return rates on its investments and a change in the Library's method of recording bank fees. Prior to 2006, bank fees were deducted from investment earnings. For 2006, bank fees were recorded in a separate line item.

- **Other sources of income** – resulted from the sale of the former Bethel branch property.

- **Insurance** – increased in 2006 due to insurance premiums (see *issues for further study* in the **executive summary**).

- **Employee benefits** – increased in 2006 due to proper classification of employee benefits in reports to the SLO. In prior years, not all additional employee benefits such as Medicare, mileage, travel, and memberships were reported in this line item.

- **Contracted services** – fluctuated in 2005 and 2006 as a result of IT consulting for the new computer system, professional consulting costs, and financial audit costs.

- **Database licenses/indices** – increased due to database purchase expenditures being classified in this line item during 2006. Prior to 2006, this line item was not used.

- **Miscellaneous other expenditures** – included transfers made to the capital projects funds and other expenditures.

- **Electronic materials** – recorded amounts in this line item were due to incorrectly reporting database purchases in this category in years previous to 2006.

- **Periodicals** – decreased steadily due to CCPL budget reductions.

- **Audio/visual materials** – increased due to additional purchases of audio and visual circulation materials.

- **Other library materials** – increased due to the purchase of materials used for storage, locks for digital video discs (DVDs) and compact discs (CDs), and rolling carts for books.

- **Equipment** – increased due to purchases of software and personal computers.

- **Transfers out** – recorded from the General Fund to cover the payment of CCPL's 20-year notes for the construction of the Owensville branch.

Library Funding and Expenditures

CCPL's funding can be classified into three categories: local, intergovernmental and other (primarily earnings on investments, and contributions, gifts and donations). **Table 2-2** shows revenues and expenditures as a percentage of total for CCPL and the peer libraries. For the purpose of this analysis, transfers were included in the other revenues category.

Table 2-2: Revenues and Expenditures as a Percent of Total

	CCPL			Peer Average	2006 Variance
	2004	2005	2006	2006	Above/ (Below)
Property and Other Local Revenues	17.5%	17.3%	17.0%	36.9%	(19.9%)
Intergovernmental Revenues	79.5%	77.0%	74.3%	53.9%	20.4%
Other Revenues	3.0%	5.7%	8.7%	9.2%	(0.5%)
Total Revenue (Cash Receipts)	**$7,502,122**	**$7,783,132**	**$8,065,838** [1]	**$6,636,871**	**N/A**
Salaries	44.6%	45.4%	43.9%	42.4%	1.5%
Employee Benefits	11.7%	11.8%	13.6%	13.0%	0.6%
Materials Expenditures	14.2%	19.4%	16.8%	15.9%	0.9%
Supplies	1.9%	1.8%	1.8%	2.1%	(0.3%)
Contracted Services	10.4%	14.4%	11.8%	12.3%	(0.5%)
Misc. Other	7.0%	0.0%	2.1%	0.5%	1.6%
Capital Expenditures	0.0%	1.6%	4.9%	2.1%	2.8%
Other Financing Uses	10.2%	5.6%	5.2%	11.7%	(6.5%)
Total Expenditures	**$7,717,261**	**$7,493,667**	**$7,842,514**	**$6,239,578**	**N/A**

Source: SLO
[1] Excludes revenue from one-time property sale.

As **Table 2-2** illustrates, CCPL's revenue composition has remained relatively constant since 2004. Compared to the peer average, however, CCPL receives a significantly smaller percentage from property and other local revenues (17 percent versus 37 percent). A revenue structure like

this may result in an over-reliance on potentially stagnant State funding, as shown by declining intergovernmental revenues. It should be noted that CCPL supplements revenues through fines and fees collected by a third-party agency, and has implemented new and increased fees, resulting in a significant percentage increase in other revenues.

CCPL's expenditures also remained relatively steady since 2004, increasing only 1.6 percent. The Library's expenditure structure is similar to the peer average in all categories except miscellaneous other, capital, and other financing uses. This can be attributed, in part, to the number of CCPL branches (see **general operations** and **program management** sections).

In order to minimize the differences in size between CCPL and the selected peers, revenue and expenditure per capita (legal service area population) ratios were taken into consideration. **Table 2-3** compares CCPL's per capita ratios to the peer average.

Table 2-3: FY 2006 Revenues and Expenditures per Capita

	CCPL	Peer Average	# Variance Above/(Below)	% Variance Above/(Below)
Legal Service Area Population	**190,589**	**100,806**	**89,783**	**89.1%**
Property and Other Local Revenues	$7.20	$24.29	($17.09)	(70.4%)
Intergovernmental Revenues	$31.43	$35.51	($4.08)	(11.5%)
Other Revenues	3.67	$6.05	($2.38)	(39.3%)
Total Revenue (Cash Receipts)	**$42.30**	**$65.85**	**($23.55)**	**(35.8%)**
Salaries	$18.07	$26.25	($8.18)	(31.2%)
Employee Benefits	$5.59	$8.06	($2.47)	(30.6%)
Materials Expenditures	$6.90	$9.82	($2.92)	(29.4%)
Supplies	$0.76	$1.31	($0.55)	(42.0%)
Contracted Services	$4.85	$7.62	($2.77)	(36.4%)
Misc. Other	$0.85	$0.30	$0.55	183.0%
Capital Expenditures	$1.98	$1.28	$0.70	54.7%
Other Financing Uses	$2.14	$7.26	($5.12)	(70.5%)
Total Expenditures	**$41.14**	**$61.90**	**($20.76)**	**(33.5%)**

Source: SLO

Compared to the peer average, CCPL serves a higher population; earning and spending less per capita, with the exception of miscellaneous other and capital expenditures (see **R4.1**). **Table 2-3** shows that CCPL generates approximately $23.55 less revenues per person in its legal service area-- a level 35.8 percent lower than the peer average. Specifically, CCPL is generating $7.20 per person in local revenues compared to approximately $24.29 per person for the peer libraries. This is significant as funding is largely contingent on population levels and the ability of a library to generate local tax revenues, while intergovernmental funding is only partially affected by population and out of the control of library administrators. Similarly, CCPL's revenues and expenditures per borrower were significantly lower than the peer average (see **Appendix 2-A**).

Table 2-4 presents CCPL's year-end General Fund cash balances between 2000 and 2006.

Table 2-4: CCPL Year-End General Fund Cash Balance

	2000	2001	2002	2003	2004	2005	2006	Average Annual Growth Rate
Receipts	$7,875,686	$8,185,787	$7,471,068	$7,478,570	$7,496,225	$7,951,842	$8,065,838	0.3%
Disbursements	$5,985,611	$6,552,681	$6,497,838	$6,539,017	$6,809,954	$7,181,573	$7,535,768	3.3%
Net Income	$1,890,075	$1,633,106	$973,230	$939,553	$686,271	$770,269	$530,070	(16.6%)
Other Financing Sources (Uses)	($1,510,711)	($428,507)	($771,714)	($2,892,193)	($784,202)	($422,259)	($205,706)	(24.8%)
Net Income After Other	$379,364	$1,204,599	$201,516	($1,952,640)	($97,931)	$348,010	$324,364	2.2%
Beginning Cash Balance	$5,354,797	$5,734,161	$6,938,760	$7,140,276	$5,187,636	$5,089,705	$5,437,715	0.2%
Ending Cash Balance	**$5,734,161**	**$6,938,760**	**$7,140,276**	**$5,187,636**	**$5,089,705**	**$5,437,715**	**$5,762,079**	0.1%
Expenditures/ revenues	76.0%	80.0%	87.0%	87.4%	90.8%	90.3%	93.4%	N/A

Source: CCPL 2001, 2002, 2003, 2004, 2005, and 2006 Financial Statements
Note: 2005 and 2006 data obtained from draft financial statements.

Since 2000, CCPL's average annual expenditures (disbursements) have outpaced revenues (receipts). CCPL expenditures increased 3.3 percent due to the Library's attempt to maintain a consistent level of service despite a State funding freeze. To illustrate, in 2000, CCPL spent approximately $0.76 of every revenue dollar generated. In 2006, however, CCPL spent approximately $0.93 of every revenue dollar generated. As a result, the Library's net income declined approximately 17 percent per year, attributable to stagnant revenues and steadily increasing expenditures. CCPL has nonetheless maintained a steady cash balance (see **R2.2**).

One measure of financial stability is the year-end fund balance as a percentage of previous year's revenues. Since 2000, CCPL's ratio of year-end cash balance to previous year's receipts averaged approximately 77 percent. This significantly exceeds the peer average of 40.2 percent and is an indication that CCPL is financially capable of managing through unforeseen and unpredictable events or an unanticipated, one-time expenditure.

Assessments not Yielding Recommendations

In addition to the analyses presented in this section, assessments were conducted on other aspects of planning and financial management, which did not warrant changes and did not yield recommendations. These areas include the following:

- **Fundraising position**: CCPL would not likely see a significant benefit from staffing a full- or part-time fundraiser. A majority of resources obtained through fundraising would be for program related functions and would not cover the additional general operating expenditures associated with these programs. CCPL receives about 27 percent more than its peers from contributions and donations. Westerville Public Library (Franklin County), Lane Public Library (Butler County), and Lorain Public Library receive more donations and grants than CCPL; however, these libraries do not have staff dedicated to fundraising. These libraries have relied on their communities and their Friends of the Library organizations for support (see **R2.7**).

Recommendations

Planning

R2.1   CCPL should amend its strategic plan to incorporate its operating budget and five-year forecast. Implementing this change should position the Library to more effectively maintain program and operational effectiveness over an extended period of time by ensuring that all goals receive appropriate financial support. In addition, the Library should set targets for all metrics included in its strategy map. CCPL should also consider including goals that span over the entire strategic planning period.

During the course of the audit, CCPL examined the Columbus Metropolitan Library's budget report and tactical plan provided by the auditors. The Library is considering this format as a possible model strategic plan.

CCPL has developed a draft strategic plan governing operations for 2008 through 2010. It has transitioned from the standard library strategic plan model that was used in preceding plans to a balanced scorecard methodology.[4] This requires that managers focus on important performance metrics that are outlined in a strategy map. The strategy map spans a term of one year and has goals and objectives that are specific to the focus areas listed in the strategic plan.

In preparation for the creation of the Library's 2008-2010 strategic plan, CCPL developed the Service Quality Task Force (SQTF) (see *noteworthy accomplishments* in the **executive summary**). This committee includes the Director and other Library staff and has been charged with investigating the Library's programs and services to evaluate successes and shortcomings in these areas. In order to achieve its goals, the SQTF conducts surveys (internal and external) and identifies available performance measurements. For the creation of the balanced scorecard strategic plan, SQTF conducted several studies covering the operations of the Library. The Library anticipates that incorporating the balanced scorecard concept will enable it to develop a comprehensive strategic plan that focuses on priority areas that tie to its mission and values.

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[4] The balanced score card method encourages managers to concentrate on five areas when trying to improve program performance: ensuring that the program has a clear mission; attracting resources and support; developing internal expertise; aligning resources; and allocating funds to areas where money would make the most difference. This method allows organizations to track financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets needed for further growth.

Studies performed by SQTF were instrumental in the development of the strategic plan. The strategic plan consists of a background section and a brief overview of the following areas:

- Public benefit and value;
- Customer perspective;
- Internal process;
- Organizations readiness perspective; and
- Financial background perspective.

Focusing on these areas should allow CCPL to develop a plan that balances performance and operational measures. Although CCPL has included a financial background perspective which includes financial measures, there is no clear link between the Library's budget or financial forecast and the goals outlined in the strategy map. In addition, actions and measurements outlined in the strategy map do not have specific targets, nor do they span the entire period of the strategic plan.

According to *Using the Balanced Scorecard as a Strategic Management System* (Harvard Business Review, 1996) the very exercise of creating a balanced scorecard forces organizations to integrate their strategic planning and budgeting processes and therefore helps to ensure that budgets support strategies. Building a scorecard thus enables an organization to link its financial budgets with its strategic goals. In addition, this report states that balanced scorecard users should select measures of progress from all scorecard prospectives and set targets for each of them.

Columbus Metropolitan Library successfully incorporates its financial planning documents into a strategic plan. Specifically, Columbus Metropolitan Library's strategic plan is based on Six Sigma[5] analysis which is similar to the balanced scorecard approach. The Columbus Metropolitan Library links its strategic plan and annual budget report, which includes an analysis of its operations and information on how the budget relates to the achievement of strategic plan goals.

According to *Establishing Performance Targets* (United States Agency for Internal Development, 1996), a final target is the planned value of a performance indicator at the end of the planning period. For strategic objectives, final targets are often set at five to eight years away. Final targets for intermediate results are usually three to five years away. Although the balanced scorecard methodology has traditionally relied more on

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[5] Six Sigma, developed by the Motorola Corporation, is a business improvement methodology that focuses an organization on: understanding and managing customer requirements; aligning key business processes to achieve those requirements; utilizing rigorous data analysis to minimize variation in those processes; and driving rapid and sustainable improvement to business processes.

short-term milestones, CCPL may benefit from establishing long term goals that span the length of the strategic plan.

While CCPL has taken proactive steps to improve its strategic planning function using an advanced balanced scorecard methodology, the effectiveness of its strategic plan may be limited due to the lack of a link to the budget and financial forecast and the absence of established targets. Without a link between financial planning documents and CCPL's established strategic goals, the Library runs the risk of financial planning that is exclusive of its strategic goals. As a result, CCPL may have difficulty achieving its stated goals due to misallocation of resources. In addition, CCPL has not created targets for a majority of its actions and measurements outlined in its strategy map. Without targets, CCPL may not be able to determine the effectiveness of stated actions and may not be able to determine when goals are achieved (see **R5.9**). Furthermore, CCPL's strategic plan may not provide managers with a way of ensuring that all levels of the organization understand the long-term strategy, that departmental and individual objectives align with this strategy, and that goals are properly funded.

R2.2   As part of its strategic plan and forecasting, CCPL should formally state its intentions regarding its General Fund cash balance. Should CCPL decide to renovate or build a new branch in Union Township, it should formally reserve funding for the construction of new facilities. If CCPL concludes that new construction is not warranted in Union Township, it should consider reserving funds for capital improvements of all facilities.

In addition, CCPL should create a stabilization fund of no more than 5 percent of the previous year's General Fund revenues to protect against an unpredicted temporary revenue shortfall or significant one-time expenditure. After the creation of a stabilization fund and the reservation of funds for construction, CCPL should maintain a year-end General Fund cash balance of 15 percent of revenues or an amount equal to two months of regular General Fund operating expenditures.

Historically, CCPL has maintained a stable unencumbered cash balance which reflects its fiscal accountability. As shown in **Table 2-4**, CCPL's 2006 year-end cash balance was approximately $5.7 million. There are two major expenditures that may draw on a significant portion of this cash balance. The first expenditure is the potential construction of a replacement branch in Union Township. CCPL is in the process of reviewing options for this project which has been estimated to cost from $6 to 10 million. The second major expenditure is the possible prepayment of CCPL's Library Fund Library Facilities Notes. These notes were used to finance the construction of the Owensville branch and to improve facilities at other branches. For 2008 through the expiration of these notes in 2016, the Library is responsible for approximately $3.2 million in principal and interest. Should interest rates on short-term investments decline to a level below the rate that

CCPL is paying on its debt (including a prepayment penalty), the Library may prepay the remaining amount of the notes. The Trustees have not formally addressed its intentions for the remaining fund balance after operations. In addition, CCPL has not created a stabilization fund which could ensure consistent operations should an unforeseen event occur.

According to *Recommended Budget Practices* (GFOA, 1998), a government should develop policies to guide the creation, maintenance, and use of resources for financial stabilization purposes. GFOA suggests that governments maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures. These policies should establish how and when a government builds up stabilization funds and should identify the purposes for which they may be used. Development of a policy on minimum and maximum reserve levels may be advisable. Policies on stabilization funds should be publicly available and summarized in materials used in budget preparation. They also should be identified in other government documents, including planning and management reports.

Stabilization funds are called by many names including rainy day funds, unreserved, undesignated fund balances, and contingency funds. These funds may be used at a government's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities. They provide flexibility to respond to unexpected opportunities that may help a government achieve its goals. Policies on the use of these funds may also be tied to an adverse change in economic indicators (such as declining employment or personal income) to ensure that the funds are not depleted before an emergency arises. The minimum and maximum amounts to be accumulated may be based on the types of revenue, the level of uncertainty associated with revenues, the condition of capital assets, or the government's level of security with its financial position. Ohio law does not require libraries to maintain stabilization funds. As such, there is no guidance for CCPL on what percentage of General Fund revenues should be allocated if it elects to create a stabilization fund. The Library could use ORC § 131.43 for guidance as it requires the State, in its biennium budget, to maintain a stabilization fund of no more than 5 percent of General Fund revenues of the previous year.

GFOA also recommends that, at a minimum, governments formally establish a policy that requires an unreserved fund balance of no less than 5 to 15 percent of regular general fund operating revenues or of no less than one to two months of regular general fund operating expenditures. As CCPL far exceeds this recommendation, it runs the risk of public misperception due to the lack of formal intentions regarding the significant cash balance. CCPL may benefit from formally reserving a portion of its year-end cash balance for the construction of a new branch. Although still held in cash, this money

would be reported as reserved for facility construction and not be reported as unreserved cash. As a result, CCPL could communicate its intentions of its large cash balance to the public. Should CCPL elect to use its cash balance to prepay its notes, CCPL should, at a minimum, include this possibility in its five-year forecast (**R2.3**).

Table 2-5 estimates CCPL's 2006 year-end cash balance with the creation of a stabilization fund and the reservation of cash for the construction of a new facility. The revised cash balance would conform to the GFOA recommendation of maintaining an unreserved cash balance of 15 percent of revenues.

Table 2-5: CCPL 2006 Revised Cash Balance

2006 Year-End General Fund Cash Balance	$5,762,079
Stabilization Fund of 5 percent of previous year's revenues	$397,592
Reserve for construction of Union Township Branch	$4,154,611
Revised Year-End General Fund Cash Balance	**$1,209,876**

Source: AOS

As shown in **Table 2-5**, CCPL's revised cash balance would be approximately $1.2 million (15 percent of 2006 revenues). This cash balance would accurately reflect the Trustee's intentions concerning the General Fund balance. Should CCPL elect to prepay its notes as opposed to designating cash for building construction, it could pass a resolution freeing the funds reserved for construction and allocate them for debt prepayment. Taking steps to plan for the use of its cash balance would enable CCPL to incorporate it operating goals into its forecast and strategic plan. Moreover, Library stakeholders will have a clearer understanding of the large cash balance without concluding that these funds are being retained without a purpose.

R2.3   **CCPL should consider developing a more comprehensive five-year financial forecast that includes detailed assumptions outlining changes in all major revenue and expenditure categories. CCPL's forecast should, at a minimum, include assumptions on expected salary and benefit levels for all employees as well as all major funding sources. CCPL should continually maintain the forecast throughout the year as factors change and more relevant and accurate information becomes available. CCPL should seek approval from the Trustees on an annual basis and link the forecast to the Library's strategic plan (see R2.1).**

CCPL should also make its forecast available to the public through its website. The Library should consider including charts and graphs to increase the document's readability and articulate financial trends and factors affecting the financial stability of the Library. Factors contributing to significant use of, or increase in, the Library's General Fund cash balance should be detailed in this document along with a description of the need to maintain the balance.

CCPL has created a five-year financial forecast. The financial forecast is built upon general scenarios that may affect the fiscal status of the library. These scenarios include:

- Passing a levy;
- Maintaining State funding levels;
- Creating debt service for a new building;
- Removing its hiring freeze and staffing to capacity;
- Charging for DVDs and video cassettes;
- Using average inflation rates; and
- Upgrading technology.

The Library developed the forecast with the goal of using it to determine financial status based upon the scenarios listed above. CCPL's financial forecast is not made available to the public nor is it reviewed or approved by the Trustees. As a result, the Trustees do not use information contained in the forecast as a planning tool.

CCPL's financial forecast does not contain specific assumptions detailing the major revenue and expenditure categories of the Library. The scenarios included in the CCPL forecast are mostly vague in nature and do not contain specific factors that may change the financial operations of CCPL. For example, the forecast does not include the Library's estimates on future salary increases, benefits costs, or supplies purchases. In addition, the Library does not present historical information or any data displaying the accuracy of previous forecasts. The lack of historical information and detailed revenue and expenditure assumptions decreases the effectiveness of this long-term planning tool.

According to *Financial Forecasting in the Budget Preparation Process* (GFOA, 1999), a financial forecast should be regularly monitored and periodically updated. The forecast, along with its underlying assumptions and methodology, should be clearly stated and made available to participants in the budget process. It also should be referenced in the final budget document. To improve future forecasting, the variances between previous forecast and actual amounts should be analyzed. The variance analysis should identify the factors that influence revenue collections, expenditure levels, and forecast assumptions.

The forecast should also follow forecasting criteria set by the *Prospective Financial Information - AICPA Audit and Accounting Guide* (American Institute of Certified Public Accountants (AICPA), 2006). This guide establishes procedures for preparing a financial forecast. Specifically, the AICPA states that a financial forecast should identify significant factors as a basis for assumptions contained. Also, assumptions used should be appropriate and provide the means to determine the relative effect of variations in the major underlying assumptions. Lastly, the AICPA states an organization should provide adequate documentation of both the financial forecast and the process used to develop it.

The AICPA provides the following guidelines for forecast development:

- An explanation of the uses of the financial forecast;
- Historical financial statements that can facilitate comparisons, results of operations, and prior period cash flows;
- A disclosure of:
  - Forecast preparation completion date;
  - Summary of significant accounting policies used;
  - Significant assumptions essential to the reader's understanding of the forecast to assist in making informed judgments;
  - Potential impact of long-term effects at the end of the forecast period, such as changes in legislation; and
  - Potential impact of long-term effects beyond the forecast period, such as an expected sale of assets;
- An explanation of materiality as a concept that is judged in consideration of the expected range of the reasonableness of data; and
- Amounts presented as either specific monetary amounts or as a reasonable range.

More detailed assumptions may result in a more accurate and usable forecast. In addition, including historical results and comparisons to prior forecasts may provide the Clerk-Treasurer with an effective tool to gauge the success of forecasting methods and techniques. Lastly, by making the financial forecast available to the public, CCPL can take advantage of a public relations tool which more effectively communicates examples of sound fiscal management.

R2.4 CCPL should consider developing a comprehensive annual financial report (CAFR). It could initiate the development process over a two-year period in order to gather more information for preparation of the required statistical section and lessen the burden of the costs of the conversion from cash statements to GAAP statements. The Library could seek available alternatives, such as contacting an independent public accounting firm or using services available through the Auditor of State's (AOS) Local Government Services (LGS) division.

CCPL does not develop a CAFR which is attributable to cost barriers, as well as the fact that the Library does not follow GAAP. The Clerk-Treasurer is only required to report cash basis financial statements to AOS on an annual basis, which are then audited by AOS biennially. The Columbus Metropolitan Library and the Cleveland Heights-University Heights Public Library compile CAFRs to provide more detailed reporting on each library's financial position. The Clerk-Treasurer has the financial experience from previous employment with a municipality and its required GAAP reporting. Therefore, the Library has a qualified individual to develop a CAFR that will enable it to more effectively communicate its financial operations to its staff, Trustees, and community.

Recommended Practice - Governmental Accounting, Auditing, and Financial Reporting Practices (GFOA, 2006) states that local governments should not be satisfied with issuing only the basic financial statements required by GAAP, but should instead publish a comprehensive annual financial report (CAFR). Issuing a CAFR reflects the highest standards of accounting, auditing, and financial reporting. LGS recommends developing a CAFR over a period not less than two years in order to spread the burden of compiling information over time. In the first year, the library should convert its cash statements into general purpose financial statements. The library could consider using an independent public accounting firm or the services provided by LGS. The cost of contracting with either party is contingent on the amount of services and support requested by the library.

Two obstacles for a library in developing a CAFR are compiling the statistical section and the cost to develop a CAFR. CCPL has historically collected a significant level of operational statistics. In addition to including these operational statistics, the Library should focus on creating and including financial statistics for all facets of its operations. CCPL should consider options available to ensure the best method to complete a CAFR that will not adversely effect its financial position or cause a strain in staff duties. LGS has developed a web-based GAAP reporting system which could benefit the Library. This is a free service for governments in Ohio to use by sending a request to have access to the system. Once the library has access, it can then enter financial data into a system that can generate all financial reports provided in a CAFR.

R2.5   CCPL should adopt a chart of accounts that could track costs for specific functions of the Library, such as technology or support costs (see also R4.9 in general operations section), and use this data for its annual budget and strategic plan. CCPL should modify its existing software, or implement alternative software, to record cost data in this manner. If the Library elects to change software, it should require that the new system have the capability to modify its chart of accounts to meet management goals and objectives.

CCPL has developed a chart of accounts that meets the minimum requirements for libraries. However, the chart of accounts does not have function codes for library transactions and instead tracks costs using department and branch codes. As a result, CCPL was unable to extract expenditure data for specific functions of Library operations that span several branches or represent organization-wide expenditures (e.g. technology costs).

Implementing an accounting system with the ability to record costs using a fund, function or program, and object code provides an organization with a useful tool to track costs between functions. Without this capability, CCPL administrators cannot sort data for selected organizational functions that could be used to make operational decisions.

Governmental Accounting, Auditing and Financial Reporting (GFOA, 1994) states that multiple classification of the governmental funds' expenditure data is important for both internal and external management control and accountability. This multiple classification facilitates the collection and analysis of data in different ways for different purposes (e.g., internal evaluation, external reporting, and intergovernmental comparison) and in manners that cross fund and organizational lines. The major accounting classifications of expenditures are by fund character, function (or program), activity, organizational unit and object class. The GFOA further states that function or program classification provides information on the overall purposes or objectives of expenditures. Functions are group-related activities aimed at accomplishing a major service for which the government is responsible.

AOS has developed the fund, function or program, and object code classifications in accounting software designed for schools and other local governments. This structure assists managers by providing the capability of comparing costs, as well as developing ratios and measures, which enhances estimates and projections. If CCPL implemented a function code classification, it could more easily identify and track maintenance and operation expenditures and technology expenditures. This, in turn, would assist the Library in setting performance targets and measuring efficiency.

R2.6 **CCPL should use its metrics as an internal benchmarking tool. CCPL should set internal goals and targets and track progress towards achieving these targets. CCPL should incorporate strategies on how it plans to use expended funds to achieve the set targets and publicly report these strategies in its annual budget.**

CCPL should also consider working with other similar-sized libraries and the SLO to develop performance measurements that could help gauge the effectiveness of specific programs and functions. The Library should ensure that all data is recorded and reported consistently so that comparisons are accurate. CCPL may elect to use performance measures that would be uniform across libraries and provide feedback on important operational areas in its strategic plan. By identifying key performance measures and comparing them to other libraries and its own historical benchmarks, CCPL could more easily achieve its goals and objectives by allowing it to focus on those programs or functions that do not have high performance indicators.

CCPL has developed a draft strategic plan and has taken steps to incorporate performance measurement to evaluate the success of meeting planned goals (see **R2.1**). CCPL outlined several different performance measurements in its strategic plan using data compiled through its branches. The Library measures the operations of each branch based upon staffing levels, patrons, programs, and circulation measures; however, the Library does

not use this report to create historical benchmarks internally or to other libraries due to a lack of available data.

The strategic plan strategy map explains the type of data that is available and data that should be tracked in order to measure the effectiveness of its goals. For example, an internal benchmark was established to gauge the effectiveness of programs (see the **program management** section). Other performance data collected and analyzed by CCPL include:

- Donations;
- Average annual use rate of internet workstations;
- Costs per computer session;
- Public access computers per capita;
- Speed of processing materials;
- Ratio of items borrowed and never returned; and
- Purchase orders placed.

All of CCPL's performance measurements can be used to develop internal benchmarks. Although CCPL has established metrics to assess its performance, targets have not been set to ascertain whether goals have been achieved. In addition, CCPL does not provide any information on how budgeted funds will affect the stated goals. In addition, because community demographics vary widely, CCPL is reticent to compare its performance externally with other libraries that may not have similar operations. As a result, the Library limits it evaluations to internal operations only and this impacts the Library's ability to demonstrate accomplishments to external stakeholders.

One governmental entity that has successfully used internal benchmarking as part of its strategic planning is the City of Charlotte, North Carolina. In 1994, Charlotte implemented a performance management model that challenged city departments to evaluate success and achievement across four perspectives: financial, customer, internal processes and learning and growth. Charlotte's model assigns goal development and measurement to nineteen city departments. These departments set benchmarks and review progress towards these benchmarks on a yearly basis. The benchmarks are presented with initiatives on how to achieve its goals and a link to the budgeted funds for that department. Each department's annual performance in relation to the benchmarks is published in an annual report.

In addition to internal benchmarking through its balanced scorecard strategic planning, the City of Charlotte also recognizes the value external benchmarking. Each year the city participates in an external performance benchmarking program that collects data from 14 other like-sized cities. From this annual data, Charlotte can assess its performance in select service areas to gauge how it ranks statewide.

The GFOA states in *Recommended Budgeting Practices* (1998) that benchmarks can be developed to allow performance comparisons with other service providers, whether within the government, with other governments, or with private providers. External benchmarks can be beneficial to overall evaluation, especially if valid comparisons can be made with the best service providers.

One potential source of external performance data for Ohio libraries is SLO, which collects data from all libraries and posts it online. There are, however, inconsistencies in how information is compiled across libraries. While this may result in some discrepancies in information reported to SLO, this is still a valuable resource of information for libraries. CCPL's Director indicated she routinely reviews the SLO data. SLO has also indicated that it is working to improve the quality of the information collected in the future.

Some key financial ratios could be tracked to measure performance against other libraries. For example, the Library could track revenues and expenditures on a per capita, borrower, or circulation basis. Using data from SLO, it could compile ratios for similar libraries to gauge its financial performance. See **Appendix 2-A** for examples of financial ratios that could be used as performance measures. SLO data primarily focuses on library statistics (circulation, collection, borrowers). Operational data which could be used for performance measurement in areas such as salaries and benefits, facilities management, and technology that is commonly available for other governmental entities is not readily available for libraries. This leaves CCPL unable to assess its operations in relation to other similar sized libraries without proactively seeking this information.

While opportunities for external benchmarking may need further development, CCPL could benefit from using its own data to benchmark its progress towards accomplishing its strategic objectives. CCPL can use its internal benchmarks to strengthen its programs, track changes in its performance measures, publicly report on those changes, and link performance measures to its operating budget.

R2.7 CCPL should seek to increase donations from the Friends of the CCPL by routinely surveying its members to solicit feedback on improving fundraising for CCPL. In addition, the Library and the Friends of the CCPL should periodically contact other friends of the library (FOL) groups to evaluate Friends of the CCPL activities. CCPL should also ensure library needs are communicated to the Friends of the CCPL in order to align efforts more effectively.

CCPL receives support through fundraising activities provided by its Friends of the CCPL, a 52-member volunteer group that seeks to provide donations, such as materials and equipment, for the Library. Friends of the CCPL is a not–for-profit group that consists of community volunteers who have previously worked to raise funds for

equipment, décor, or programs specific to each branch. The level of support varies by branch. The Friends of the CCPL has developed an umbrella committee in order to raise funds together for the Library as a whole, not for select CCPL branches.

CCPL has identified the Friends of the CCPL as a valuable asset to the Library. As a result, it has periodically worked with Friends of the CCPL with the goal of establishing a better relationship. Some of the methods used to improve the relationship have been to ask the Friends of the CCPL to review its mission, goals, and objectives; request help with major public relations campaigns; outline possible projects; and solicit other FOL groups for information.

Since 2004, the Library has averaged annual donations and gifts of approximately $17,000, revenue primarily generated by the Friends of the CCPL. The Library does not have policies or procedures for its fundraising functions; however, the new strategic plan includes a goal to develop a fundraising plan that includes a donor database and the creation of a position for fundraising and grant efforts. Historically, the Public Affairs Coordinator oversees fundraising activities and serves as liaison between the Library and the Friends of the CCPL. However, the Public Affairs Coordinator stated that she is not able to devote the time needed for the fundraising function due to her other job responsibilities.

According to *Fundraising for Libraries* (Swan, 2002), donors will help a library to buy books and other materials but it is difficult to get donations for salary increases or for operations and maintenance. Generally speaking, if a library needs additional funds for library expenses like salaries and operations, it is best to try to increase regular sources of funding first. *Fundraising for Libraries* states that an additional method of improving the benefits of an FOL group is to survey FOL members to ask for ideas to engage the group.

The Library has explored the possibility of hiring a fundraiser/grant administrator. The effectiveness of this position would be hampered by the fact that a majority of raised funds will be for program expenses only—not staffing costs. The impracticality of staffing the fundraiser position leaves Friends of the CCPL as the primary fundraising effort of the Library. The Friends of the CCPL act as ambassadors of the Library. An ineffective relationship with this organization could leave CCPL in a position where it is not maximizing potential donations and losing support of a critical promoter of the Library and its programs and services.

R2.8   **CCPL should implement formal grant seeking and application policies and procedures. These procedures should require a quarterly review of funding opportunities and a prioritized list of resources and contacts. Criteria for pursuing grant opportunities should include how well the grant's purpose corresponds with CCPL's strategic plan and financial forecast.**

CCPL does not have formal grant administration policies and procedures. The CCPL Director reported that one of her goals for 2007 was to develop these procedures. Grant writing is completed primarily by the Director; however, other administrators have experience in grant writing and have written grants for CCPL. Grant funding made up approximately 1 percent of total revenues received by CCPL in 2006. Compared to the peer average, CCPL received approximately 13.3 percent less in grant revenues. In 2006, the Library received its only grant for *Services Without Boundaries.* The total amount of the grant was $52,505[6] which was targeted to help the Library serve people with disabilities.

The Director cites recent reductions in CCPL's staffing levels as the factor that has prevented the Library from writing more grant proposals. However, an analysis of staffing shows that CCPL uses its higher levels of staffing in operating a larger number of branches (see **staffing and organization**).

Recommended Budget Practices (GFOA, 1998) states that organizations develop programmatic, capital, and operating policies and plans to guide government decision making. In addition to the Library's strategic plan, grant-related policies and procedures would enable CCPL to plan for the types of additional funding the library needs to offer services beyond its general operations. This policy could help CCPL plan initiatives and ensure all grant requirements are met.

Without formal grant administration policies and procedures, CCPL runs the risk of ineffective grant administration in the event administrative turnover occurs. As a result, CCPL could be passing up grant opportunities which could restrict future programs offered and cause some programs to require General Fund support.

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[6] CCPL was required to provide a 25 percent cash match for this grant.

Appendix 2-A: Supplemental Tables

The following tables contain detailed information about the financial operations and benchmarks used for analysis in this report. These tables provide examples of performance measures that could be used by CCPL to benchmark its operations against other libraries.

Table 2-6: 2006 Revenues per Borrower

	CCPL	Peer Average	Variance
Local Resources			
Property Tax	$11.41	$32.60	(65.0%)
Other Tax including Homestead	$1.65	$2.58	(36.0%)
Local Grants	$0.00	$0.05	(100.0%)
Local Resources as a % of Total Cash Receipts	17.0%	36.6%	(19.6%)
State and Federal Resources			
LLGSF (State Income Tax)	$56.98	$54.08	5.4%
State Grants	$0.00	$0.05	(100.0%)
Federal Grants	$0.25	$0.42	(40.5%)
State and Federal Resources % Total Cash Receipts	74.5%	56.6%	17.9%
Funding per Other Resources			
Fines/Fees	$3.61	$2.24	61.2%
Other	$0.00	$0.29	(100.0%)
Earnings on Investments	$2.45	$2.49	(1.6%)
Services Provided	$0.00	$0.18	(100.0%)
Contributions, Gifts, and Donations	$0.17	$0.18	(5.6%)
Miscellaneous Receipts	$0.27	$1.21	(77.7%)
Other Resources as a % of Total Cash Receipts	8.5%	4.5%	4.0%
Total Revenue (Cash Receipts)	**$76.79**	**$96.38**	**(20.3%)**

Source: SLO

Table 2-7: 2006 Revenues per Circulation

	CCPL	Peer Average	Variance
Funding per Local Resources			
Property Tax	$0.78	$1.37	(43.1%)
Other Tax including Homestead	$0.11	$0.11	0.0%
Local Grants	$0.00	$0.00	0.0%
Local Resources as a % of Total Cash Receipts	17.0%	36.6%	(19.6%)
Funding per State and Federal Resources			
LLGSF (State Income Tax)	$3.88	$2.27	70.9%
State Grants	$0.00	$0.00	0.0%
Federal Grants	$0.02	$0.02	0.0%
State and Federal Resources % Total Cash Receipts	74.5%	56.6%	17.9%
Other Resources			
Fines/Fees	$0.25	$0.09	177.8%
Other	$0.00	$0.01	(100.0%)
Earnings on Investments	$0.17	$0.10	70.0%
Services Provided	$0.00	$0.01	(100.0%)
Contributions, Gifts, and Donations	$0.01	$0.01	0.0%
Miscellaneous Receipts	$0.02	$0.05	(60.0%)
Other Resources as a % of Total Cash Receipts	8.5%	4.5%	4.0%
Total Revenue (Cash Receipts)	**$5.23**	**$4.04**	**29.5%**

Source: SLO

Table 2-8: 2006 Expenditures per Borrower

	CCPL	Peer Average	Variance
Staffing Expenditures			
Salaries	$33.43	$38.01	(12.0%)
Retirement	$4.58	$6.62	(30.8%)
Insurance (Employer)	$4.85	$4.77	1.7%
Employee Benefits	$0.65	$0.27	140.7%
Total Staffing Expenditures as a % of Total Expenditures	50.3%	52.5%	(2.2%)
Materials Expenditures			
Database Licenses/Indices	$0.43	$1.04	(58.7%)
Print Materials	$7.04	$7.92	(11.1%)
Electronic Materials	$0.00	$1.21	(100.0%)
Periodicals	$0.35	$0.72	(51.4%)
A/V	$3.87	$3.25	19.1%
Other Library Materials	$0.82	$0.08	925.0%
Total Materials Expenditures as a % of Expenditures	14.4%	14.9%	(0.5%)
Supplies and Equipment Expenditures			
Supplies	$1.38	$1.89	(27.0%)
Contracted Services	$8.79	$11.04	(20.4%)
Misc. Other	$1.54	$0.43	258.1%
Furniture	$0.12	$1.25	(90.4%)
Equipment	$3.05	$0.55	454.5%
Vehicles	$0.42	$0.28	50.0%
Total Supplies & Equipment Expenditures as a % of Expenditures	35.3%	32.5%	2.8%
Total Expenditures	**$71.31**	**$79.33**	**(10.1%)**

Source: SLO

Table 2-9: 2006 Expenditures per Circulation

	CCPL	Peer Average	Variance
Staffing Expenditures			
Salaries	$2.28	$1.59	43.4%
Retirement	$0.31	$0.28	10.7%
Insurance (Employer)	$0.33	$0.20	65.0%
Employee Benefits	$0.04	$0.01	300.0%
Total Staffing Expenditures as a % of Total Expenditures	50.3%	52.5%	(2.2%)
Materials Expenditures			
Database Licenses/Indices	$0.03	$0.04	(25.0%)
Print Materials	$0.48	$0.33	45.5%
Electronic Materials	$0.00	$0.05	(100.0%)
Periodicals	$0.02	$0.03	(33.3%)
A/V	$0.26	$0.14	85.7%
Other Library Materials	$0.06	$0.00	100.0%
Total Materials Expenditures as a % of Expenditures	14.4%	14.9%	(0.5%)
Supplies and Equipment Expenditures			
Supplies	$0.09	$0.08	12.5%
Contracted Services	$0.60	$0.46	30.4%
Misc. Other	$0.10	$0.02	400.0%
Furniture	$0.01	$0.05	(80.0%)
Equipment	$0.21	$0.02	950.0%
Vehicles	$0.03	$0.01	200.0%
Total Supplies & Equipment Expenditures as a % of Expenditures	35.3%	32.5%	2.8%
Total Expenditures	**$5.89**	**$3.96**	**48.7%**

Source: SLO

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Staffing and Organization

Background

This section of the performance audit focuses on the staffing and organization structure within the Clermont County Public Library (CCPL or the Library). **Appendix 1-A** provides a summary of the audit objectives for this section. For benchmarking purposes, CCPL's staffing and organization have been evaluated against recommended practices and operational standards from several sources, including the Society for Human Resource Management (SHRM), the International City/County Management Association (ICMA), the State Library of Ohio (SLO), the State Employment Relations Board (SERB), and peer libraries.[1]
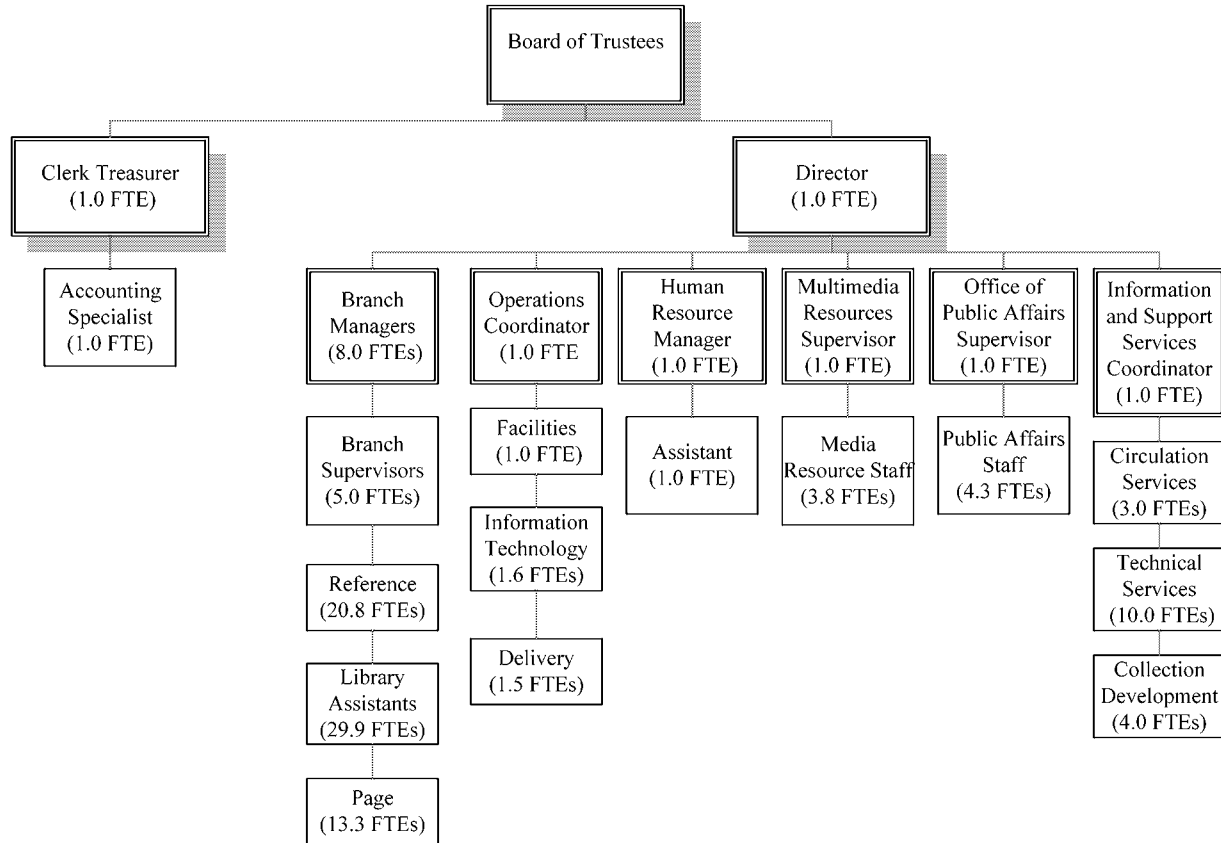
Organizational Structure and Function

Per Ohio Revised Code (ORC) § 3375.22, county library districts, such as CCPL, are governed by a seven-member board of trustees. The CCPL Board of Trustees (the Trustees) establishes Library policy and oversees the Library's budget and administration. Three trustees are appointed by the Court of Common Pleas judges and four are appointed by the Board of County Commissioners. All trustees are appointed for a term of seven years.

The Trustees appoints the Director and the Clerk-Treasurer. The Director oversees the interpretation and implementation of policies, regulations, procedures, and guidelines while the Clerk-Treasurer maintains financial records, completes payroll, and provides an analysis of the Library's financial condition. In addition to the Director and Clerk-Treasurer, CCPL's administration team consists of the Human Resource Manager, who is responsible for personnel benefits, recruitment, and hiring; the Operations Coordinator, who oversees facilities and information technology; the Office of Public Affairs Supervisor, who coordinates Library-wide programming, outreach services, and volunteer services; and the Information and Support Services Coordinator, who is responsible for collections development, technical services, and collection services. CCPL employs branch managers who oversee the Library's 10 branches, as well as branch supervisors who provide additional managerial support in the Amelia, Felicity, Milford, Williamsburg, and Bethel branches. **Chart 3-1** illustrates CCPL's organizational and reporting structure.

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[1] See **executive summary** for a description of the 12 peer library average used as a benchmark throughout this report. During the course of the audit, AOS requested statistical information from all 12 peer libraries for the purpose of developing comparative benchmarks. However, only 4 submitted staffing and benefits information: Cleveland Heights-University Heights, Greene County, Lorain, and Warren-Trumbull public libraries.

Chart 3-1: CCPL Organization and Reporting Structure

	Board of Trustees

Clerk Treasurer (1.0 FTE)

Director (1.0 FTE)

Accounting Specialist (1.0 FTE)

Branch Managers (8.0 FTEs)

Operations Coordinator (1.0 FTE

Human Resource Manager (1.0 FTE)

Multimedia Resources Supervisor (1.0 FTE)

Office of Public Affairs Supervisor (1.0 FTE)

Information and Support Services Coordinator (1.0 FTE)

Branch Supervisors (5.0 FTEs)

Facilities (1.0 FTE)

Assistant (1.0 FTE)

Media Resource Staff (3.8 FTEs)

Public Affairs Staff (4.3 FTEs)

Circulation Services (3.0 FTEs)

Reference (20.8 FTEs)

Information Technology (1.6 FTEs)

Technical Services (10.0 FTEs)

Library Assistants (29.9 FTEs)

Delivery (1.5 FTEs)

Collection Development (4.0 FTEs)

Page (13.3 FTEs)

Source: CCPL
Note: FTEs are shown by department with the exception of branch staff.

Staffing

CCPL has 114.1 FTEs[2] across the 10 branches and the administration office. CCPL employs full- and part-time staff. Full-time employees work 40 hours per week while part-time employees work between 20 to 30 hours per week. Schedules for branch employees are completed at each branch. Employees work during two shifts which are 8:30 a.m. to 5:00 p.m. and 12:30 p.m. to 9:00 p.m.

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[2] As of June 30, 2007, CCPL had a total of 163 staffing positions, which include page, librarian I, II, or III, service specialist I or II, library assistant, manager, administrative, and other. The 163 positions included all of the Library's part and full-time employees along with its vacant positions. The FTEs presented in **Chart 3-1** do not reflect actual FTE count due to rounding.

As part of the Library's efforts to limit expenditures, CCPL has not filled all vacant positions. As of June 30, 2007, there were 22 staffing vacancies across the organization. Vacant positions are not included in the FTE count shown in **Chart 3-1**. Since June 2007, CCPL has begun filling vacant page positions. Despite CCPL's decision not to fill all of the Library's vacancies, its circulation per FTE is lower than the peer average (see **R3.3**).

Several organizations provide support to CCPL by supplying volunteers to assist in the branches. These organizations include the Clermont County Senior Services, the Clermont County Workforce Services, the Epilepsy Council, and the Friends of the Library. Volunteers complete various tasks, such as reading to children, planning displays, providing office support, and assisting with arts and crafts. The number and types of volunteers vary by branch. Branch managers report that volunteers are used in a limited capacity due to high turnover and the extensive training that volunteers often require. During the first six months of 2007, volunteers contributed approximately 2,200 hours, or the equivalent of about 2 FTEs.

Compensation and Benefits

Years of service, cost of living allowances, promotions, and in some cases, the education level attained by the personnel within a category directly impact average salaries. The Library's salary schedule was developed by an outside consultant and has not been updated for the past three years. CCPL employees received a 3.0 percent wage increase in 2006 and a 3.5 percent increase in 2007. The Library offers medical and dental coverage to employees that work at least 24 hours per week. In 2006, CCPL's payroll was approximately $3.5 million annually.

Assessments Not Yielding Recommendations

In addition to the analysis in this report, assessments were conducted which did not warrant changes and did not yield recommendations. The assessments not yielding recommendations for this section of the report are discussed below:

- **Salaries**: In a comparison of average salaries by category, CCPL is comparable to or below the peer average in all categories. In addition, CCPL's total average salary was 7 percent below the peer average. **Table 3-1** compares CCPL's average salaries by position to the peer average.

Table 3-1: Comparison of Average Salaries by Position

	CCPL Average Salary	Peer Average [1]	Percent Above/(Below)
Page	$14,549	$14,546	0.0%
Library Assistant/Library Technician	$21,962	$25,148	(12.7%)
Reference	$32,100	$32,196	(0.3%)
Librarian	$38,190	$41,480	(7.9%)
Manager [2]	$45,593	$46,510	(2.0%)
Director	$78,000	$98,616	(20.9%)
Clerk-Treasurer	$68,900	$58,286	18.2%
Maintenance	$21,807	$24,948	(12.6%)
Other Professional [3]	$37,664	$46,076	(18.3%)
All Other [4]	$31,465	$32,665	(3.7%)

Source: CCPL and peers

[1]Includes Lorain Public Library, Cleveland Heights-University Heights Public Library, Greene County Public Library, and Warren-Trumbull County Public Library.

[2] Includes branch managers and branch supervisors.

[3] Includes Human Resources Manager, Technical Services Manager, Operations Coordinator, Information and Support Services Coordinator, Collections, Acquisition Librarian, Catalog Manager, and Circulation Manager.

[4] Includes technical services, administrative assistants, delivery drivers, media resource, information technology, and public affairs.

- **Sick Leave**: CCPL's maximum sick leave accrual (106 days) is below the peer average of 120 days.

- **Employee/Employer Health Insurance Premiums**: CCPL's employees contribute 19 percent for single coverage, 21 percent for single plus child(ren), 23 percent for single plus spouse, and 25 percent for family coverage. The portion contributed by CCPL employees is above the State average (7.3 percent for single and 8.6 percent for family) as reported by SERB. In addition, employees who work between 24 and 39 hours per week pay a higher percentage of the premium.[3] In 2006, CCPL initiated an insurance committee to reviews proposals and chooses which health care plan is best for CCPL.

  The total medical premiums paid by CCPL (employer premiums) are below State and Cincinnati region averages. See **Appendix 3-A** for detailed information on the premium comparison for each of CCPL's healthcare plans. CCPL offers two different plans which have different premium costs; however, the Library contributes the same amount regardless of which plan is selected.

- **Life Insurance**: CCPL provides life insurance to its employees in an amount that is equivalent to the employee's annual salary. Employees are able to purchase additional insurance at no cost to CCPL. CCPL's life insurance premium ($0.16 per $1,000 of coverage) is comparable to the State benchmark ($0.15 per $1,000 of coverage).

- **Dental Insurance**: CCPL offers dental coverage to its employees and its monthly dental premiums ($26.60 for single and $66.39 for family) are in line with State averages ($26.48 and $68.29) reported by SERB. Library employees contribute 17 percent towards the premium which the same as the State average for family coverage.

- **Job Descriptions**: CCPL has job descriptions for each position that contain all of the recommended information including position title, department, immediate supervisor, qualifications, position description, duties or responsibilities, and required abilities.

- **Communication**: CCPL uses various means of communication including emails, memos, staff meetings, and newsletters. CCPL's Trustees participate in monthly public meetings, held at the different branch libraries, to discuss the operational business of the Library. Following the Trustees' meeting, the administrative team meets with branch managers and each branch has an "all staff" meeting. Library staff members also attend the Trustee meetings to obtain an understanding of Trustee deliberations and decisions. Through the above processes, CCPL is using all SHRM-recommended communication strategies.

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[3] There are 17 part-time employees eligible for insurance benefits. Part-time employees contribute twice the amount that full-time employees contribute towards the premium. Four of the part-time eligible employees are receiving health insurance through CCPL.

Recommendations

Staffing

R3.1   **CCPL should develop a formal staffing plan. The plan should consider circulation statistics, registered borrowers, legal service area population, and patron attendance. A formal staffing plan will help CCPL to ensure that it maintains adequate staffing levels to provide consistent services. Furthermore, CCPL will be better positioned to forecast personnel costs and staffing needs.**

CCPL does not have a formal staffing plan to determine the staffing levels needed to achieve its objectives or accomplish its goals. The Human Resource Manager indicated that staffing is determined by employee studies and circulation statistics. The Library has established minimum staffing needed whenever a branch is open. CCPL also receives support from volunteers who may assist in straightening shelves, reading to youth, and gathering material for homebound deliveries.

Strategic Staffing Plans (SHRM, 2002) notes that high performing organizations use plans and a system to monitor and control the cost of engaging human capital. Strategic staffing plans form an infrastructure to support effective decision-making in an organization. The process to develop a staffing plan includes: developing organizational goals and objectives, analyzing positions and functions, and determining staffing levels required to perform current or projected work. The plan should also consider the proper mix of full-time, part-time, volunteers, and temporary staff. In addition, the plan should be approved by the governing authority.

Workforce Planning: The Strategy Behind Strategic Staffing (SHRM, 2007) further suggests that workforce planning is a systematic approach to anticipating staffing needs and determining what actions should be taken. This multi-step process involves the following:

- Gaining a thorough understanding of the current workforce;
- Envisioning the operating environment that will most likely exist in the future;
- Identifying the competencies that will move the organization forward to overcome challenges, seize opportunities, and thrive in what will undoubtedly be a new world of work; and
- Developing strategies and implementing tactics for building this workforce.

Workforce planning puts an organization "one step ahead," resulting in informed staffing decisions that benefit the organization in both the short and long-term. Its many advantages, however, are not limited to recruitment and selection. It also provides a

framework for other human resource policies and programs, such as training, compensation, and diversity management. More importantly, it helps an organization recognize the most effective and efficient use of its human capital in creating a workforce that is and will continue to be flexible and responsive.

Staffing Strategy Over the Business Cycle (SHRM, 2005) elaborates on the effect of strategic staffing plans on organizations. In detailing how organizations may react to changes in the business cycle, SHRM noted that reductions in staffing to meet declining labor needs often did not result in anticipated savings for 12 to 18 months. As a result, staffing plans tied to strategic plans and organizational needs can help organizations better meet the constraints of their operating environments.

Without a staffing plan, CCPL may not be in position to anticipate staffing needs and realign priorities to meet its stated mission and core values. By using customer statistics, the Library can work to develop a formal staffing plan to help ensure that personnel are allocated in an appropriate and cost effective manner.

R3.2   CCPL should calculate formal workload measures based on circulation statistics, registered borrowers, branch visits, services, programs, and legal service area population. Using the workload measures, CCPL should benchmark its staffing against peer libraries, industry standards, or internal goals or targets. Formal workload measures will allow CCPL to use the information to ensure appropriate staffing levels. The workload measures should be incorporated into CCPL's staffing plan (see R3.1) and should be used by the Library to assess the adequacy of staffing across branches (see R3.3).

CCPL gathers data on a number of indicators; however, it does not use the data to formally measure staff workloads. The Library tracks data such as materials checked out, the number of times a reference question is received, and the amount of time it takes each reference staff to complete a task. This data is used by the Director to calculate how often staff are multi-tasking. While multi-tasking is a useful measure of work activity, this is insufficient information on its own to assess workloads.

According to *Workforce Planning* (SHRM, 2000), processes can be examined from the standpoint of workload drivers, work activities, productive and nonproductive time, and current productivity levels. Baseline staffing requirements, in terms of numbers and skills, can be built from the bottom up based on this data. There may also be budgetary constraints that necessitate reassessment of staffing levels. The workload forecast should be broken out into discretionary and nondiscretionary components and prioritized. Once the staffing assessment has been completed, the process of determining staffing gaps is straightforward. This will enable an organization to identify skills that will and will not

be needed in the future. A major approach to developing staff workload models is through benchmarking.

The Public Library Association created the Workload Measures and Staffing Patterns Committee, whose purpose is to review data, develop programs, write articles, and sponsor discussions on staff resource allocation in order to better allocate staff and identify staffing requirements. This committee's processes and procedures may be a beneficial resource to CCPL in its efforts to develop and use workload measures. However, the committee has not reported the outcomes of its work.

Table 3-2 shows the number of reference FTEs and average monthly contacts by branch and provides one model for developing workload measures.

Table 3-2: CCPL Reference Contacts per FTE

Branch	2007 FTE	2006 Monthly Average Contacts	2007 Monthly Average Contacts [1]	2006 Contacts per FTE	2007 Contacts per FTE
Amelia	4.5	2,418	2,462	537.3	547.1
Batavia	3.2	1,084	1,120	338.8	350.0
Bethel	1.5	1,083	1,439	722.0	959.3
Felicity	3.3	336	298	103.4	91.7
Goshen	3.6	842	1,099	233.9	305.3
Milford	6.0	3,077	2,849	512.8	474.8
New Richmond	1.0	670	962	670.0	962.0
Owensville	3.0	1,429	1,735	476.3	578.3
Union Township	4.0	3,262	2,269	815.5	567.3
Williamsburg	2.8	1,113	1,108	404.7	402.9
Total	32.8	15,315	15,340	466.9	467.7
Average per Branch	3.3	1,531	1,534	481.5	523.9

Source: CCPL and SLO
Note: CCPL reported 112.5 FTEs in the 2006 SLO survey. This is 1.6 FTEs less than the Library's 2007 FTEs of 114.1. For this analysis, the 2007 FTEs were used to calculate contacts per FTE for both 2006 and 2007.
[1] The 2007 monthly average is based on January through June 2007.

As illustrated in **Table 3-2**, the average ratio increased 9 percent from 2006 to 2007. The data also shows that there is a variation in contacts per FTE between the branches, which indicates that staff in some branches process a greater volume of material. This may be an indication that staff is not appropriately allocated throughout the branches. Compiling workload measures for the various work activities conducted by CCPL staff will provide the Library with a method to evaluate staffing levels and determine the most appropriate staffing by branch.

Efficient staffing would help ensure that CCPL's resources are being allocated in a manner which promotes the highest quality of service while meeting patron needs.

Ineffective staffing, on the other hand, could impact CCPL's ability to perform other functions, such as fundraising or grant writing (see **planning and financial management**).

R3.3   **CCPL should reallocate staff to achieve a circulation per FTE that is comparable to the peer library average. To accomplish this, CCPL should consider adjusting operating hours, closing one of its branches (see R5.1 and R5.2), and implementing new technologies, such as self-service checkouts. The effective allocation and deployment of staff would help CCPL ensure that patrons' needs are being met and that the Library is operating in an efficient manner.**

Staffing levels at CCPL are established based on the number of branches and hours of operations. CCPL requires a minimum of one reference and one circulation staff to operate a branch. In addition to the base level of staffing, other staff members are added to cover peak times or to provide a particular program.

Table 3-3 compares CCPL's workload ratios in several areas to the peer average.

Table 3-3: CCPL and Peer Library Site and Workload Comparison

	CCPL	Peer Library Average	Percent Above/(Below)
Total 2007 FTEs	114.1	83.0	37.5%
Number of Branches	10	4	150.0%
Borrowers	105,139	69,611	51.0%
Legal Service Area Population	190,589	100,806	89.1%
2006 Circulation (adult + juvenile)	1,665,230[1]	1,688,689	(1.4%)
Circulation per FTE	14,594	20,344	(28.3%)
Population per FTE	1,670	1,214	37.5%
Borrowers per FTE	921	839	9.9%
Population per Branch	19,059	25,201	(24.4%)
FTEs per Branch	11.4	20.8	(45.2%)

Source: CCPL and SLO
Note: The peer average for this analysis includes information from the 12 peer libraries.
[1] CCPL overstated its 2006 adult circulation in the Library's report to the SLO. No other means was available to determine an accurate adult circulation figure (see **executive summary**). The reporting error does not alter the conclusion drawn from this data.

As illustrated in **Table 3-3**, CCPL employs more FTEs and operates more branches than the peer average. Using circulation per FTE as a workload measure, CCPL processes 28 percent fewer materials, which is an indication of possible inefficiency.

Table 3-4 shows circulation per FTE for each of the Library's branches. This analysis only reflects circulation per library assistant FTE as these employees are primarily responsible for checking out and returning materials[4].

Table 3-4: CCPL 2007 Circulation per FTE by Branch

Branch	Circulation [1]	FTE	Circulation per FTE
Amelia	123,095	3.8	32,393
Batavia	65,810	2.8	23,504
Bethel	67,843	2.6	26,093
Felicity	35,275	2.5	14,110
Goshen	85,005	2.0	42,503
Milford	198,047	4.5	44,010
New Richmond	54,684	2.6	21,032
Owensville	65,078	2.1	30,990
Union Township	158,214	4.1	38,589
Williamsburg	51,567	1.8	28,648
Library Average	**90,462**	**2.9**	**30,187**

Source: CCPL
[1] Circulation is for January through March 2007.

The circulation per FTE measure outlined in **Table 3-4** could be used to reallocate staff to branches that exceed the Library average. Milford is operating 45.8 percent above the Library average while Felicity is operating 53.3 percent below the average. However, CCPL is limited in its flexibility to reallocate staff because of the number of branches it operates and its required minimum operating staffing. CCPL does have staff that are in the less busy branches perform other duties, such as outreach, committee work and selection tasks.

In many areas, library systems have begun to implement new technology such as self-service checkout. The Pierce County Library System (PCLS) in Tacoma, Washington, implemented self-service checkout in some of its branches. PCLS reported that 70 percent of circulation uses the self-service checkout and customer surveys indicate that 90 percent approve of this new service. The implementation of self-service checkout units allowed PCLS to eliminate its traditional circulation desk and open up floor space. PCLS also reported that this technology has led to a better use of staff resources as it was able to reduce the number of staff assigned to static public service positions. As a result, customer service has increased as staff has time to assist patrons out on the floor. In Ohio, Greene County Public Library, Lane Public Library, Washington-Centerville Public Library also use self-service checkout.

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[4] In addition to circulation, library assistants conduct other work activities, including clerical tasks and assisting in opening and closing branches.

To bring staffing levels more in line with the peer average, CCPL should consider reducing operating hours and closing one branch (see **R5.1** and **R5.2** in **program management**). CCPL, in maintaining its current staffing levels, will continue to allocate its limited resources to branch libraries that may not require staffing levels comparable to its busiest branches. These resources could be used to meet other CCPL priorities that would better meet the needs of its community. By implementing self-service checkouts in the busiest branches, staff could be reallocated to other areas to provide additional customer service.

Financial Implication: The average cost of a basic self-service checkout unit is approximately $22,500. A minimum of one unit in the two branches with the highest circulation per FTE, as shown in **Table 3-4,** would result in one-time implementation costs of $45,000. In addition, there may be costs for identification tags depending on the type of unit selected along with annual maintenance costs and initial training costs, which could not be quantified.

R3.4   **CCPL should ensure a consistent orientation training program is in place and implemented for Trustees. In addition, the Trustees should participate in ongoing training on topics related to CCPL's operations. Implementing Trustee orientation and annual training will help to ensure that trustees understand their roles and responsibilities and can effectively manage issues.**

The President of the Trustees stated that new trustees receive a binder of information, receive orientation with the Director and Clerk-Treasurer, and receive additional training as needed. The Director stated that new trustees receive a copy of bylaws and the Ohio Library Council handbook. However, Trustees reported receiving inconsistent levels of orientation and training. The amount and types of training reported by Trustees included: no training or orientation, new member orientation only, or training limited to Trustee activities only.

Nine Reasons to Conduct an Orientation for New Council Members (ICMA, 2006) notes reasons for providing orientation that are also applicable to new trustees. The reasons include:

- **Becoming an effective member is hard work.** Local government professionals often underestimate the challenges involved for newly elected members in making the transition from the role of citizen to that of effective council member.

- **Important decisions often will not wait.** An effective member orientation program is not a guarantee that new members will be able to rise to the occasion of tough and important decisions early in their tenure, but it certainly increases their chances.

- **Staff can demonstrate the importance of the transition.** Through a thoughtful and informative orientation program, the local government manager and staff can demonstrate their commitment to assist and support members in their important responsibilities.

- **Government managers can jump-start relationships with council members.** An effective orientation program can create a good first impression by modeling the type of open and informative communication with members to which staff is committed.

- **Members take on new legal responsibilities.** The sooner members are aware of their new obligations; the less likely they will be to inadvertently run into problems by not being aware of the full implications of their new status.

- **Members may be surprised about the public nature of community input and group decision making.** The sooner they gain an understanding of this dynamic and learn how to function best in this environment, the more likely it is that they will be effective in their new role.

- **Staff can step back and review issues comprehensively.** It provides staff with an opportunity to step back from their busy workdays and take a more comprehensive look at what they are doing.

- **Member issues and priorities can be identified early.** The local government manager can use the orientation to find out what expectations the new members have of staff.

- **Members learn of areas where they need more information.** The orientation helps the member to identify these areas and find out about opportunities to gain more training or information.

Furthermore, *Ongoing Board Education: Ensuring Board Members Have the Knowledge They Need* (Community Driven Institute, 2005) states that orientation is not just for new members. Every board member should receive annual training. The training should be used as a refresher course to include financial education as well as areas of the organization that the board may not understand.

Not all Trustees have received the same level of orientation and training. By implementing standard orientation and annual training, CCPL will ensure that the Trustees receive the same information which would better enable them to carry out their responsibilities.

Financial Implications Summary

The following table summarizes the estimated annual implementation cost associated with the recommendations in this section of the performance audit.

Summary of Financial Implications for Staffing and Organization

Recommendation	One-Time Implementation Cost
R3.3 Implement self-service checkout technology at two branches	$45,000
Total	**$45,000**

Source: AOS recommendations

Appendix 3-A: Medical Insurance

Table 3-5 outlines CCPL's two medical plan options available to employees while Table 3-6 outlines the Library's monthly contribution and monthly and annual premiums for each plan.

Table 3-5: CCPL Medical Insurance Plans, FY 2007-08

	Option 11		Option 42	
Benefits	Network	Non-Network	Network	Non-Network
Deductible	Single: $0 Family: $0	Single: $300 Family: $900	Single: $1,000 Family: $3,000	Single: $2,000 Family: $6,000
Out-of-Pocket Limit	Single: $2,000 Family: $4,000	Single: $4,000 Family: $8,000	Single: $4,000 Family: $8,000	Single: $8,000 Family: $16,000
Office Visit Co-pay	$20	30%	$20	40%
Emergency Room	$150	$150	$150	$150
Urgent Care Co-pay	$50	$50	$50	$50

Source: CCPL

Table 3-6: CCPL Medical Insurance Premiums, FY 2007-08

Annual Premiums:	Option 11 Total Monthly Premium	Option 11 Total Annual Premium	Option 42 Total Monthly Premium	Option 42 Total Annual Premium	Employer Monthly Contribution	Employer Annual Contribution
Single	$392.17	$4,706.08	$335.42	$4,025.08	$271.69	$3,260.32
Single + Child	$861.96	$10,343.54	$725.34	$8,704.10	$558.51	$5,367.48
Single + Spouse	$661.98	$7,943.76	$566.19	$6,794.28	$447.29	$6,702.14
Family	$1,210.61	$14,527.35	$1,035.43	$12,425.19	$776.57	$9,318.87

Source: CCPL

As illustrated in Table 3-5, Option 11 deductibles and out-of-pocket amounts are substantially lower than Option 42. While network co-payments for office, emergency room, and urgent care are the same for both options 11 and 42. CCPL contributes the same tier amount regardless of the plan chosen.

Premium contributions for CCPL and its full-time employees are shown in Tables 3-7 and 3-8.

Table 3-7: Medical Insurance Premiums Option 11, FY 2006-07

Coverage	Employee Contribution per pay period	Employee Average Monthly Contribution	CCPL Monthly Contribution	Total Annual Premium	2006 SERB Average Premium PPO	2006 SERB Average PPO Premium for Cincinnati Region
Single	$ 45.46	$ 98.50	$ 241.04	$ 339.54	$ 396.08	$347.58
Single + Child	$ 76.74	$ 166.27	$ 406.87	$ 573.14	$ 800.22	$683.80
Single + Spouse	$ 99.92	$ 216.49	$ 529.80	$ 746.29	$ 932.78	$797.04
Family	$ 140.35	$ 304.09	$ 744.06	$ 1,048.15	$ 1,042.89	$897.98

Source: CCPL and SERB
Note: The premiums listed are for full-time employees.

Table 3-8: Medical Insurance Premiums Option 42, FY 2006-07

Coverage	Employee Contribution per pay period	Employee Average Monthly Contribution	CCPL Monthly Contribution	Total Monthly Premium	2006 SERB Average PPO Premium	2006 SERB Average PPO Premium for Cincinnati Region
Single	$ 22.79	$ 49.38	$ 241.03	$ 290.41	$ 396.08	$347.58
Single + Child	$ 38.46	$ 83.33	$ 407.08	$ 490.41	$ 800.22	$683.80
Single + Spouse	$ 50.08	$ 108.51	$ 519.49	$ 628.00	$ 932.78	$797.04
Family	$ 70.35	$ 152.43	$ 743.58	$ 896.00	$ 1,042.89	$897.98

Source: CCPL and SERB
Note: The premiums listed are for full-time employees.

As illustrated in **Tables 3-7** and **3-8**, CCPL's monthly medical premiums are below the 2006 SERB averages for county jurisdictions and the Cincinnati area. CCPL's part-time employees contribute twice the amount that full-time employees contribute towards the premium.

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General Operations

Background

This section of the performance audit focuses on Clermont County Public Library's (CCPL or the Library) technology, custodial, and maintenance operations. **Appendix 1-A** provides a summary of the audit objectives for this section. The Library's operations were evaluated against best practices and industry benchmarks drawn from various sources including the Sacramento Public Library, Oakland Public Library, Boulder Public Library, the State Library of Ohio (SLO), the Government Finance Officers Association (GFOA), and the International Facilities Management Association (IFMA). In addition, a cost comparison was conducted on a per branch basis for custodial, utilities, maintenance, and security operations.

Organization and Structure

CCPL operates 10 branches and an administration building that is attached to the Doris Wood (Batavia) branch. The construction of the 10 branches was to meet a CCPL Board of Trustees' (Trustees) goal of having a branch within a 15 minute drive-time for patrons. The Operations Coordinator is responsible for overseeing maintenance and operations employees, as well as all technology operations, and computer purchases. The Library has one employee whose duties include shuttle driving[1] and one employee whose duties include light maintenance work (e.g., light bulb changing and shelving assembly).

CCPL conducts preventative maintenance for each of its 10 branches on a routine basis. CCPL uses contractors for most maintenance and operations functions, including routine preventative maintenance, custodial services, and grounds keeping. For example, CCPL contracts out maintenance of its heating, ventilation, and air conditioning (HVAC) units. Branch employees submit electronic maintenance requests that are reviewed and prioritized by the Operations Coordinator and maintenance staff and then completed. However, because CCPL does not have a facilities master plan (see **R4.1**) or a capital improvement plan (see **R4.2**), it may be operating and maintaining facilities without clear goals (e.g., determining if/when a facility requires major renovations) and it may be operating and maintaining facilities it does not need (see **R5.2** in **program management**).

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[1] CCPL also has a part-time driver who is on extended leave.

CCPL's Automation Department consists of two employees: a Computer Technician and a System Administrator. The System Administrator sets up personal computers, installs software, performs minor repairs and maintenance, and supervises the Computer Technician. The Computer Technician provides system-wide technical support in addition to duties similar to those of the System Administrator. Key functions of the Automation Department include technology support, planning, security, and technology training. In the event of costly upgrades or upgrades requiring specific expertise, CCPL solicits quotes and uses consultants. CCPL developed a three-year technology plan for 2006 through 2009 (see **R4.4**). This plan addresses goals and strategies for improvement as well as management, review, and administration.

The Automation Department is also responsible for the upkeep of approximately 280 public and staff workstations. CCPL's policy and practice is to replace computers every three to five years. At the time of this audit, the average age of CCPL's computers was 2.3 years. The primary reason for the average age of computers being below the recommended minimum three-year replacement schedule is related to the opening of the Bethel Branch in 2005. CCPL received a sizable donation of computers with the opening of this branch. These machines were put into service in 2006. CCPL uses Creative Microsystems Incorporated (CMI) for its management applications. CMI provides both financial and payroll functions. The financial and payroll functions integrate with one another, which eliminates duplication of effort, and frees employees to perform other administrative duties. The Library uses Microsoft Office to support its management application. Security for the CCPL computer system is provided by an array of software functions including antivirus, spam filtering, password protection, Internet filtering, and write protection. Additionally, CCPL has invested extensively in laser printers for the branch libraries. Dot matrix printers are used only by staff to print patron receipts.

All CCPL branch libraries connect to the Owensville branch through a T1 line or 1.5 megabyte line. The administration building connects to the Owensville branch via a digital subscriber line (DSL). The Owensville branch connects to the Ohio Public Library Information Network (OPLIN) via two T1 lines (see **R4.7**). The Library's wide area network (WAN) is illustrated in **Diagram 4-1**.

Diagram 4-1: CCPL's WAN
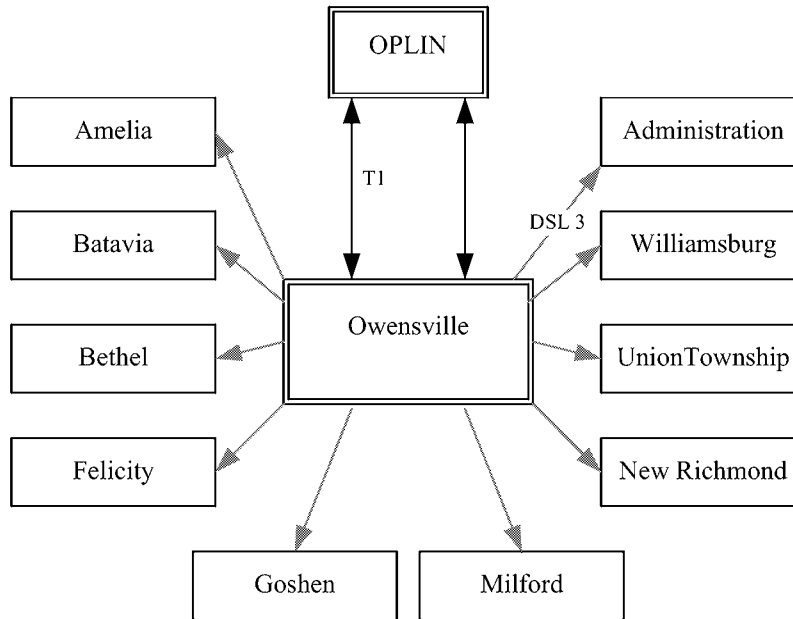
Source: CCPL Operations Coordinator

Key Statistics

Key statistics related to the maintenance function at CCPL are presented in **Table 4-1**.

**Table 4-1: CCPL Maintenance and Operation Expenditures
(per Square Foot) Compared to IFMA Benchmarks**

	CCPL 2006	IFMA Benchmark [1]	Variance
Utilities	$2.23	$3.50	($1.27)
Maintenance	$2.73	$2.91	($0.18)
Grounds Keeping	$4,918.71	$5,025.37	($106.66)
Custodial	$1.16	$1.63	($0.47)
Security	$0.22	$1.32	($1.10)
Total	**$6.84**	**$8.71**	**($1.87)**

Source: CCPL and IFMA

[1] The IFMA Benchmarks for this report were extracted from the 1997 IFMA Research Report #18. AOS adjusted the benchmarks to account for inflation. This adjustment was based upon the Consumer Price Index end-user energy values for commercial entities (U.S. Department of Energy).

As shown in **Table 4-1**, CCPL's overall maintenance and operations expenditures were $1.87 per square foot (21.5 percent) below IFMA benchmarks. Facility maintenance activities are those activities concerned with keeping the physical plant open, comfortable, and safe for use. CCPL expenditures include costs for preventative maintenance, the salaries of the Operations

Coordinator and maintenance employees, vehicle maintenance costs, and vehicle fuel costs. In order to determine if a particular branch is operating inefficiently, AOS compared branch maintenance and operations expenditures. Also, although CCPL's security costs per square foot are significantly below the IFMA benchmark, this may misrepresent the cost-effectiveness of the Library's efforts. The IFMA benchmark includes entities with both direct labor and contracted services. CCPL's security is a monitoring system with no direct labor costs.

Table 4-2 compares CCPL individual branch 2006 expenditures. Costs for utilities, maintenance, custodial services, and security services are displayed on a per square foot basis.

Table 4-2: Comparison of CCPL's 2006 Expenditures per Square Foot

	Utilities	Maintenance	Grounds Keeping [1]	Custodial	Security	Total [2]
Amelia	$1.59	$0.48	$3,134	$0.89	$0.19	$3.14
Batavia	$1.60	$0.65	$1,251	$0.58	$0.36	$3.18
Bethel	$2.20	$0.28	$13,855	$0.86	$0.27	$3.60
Felicity	$1.59	$1.53	$6,194	$0.95	$0.28	$4.34
Goshen	$1.49	$0.51	$2,801	$0.79	$0.15	$2.93
Milford	$2.25	$3.57	$2,934	$1.04	$0.14	$7.01
New Richmond	$1.69	$0.50	$3,193	$1.08	$0.21	$3.48
Owensville	$4.04	$1.66	$3,167	$1.38	$0.18	$7.27
Union	$1.76	$0.30	$5,375	$1.11	$0.15	$3.32
Williamsburg	$2.28	$1.39	$9,678	$1.22	$0.35	$5.23
Average	**$2.05**	**$1.09**	**$5,158**	**$0.99**	**$0.23**	**$4.35**

Source: CCPL
Note: Totals may not sum due to rounding.
[1] Grounds keeping is per acre and includes snow removal and salt applications.
[2] Total does not include grounds keeping costs.

As shown in **Table 4-2**, the Owensville, Milford, and Williamsburg branches cost more per square foot overall to maintain and operate than the Library average. CCPL had to replace or repair several HVAC units (Milford, Owensville, and Felicity), which resulted in higher maintenance costs for these branches. In addition, the Library made significant repairs or modifications to three parking lots (Milford, Williamsburg, and Felicity) that added to the higher costs for these branches. Adjusting for the HVAC and parking lot repairs, Owensville's and Williamsburg's maintenance cost per square foot ($0.97 and $0.92, respectively) were below the Library average. Adjusting for these maintenance activities, Milford's maintenance cost per square foot was $1.56, 43 percent above the average.

The Owensville Branch also exceeds the Library average for custodial and utility costs per square foot. This is, in part, due to vinyl composition tile which requires additional time and care. Additionally, Owensville has additional office areas to house the Collections Department, Circulation Services, Multi-media Resources, and Technical Services staff and, as a result, this branch requires longer cleaning time. In terms of utilities, this branch's HVAC units are entirely

electric, since gas is not available. Additionally, Owensville serves as the center for computer services for CCPL and, consequently, requires more electricity usage. According to the Operations Coordinator, the Library has taken steps to address higher costs at the Owensville branch. These steps include the installation of a separate meter for electricity in maintenance areas, which allows the Library to receive a discount on its utility rate. However, CCPL does not have a facilities master plan to address other issues that may impact high costs in other branches (see **R4.1**).

Assessments Not Yielding Recommendations

In addition to the analyses in this report, assessments were conducted which did not warrant changes and did not yield recommendations. The assessments not yielding recommendations for this section of the report are discussed below:

- **Preventive Maintenance**: CCPL's overall maintenance and operations costs per square foot are in line with IFMA benchmarks. The Library achieved this through routine preventative maintenance (e.g., regular resealing of parking lots, routine HVAC preventative maintenance) and monthly building inspections. This allows the Library to identify problems and make repairs before the situation becomes exacerbated. In addition, utility costs were reduced by replacing fluorescent T-12 bulbs with more efficient T-8 bulbs, as well as replacing older HVAC units with more efficient heat pumps.

- **Management Applications**: CCPL's management applications are appropriate for the Library's operations. Further, integration is not an issue between payroll and accounting functions. As a result, there is reduced duplication of effort for administrative employees.

- **Security**: CCPL has established general controls over system access, systems development, maintenance, operations, and physical security. As a result, critical systems (payroll and accounting) are protected. These controls include: antivirus programming, a spam filter, Internet filtering software, and a secured wireless network.

- **Printing Options**: The Library has invested extensively in laser technology for printers. According to *Inkjets Versus Laser Printers* (smallbusinesscomputing.com, 2005), the cost to purchase and supply ink cartridges for a common laser printer is one-eighth that of an ink jet printer.

- **Replacement of Computers**: The average age of CCPL's computers is 2.3 years. CCPL's practice is to replace computers every three to five years. This is in line with the Library's technology plan and industry best practices. A three to five-year technology replacement plan ensures that patrons and staff have up-to-date hardware and ensures that older, higher-maintenance machines are replaced in a timely manner.

- **Technology Purchases**: The Operations Coordinator is responsible for purchasing all hardware and software for the Library. This ensures that purchases are compatible with the existing infrastructure and that a complete record of purchases exists. Further, the use of quotes and advice from consultants minimizes the risk that the Library will spend more than necessary or purchase unneeded equipment.

Recommendations

Planning

R4.1   **CCPL should develop a facilities master plan. The plan should contain information on capital improvement and preventative maintenance projects. The facilities master plan should also encompass continuously updated facilities assessment information to ensure the maintenance of buildings and to sustain overall health and safety conditions. Additionally, CCPL's facilities master plan should contain an up-to-date patron-use projection and capacity analysis for all buildings.**

CCPL should link the costs in the facilities master plan to funding sources. In turn, the Library should include the planned facility costs within the annual budget and financial forecast (see R2.3 in planning and financial management). Including planned facility costs in the budget would ensure accountability and prevent any funds set aside for such purposes from being used for other functions.

Although CCPL performs routine maintenance tasks, it has not created a facilities master plan that guides the Library in its utilization of space or upkeep of its buildings. CCPL's routine maintenance includes monthly building walkthroughs conducted by maintenance staff to inspect plumbing, bathrooms, lighting, doors, carpet, fire pits, outside water spigots, and parking lots. In addition, each branch has a checklist that is used to review the work performed by the custodial contractor. CCPL also uses outside contractors to conduct preventive maintenance of its HVAC units and to conduct annual roofing inspections. Additionally, the Operations Coordinator indicates that all light bulbs are replaced every two years, based on the average life expectancy.

The Library does not, however, have any official method for determining when to open, close, or modify existing branches. The Operations Coordinator stated that any decision to change branch configuration originates through informal discussion, but final decisions require the formal approval of Trustees. Whenever the Trustees determine changes are warranted, CCPL uses Hennen's Public Library Planner, which provides administrators, Trustees, and staff with tools for conducting long-range planning. In addition, the Library has no formal plan to examine or address issues identified from its cost data, such as the cost per square foot shown in **Table 4-2**.

The Library's facilities-related planning process is complicated by the methodology used for determining patron attendance. CCPL conducts semi-annual patron counts: once in April and once in October. The process involves conducting an hour-by-hour count of all bodies in a given branch over a one week period. However, this methodology could result in significantly overstated attendance figures. Further, this practice contradicts SLO

instructions for patron counts. According to the annual Bibliostat Survey instructions from the SLO, a library should count the number of persons entering a library in a given week. According to the 2006 SLO survey results for CCPL, approximately 922,000 individuals used the Library in one year. Based on a legal service area population of approximately 191,000, each person in the legal service area would have used the Library approximately 4.5 times. Or, based upon the number of registered borrowers (approximately 105,000), each registered borrower would have used the library approximately 8.5 times. Because of the problems with the methodology, it would be difficult to accurately determine if a branch required expansion or if an entirely new branch was warranted.

CCPL tracks most of the information necessary for developing a facilities master plan. The Operations Coordinator tracks maintenance and custodial activities for each branch including HVAC, security systems, interior and exterior conditions, and other mechanical and automated systems. Because CCPL already has a history of various custodial and maintenance activities, this will lessen the work required to create a facilities master plan or capital improvement plan (see **R4.2**). Further, having the current status of the buildings from the monthly walkthroughs, in concert with the historical maintenance of buildings, would provide a sound foundation of data from which to develop plans.

Several public libraries have developed facilities master plans. These libraries include the Sacramento Public Library (CA), the Boulder Public Library (CO), the Oakland Public Library (CA), the Columbus Metropolitan Library (OH), and the Irving Public Library (TX). **Table 4-3** summarizes the major components of the facilities master plans of these libraries.

Table 4-3: Facilities Master Plan Components

Needs Assessment	- Based on current information, identify current demographic, societal, business, facility, and service needs. - Identify trends in demographics (e.g., type of clientele), society (e.g., increasing use of technology), facility use and purpose (e.g., increased or decreased use of buildings), business (e.g., customer self-checkouts), and services (e.g., programs and collections). - Identify needs by area for the library based on status and trends.
Recommendations (based on needs assessment)	- Identify the vision for the library (should extend at least 10 years). - Identify locations for opening, closing, or renovating. - Identify future service levels based on needs. - Establish strategies for achieving service levels and facility needs.
Implementation	- Use the recommendations and vision for the library to identify cost of meeting needs. - After costs are established, the funding sources for projects must be established. - One funding has been established, budgets must be set, including capital (construction) and operations (maintenance, grounds keeping, and utilities). - Finally, the facilities master plan should include guidance for updates.

Source: Sacramento Public Library Facility Master Plan for 2007-2025; the Boulder Public Library Facility Master Plan for 2007-2017; the Oakland Public Library Facility Master Plan for 2006-2020; the Columbus Metropolitan Public Library RFP; and the Irving Public Library Facility Master Plan for 2005-2015.

In addition, *The Visionary Master Plan* (American Schools & Universities, 2003) states that well-crafted plans will establish priorities, set a framework from which decisions flow, and specify funding parameters so that building development is advanced in a thoughtful, comprehensive, and cohesive manner. A facilities master plan can organize and analyze future construction projects while addressing and prioritizing deferred-maintenance issues. Planning does not end when the planning document is delivered; effective planning is a continuous process.

Without a comprehensive facilities master plan, CCPL may not able to accurately plan for long-term trends in patron attendance and financial conditions. As such, CCPL may be investing funds in a manner which is not conducive to effective facilities management. In addition, the absence of formal attendance projections further hinders CCPL's ability to develop an accurate plan for its facilities.

R4.2   In conjunction with a facilities master plan (see R4.1), CCPL should establish a formal capital improvement plan. By submitting a formal plan to the Trustees, along with any budgetary requests, CCPL would increase the likelihood that projects receive adequate funding.

CCPL has not established a formal plan for the maintenance of its capital assets. As a practice, the Operations Coordinator ensures that the vehicles are taken in for service annually. However, other vehicle maintenance relies upon the shuttle drivers to alert the Operations Coordinator of the need for maintenance. For example, the Operations Coordinator relies on the drivers to inform him when a vehicle has been driven 5,000 miles, so that an oil change can be completed.

According to *Recommended Budget Practices* (GFOA, 1998), a government should adopt policies and plans for capital asset acquisition, maintenance, replacement, and retirement. Capital asset acquisition, maintenance, replacement, and retirement policies provide a basis for formulating long-range plans to address capital needs. Policies may address inventorying capital assets and evaluating their condition, criteria for acceptable condition, criteria for continued maintenance versus replacement or retirement of an existing asset, and identification of funding for adequate maintenance and scheduled replacement of capital assets. Plans should be developed to establish ongoing, multiyear replacement and renewal schedules, and should recognize the linkage of capital expenditures with the annual operating budget. Plans for addressing deferred maintenance may also be an output of this practice.

Stakeholders should have an opportunity to provide input as capital asset policies and plans are formulated. Once adopted, the policies and plans should be made publicly available, particularly as set forth in budget, management, and planning documents. Policies and plans should be incorporated into decision making in the budget process. For example, Columbus Metropolitan Library's 2007 Capital Fund Budget is organized by project. The budget document contains a list of every project, the appropriation, any encumbrances, a brief description of the project's intent, and the expected impact (e.g., savings) on the operating budget. By budgeting per project, Columbus Metropolitan Library ensures that each planned project receives adequate funding until complete.

By adopting an official capital maintenance plan, the Operations Coordinator will help ensure that needed capital assets or improvements receive appropriate consideration in the budget process and that older capital assets are considered for retirement or replacement. These policies and plans are necessary to plan for large expenditures and to minimize deferred maintenance.

R4.3   CCPL should update its disaster recovery plan. In addition to information regarding new servers/upgrades, the Library should include detailed strategic information that will guide its actions during a crisis. The plan should include best practice components recommended by GFOA and AOS. Developing a disaster recovery plan prepares an organization for recovery from a breach in security, a natural disaster (fire, flood, etc.), or other catastrophic events as quickly and efficiently as possible. By anticipating the details of possible crises ahead of time,

CCPL can develop procedures that will expedite crisis decision-making and alleviate foreseeable problems. Once developed, the plan should be monitored, tested, and updated at least annually.

CCPL has a formal Emergency Procedures Manual that outlines action steps to be taken by Library staff during a crisis (e.g., tornado, bomb threat, earthquake), but the manual does not outline technology-related procedures. The Operations Coordinator has developed procedures in the event of various equipment crises and indicates that these procedures are being updated. The procedures, however, do not specify who is responsible for what areas, contain detailed action steps, or require testing of the disaster recovery plan. CCPL's disaster recovery procedures for three servers indicate a vendor will be called, yet three additional servers' procedures stipulate that service/software should be reinstalled, and three other servers do not have any procedure for restoring use at all.

CCPL uses backup tapes, which are stored in a secure location, to assist in restoring data following a crisis; however, the Library has not developed action steps to follow during an emergency. The Operations Coordinator indicates that a full test of disaster recovery procedures has not taken place because it would require two to three days of server down time, but periodic restoration of files lost due to staff error does occur.

According to *Best Practices* (AOS, Winter 2007), disaster recovery planning is the process an organization uses to prepare for events that disrupt normal operations. A disaster recovery plan, also called a business resumption plan, incorporates the actions an organization anticipates taking when normal operations are disrupted. The main objective of such planning is to help an organization survive a disaster and to guide the organization in resuming normal business operations. While it seems as if there are countless disaster scenarios, *Best Practices* suggests all disasters can be generalized into one of three categories: loss of information or data, loss of access, or loss of personnel.

Table 4-3 presents best practice elements of a disaster recovery plan.

Table 4-3: Key Elements of a Disaster Recovery Plan

Build Disaster Recovery Team	• Identify a disaster recovery team that includes key policy makers, building management, end-users, key outside contractors and technical staff.
Obtain and/ or approximate key information	• Develop an exhaustive list of critical activities performed • Develop an estimate of the equipment necessary for restoring essential operations. • Develop goals with associated time frames. • Develop a key list of personnel and their responsibilities.
Perform and/or delegate duties	• Create an inventory of all assets, including data, software, hardware, documentation and supplies. • Make plans to procure hardware, software, and other equipment to ensure mission-critical activities are resumed with minimal delay. • Establish contractual agreements with backup sites. • Establish procedures for obtaining off-site backup records. • Gather and safeguard contact information and procedures. • Arrange with manufacturers to provide priority delivery of emergency orders. • Locate support resources that might be needed (i.e., trucking and cleaning companies). • Establish emergency agreements with data recovery specialists.
Specify details within the plan	• Identify the roles and responsibilities by name and job title so everyone knows exactly what needs to be done. • Define actions in advance of a disaster. • Identify actions to be taken to restore critical functions. • Define actions to be taken to re-establish normal operations.
Test the plan	• Test the plan frequently and completely. • Analyze test results to determine further needs.
Deal with the damage appropriately.	• A government should have guidelines in place for declaring a disaster, issuing press releases, dealing with the media, recovering communications networks, and assessing the damage.
Give consideration to other significant issues.	• Don't make the plan unnecessarily complicated. • Make one individual responsible for maintaining the plan, but have it structured so that others are authorized and prepared to implement if it is necessary. • Update the plan regularly and whenever changes are made to the system.

Source: AOS *Best Practices* and *Recommended Practice: Technology Disaster Recovery Planning* (GFOA, 2007)

Without a written policy that includes action steps regarding disaster recovery, staff may not know what actions to take in order to repair or replace the technology equipment/services. This is especially important in the event technology staff is not available. Once a formal disaster recovery plan is in place, CCPL will be able to recover more quickly to full operating capacity in the event of a disaster. Further, while catastrophic failure of information technology capabilities has not occurred, the potential for such an incident requires sufficient proactive planning.

R4.4　CCPL should revise its technology plan to incorporate best practices suggested by the GFOA, as well as SLO's model technology plan and plan review checklist. Further, the Operations Coordinator should ensure that the technology plan be approved on an annual basis by the Trustees. By meeting best practices, the

Library's technology plan will meet E-rate Program criteria and contain more realistic goals. Further, obtaining Trustee support will likely lead to continued funding of goals and priorities, especially during times of financial distress.

CCPL's technology plan was created in October, 2005 and covers 2006 through 2009. The plan is revised every three years in order to apply for E-rate Program discounts.[2] The E-rate Program enumerates elements required to be in the plan, but does not review the plans it receives for quality. Consequently, the Library's plan does not contain several best practice components. These components include annual updates, strategies, and action plans.

Further, the technology plan may be overly complex and reaching. For example, the plan contains one overarching goal which states the Library should produce, supply, and maintain adequate, reliable, and up-to-date cost effective computer services to both the public and staff. The plan also includes 33 separate objectives. Additionally, several of the objectives are vague and not measurable. For example, the objective to increase patrons' ability to create documents, spreadsheets, etc. fails to specify if the intent is to increase the ability through training, or new/upgraded software. Further, the objective does not include a measurable objective (e.g., the number of patrons, percentage of patrons, etc).

One of the major aspects of the E-rate Program requirement is to include an evaluation process. Although CCPL's technology plan includes an evaluation process that details when evaluations occur, it could be expanded to meet best practices. This could be accomplished by including a methodology for assessing how technology has improved Library services to staff and patrons.

The E-rate Program requires that a technology plan must contain the following:

- Clear goals and a realistic strategy for using telecommunications and information technology to improve education or library services;
- A professional development strategy to ensure that staff know how to use these new technologies to improve education or library services;
- An assessment of the telecommunications services, hardware, software, and other services that will be needed to improve education or library services;
- A sufficient budget to acquire and support the non-discounted elements of the plan: the hardware, software, professional development, and other services that will be needed to implement the strategy; and

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[2] The E-rate Program provides discounts to assist libraries to obtain affordable telecommunications and Internet access. Three service categories are funded: telecommunications services, Internet access, and internal connections. Discounts range from 20 percent to 90 percent of the costs of eligible service, depending on poverty and urban/rural status. The first step for applying for discounts is to create a technology plan.

- An evaluation process that enables the school or library to monitor progress toward the specified goals.

According to the Online Computer Library Center (OCLC), SLO, and *Technology Planning Made Easy* (Florida Public Libraries, n.d.), a technology plan should:

- Be integrated and coordinated with the library's overall long-term plan;
- Cover three to five years;
- Include a vision and mission statement;
- Include an inventory of current assets;
- Identify necessary technology (e.g. what will be used to provide the technology);
- Determine telecommunications needs (e.g. levels of connectivity);
- Identify staffing needs and training for the public and staff (e.g. how will the library acquire the expertise needed to use, maintain, and continuously upgrade networks and systems?);
- Identify broad goals based on inventory and needs;
- Include a breakdown of goals into specific, measurable objectives (e.g. instead of connect computers to the internet, use connect two staff computers and three public access computers);
- Include action plans and timelines;
- Include evaluations (counting uses and users, as well as satisfaction);
- Identify costs and budgets; and
- Include regular updates.

The core elements of best practice criteria for technology planning are necessary for the development of a technology plan that not only meets E-rate Program requirements, but also leads CCPL to action and results within the specified time frame. Further, while the E-rate Program requires a technology plan, it does not require Trustee approval. While the Library's technical personnel can develop the vision for a technology plan, that vision must be shared and understood by the Trustees, or it could be unfunded. Further, by not updating the technology plan annually, CCPL may repeatedly risk following a plan that no longer reflects the current situation.

Due to the Library's current financial status, the administration has recently placed a low priority on achieving the goals and objectives outlined in the technology plan. As a result, implementation of the plan has been inconsistent and lacks key components such as dedicated financial resources, community participation, and staff support. Without a firm, continuous commitment of resources, the Automation Department may not be able to meet the future needs of Library staff and the patrons. Further, if the recommendation to close a branch (see **R5.2** in **program management**) is followed, CCPL may be able to redirect additional resources to support the Automation Department (e.g., the purchase of

additional computers). The additional funding to purchase new computers may also help relieve the computer wait time experienced by patrons at the various branches (see **R5.3** in **program management**).

Policies

R4.5 **The Operations Coordinator and Director should consult with the Trustees to develop and formally adopt a formal equipment donation policy that outlines Library-compatible hardware/software brands, models, and performance requirements. Moreover, the Library should publish its equipment donation guidelines on its web-site to encourage donations that conform to its technology plan.**

The Library does not have a formal policy on equipment donation. As a practice, the Operations Coordinator purchases all computers for the Library to ensure consistency. Further, the Library does not routinely accept donations of equipment. Typically, donations made by individuals or groups are monetary donations earmarked for computers. According to the Operations Coordinator, an exception was made in 2005. At that time, the Library was in financial distress, and the Bethel Branch was opening. Consequently, this required additional workstations. According to the Operations Coordinator, the donation allowed CCPL to extend their purchase schedule of new hardware, and, consequently, allow more flexibility in the Automation Department's budget.

According to *Twelve Steps for Trimming Your Total Cost of Ownership* (Moskowitz, 2001), it is both easier and less expensive to support a limited number of applications and computing environments than it is to support several disparate systems. If end-users and technicians can be trained to work with a specific set of hardware, they will become familiar – and proficient – with the equipment in a shorter period of time. Hardware repairs can be simplified by reducing the number of vendors dealt with. Organizations can also keep spare computers that are interchangeable on hand so end users can have replacement machines quickly. Furthermore, the International Society for Technology in Education's Support Index Standard recommends only accepting donated equipment if it meets specific brand, model, performance, and system requirements. Donated equipment should be less than two years old, and the organization should encourage cash donations.

By creating a standardized list of hardware and software and ensuring that branches use more standardized products, technicians may have additional time to dedicate to more complex issues. Standardized software is more easily supported by the network structure. Also, standardized hardware and software will ensure that purchases are appropriate and functional for the Library.

Accepting equipment donations is a valuable tool for obtaining needed equipment in libraries with minimal funding. Therefore, an equipment donation policy is essential to ensure that donated equipment meets the needs of patrons and staff and does not result in any additional software or maintenance costs to the Library.

R4.6   The Operations Coordinator should work with the Trustees to develop and formally adopt a policy regarding computer equipment disposal, including provisions for recycling and security (e.g., erasing personal data and destroying hard drives). By adopting a formal computer equipment disposal policy in conjunction with its three to five-year replacement practice, CCPL can more effectively replace obsolete equipment in a responsible and secure manner.

CCPL does not have a policy on equipment disposal. According to the Operations Coordinator, a local company provides computer recycling services when computer disposal is needed. In addition, the Library keeps all Environmental Protection Agency (EPA) certificates are on file.

When disposing of older hardware, the *Guide to Computer & Electronics Waste Reduction and Recycling* (Ohio EPA, 2005) recommends that any facility should consider computers and monitors hazardous unless tested and proven otherwise. According to *Disposal of Old Computer Equipment* (The CPA Journal, 2004), even a small organization may fall under the federal requirement to document the proper recycling for all computers. The CPA Journal recommends that organizations obtain and keep written documentation verifying disposal. While computer monitors are a hazardous waste, the District should also include circuit boards and keyboards as hazardous waste and disposal of these in accordance with EPA directives.

Without a policy that includes formal guidelines for equipment disposal (e.g., formatting hard drives, removing personal data and licensed software, recycling, etc.), CCPL runs the risk of disposing of potentially hazardous materials in an improper manner. This disposal method could lead to possible legal ramifications. In addition, the Library runs the risk that personal data and/or licensed software could be obtained by an outside party.

R4.7   As current bandwidth is not sufficient to meet the needs of the Library during peak operating hours, CCPL should perform a cost/benefit analysis of the options available for increasing bandwidth. Options available include consulting with the Clermont County Office of Technology, Communication, and Security about the use of their fiber optic lines, using DSL, or adding T1 lines. Using a cost benefit analysis, CCPL should select the best fit for its expanded connectivity needs. By increasing the bandwidth, the Library will be able to better accommodate patron using Library computers, as well as have the potential to expand electronically based services.

All branches but one in the CCPL network connect to the Internet via OPLIN.[3] Based upon a bandwidth usage report, individual branches appear to have sufficient bandwidth and branch managers and staff indicated that the bandwidth is usually sufficient to meet patron needs. However, managers and staff expressed concern that, during peak hours, bandwidth may not be sufficient. Furthermore, based on usage statistics, CCPL uses almost all of its available bandwidth during peak hours.

During the course of the audit, the Operations Coordinator reported that the Milford branch began using a broadband connection through a local provider to alleviate connectivity issues. Although various proposals have been discussed by CCPL, the Operations Coordinator was unsure of the impact of using a third-party provider on access to the OPLIN databases. To ensure continued access to the databases, CCPL and OPLIN began efforts to install a new DSL line, provided by the State, to replace some of the T1 lines—Owensville will be connected to this line.

In order to increase bandwidth, CCPL has three options available: consult with the Clermont County Office of Technology, Communication, and Security about using its fiber optic lines, moving more branches to DSL, or adding additional T1 lines. However, each option has strengths and drawbacks that CCPL must consider.

Financial Implication: According to OPLIN, an additional T1 line between the Owensville branch and the OPLIN Columbus hub would cost an additional $400 per month in telecommunication costs, and $315 in monthly network costs, for a total annual cost of $8,580.

Professional Development

R4.8 CCPL should develop a comprehensive professional development plan for technology users. While informal opportunities exist, the Library should expand the ongoing training for staff members by developing a list of technology core competencies similar to those identified in *Public Access Computing Technology Competencies*. Further, CCPL should annually assess staff needs, as well as establish a regular training schedule to address those needs. Additional training options will increase staff capability and reduce the number of low-level support issues requiring intervention. CCPL should use its comprehensive professional development plan as a guide to budget for professional development.

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[3] OPLIN provides an internet connection to every public library system in Ohio, usually through a T1 circuit. It also serves as the internet provider for several other Ohio public libraries.

According to the Operations Coordinator, Automation Department staff meets to discuss changes in technology, identify the most cost-effective method to address those changes, and the level of training needed to address these changes. The System Administrator is responsible for configuring, administering, and maintaining the public access computers for reliable and secure use by patrons. Since day-to-day operations change little, Library staff can obtain needed information from magazines and other industry publications. Expenses for training are obtained, added to the budget, and, if approved, the request is sent to human resource personnel for approval. However, a review of the Automation Department budget and technology plan found that professional development is not a component of CCPL's technology plan, the technology budget for 2007, or the spending plan for 2008, which is contrary to the stated practice. The Library tracks trainings attended by staff, including the Automation Department, thus making an estimate of future costs possible.

According to *Public Access Computing Technology Competencies* (WebJunction, 2007), assisting patrons on the public access computer stations requires that library staff be competent and confident in their own use and understanding of the technologies involved.

By planning for technology-related professional development and formally incorporating such training into the budget, CCPL will empower employees to be the first line of defense against minor technology related problems. This allows technicians to concentrate on larger technology related issues. Further, Library staff will have confidence and enthusiasm needed to put technology to work on behalf of their patrons. This goal can only be achieved through an ongoing technology training and development program that is properly funded.

Technology Expenditures

R4.9 **CCPL should track technology expenditures in their entirety by establishing a function code or special cost center (see R2.5 in planning and financial management). The Library has established object codes for computer hardware and computer software expenditures, but other areas exist that also warrant inclusion. The other areas include: professional development costs for technology staff and other employees, service costs, memberships in professional organizations, and any other costs not easily identifiable as hardware or software. Accurately tracking all technology expenditures will enable CCPL to better plan for upgrades to equipment and prepare more accurate budgets.**

During the course of the audit, CCPL began using a technology project code to track all of its technology expenditures.

AOS was unable to conduct an analysis of CCPL's technology expenditures because the Library does not track all technology expenditures within a special cost center or the established object codes. CCPL has established object codes for computer hardware, computer software, and public computer services (databases). However, an expenditure review found approximately $22,143 in various expenditure categories (e.g., program supplies, printing and publicity, other professional services) that appears to be technology-related, but was not recorded in the computer hardware/software object codes. In addition, other areas exist which were not readily identifiable as technology-related: those costs include professional development, internal (in-service) trainings, and contract services. According to the Operations Coordinator, technology expenditure coding is an area of ongoing discussion. Further, if the Library receives a grant to operate a specific program, with technology purchases being a part of the program, the costs will be tracked with other grant expenditures. Although AOS was able to identify a small number of items that appear to be technology-related, the possibility exists that the expenditures were for other library functions.

According to Marc Osten, founder of Summit Collaborative, a strategic technology planning firm, an entity should determine the total cost of ownership by tracking the individual cost components. For technology, these components include:

- Training;
- Hardware technical support;
- Software;
- Replacement costs; and
- Connectivity.

By capturing all technology costs in special cost center, CCPL will be able to better plan for changes or additions to the current technology status. Further, CCPL will be able to assess the value that technology provides patrons and staff.

Financial Implications Summary

The following table summarizes the estimated annual implementation cost associated with the recommendations in this section of the performance audit.

Summary of Financial Implications for General Operation

Recommendation	Annual Implementation Cost
R4.7 Increase available bandwidth	$8,580
Total	**$8,580**

Source: AOS recommendations

Program Management

Background

This section of the performance audit focuses on program management aspects within the Clermont County Public Library (CCPL or the Library). **Appendix 1-A** provides a summary of the audit objectives for this section. Program management includes library services, materials, circulation, attendance rates, and community partnerships. These were compared to leading practices, industry standards, and peer libraries[1] for the purpose of developing recommendations to improve efficiency and business practices. Leading practices and industry standards were drawn from various sources, such as the American Library Association (ALA), the U.S. General Accountability Office (GAO), the Ohio Department of Development (ODOD), the Ohio Library Council (OLC), the State Library of Ohio (SLO), and the Association for Library Collections and Technical Services (ALCTS). In addition, population statistics, library use patterns, and community input were used to measure the extent to which CCPL is meeting the expectations of its legal service area.

Population in the Legal Service Area

The legal service area of a library typically includes the population within the boundaries of the geographic area that a library serves. As the only public library system in Clermont County, CCPL's legal service area is equal to Clermont County's population. **Table 5-1** illustrates Clermont County's population estimates for 2005 and projections through 2030 by age group.

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[1] See **executive summary** for a description of the 12 peer library average used as a benchmark throughout this report.

Table 5-1: Clermont County Population Projections

Age Group	2005	2010	2015	2020	2025	2030	Percent Increase 2005 - 2030
0-4	13,710	13,960	14,840	15,490	16,480	16,930	23.5%
5-9	14,340	14,450	14,730	15,560	16,190	17,210	20.0%
10-14	14,100	15,190	14,540	15,560	15,640	17,030	20.8%
15-19	12,940	14,140	14,300	14,580	14,740	15,680	21.2%
20-24	12,970	11,940	14,240	13,330	14,690	13,770	6.2%
25-29	11,840	13,060	13,430	14,330	14,680	14,760	24.7%
30-34	12,800	13,570	14,350	15,110	15,510	16,380	28.0%
35-39	14,360	14,210	14,310	15,720	15,780	16,890	17.6%
40-44	16,040	15,060	14,610	14,980	16,060	16,430	2.4%
45-49	15,910	16,430	15,190	15,000	15,090	16,430	3.3%
50-54	13,410	15,900	16,220	15,180	14,810	15,080	12.5%
55-59	11,270	13,010	15,280	15,680	14,580	14,340	27.2%
60-64	8,100	10,640	12,210	14,380	14,710	13,730	69.5%
65-69	5,890	7,300	9,710	10,970	13,020	13,200	124.1%
70-74	4,540	5,240	6,330	8,450	9,410	11,260	148.0%
75-79	3,560	3,750	4,220	5,140	6,710	7,540	111.8%
80-84	2,500	2,670	2,750	3,150	3,740	4,900	96.0%
85+	1,950	2,300	2,540	2,720	2,990	3,430	75.9%
TOTAL	190,230	202,820	213,800	225,330	234,830	244,990	28.8%

Source: ODOD Office of Strategic Research

Demographic projections provide anticipation of future service demands by identifying the emerging age groups within the service area. As illustrated in **Table 5-1**, Clermont County's total population is expected to experience a 28.8 percent increase from 2005-2030. The fastest growing population in Clermont County is projected to be seniors (65 years and older). This segment may more than double in size by 2030. CCPL's children and teen segment (up to 19 years of age) is expected to increase approximately 20 percent by 2030. The segment with the least amount of growth is the 40-49 age group, with an increase of 2.9 percent from 2005-2030. These projected shifts, both short and long-term, should be considered as the Library plans services for various age groups (see **R5.1**, **R5.2**, **R5.6**, **R5.7**, and **R5.9**).

Operational Statistics

Table 5-2 compares CCPL's patron visitation and program attendance ratios to the peer average.

Table 5-2: CCPL and Peer Population Use Statistics

	CCPL	Peer Average	Percent Above/(Below)
Legal Service Area Population	190,589	100,806	89.1%
Total Registered Borrowers [1]	105,139	69,611	51.0%
Borrowers as Percent of Legal Service Area Population	**55.2%**	**69.1%**	**(13.9%)**
Annual Library Visits [2]	922,532	859,083	7.4%
Library Visits per Capita [3]	**4.8**	**8.5**	**(43.5%)**
Program Attendance	83,762	24,701	239.1%
Program Attendance per 1,000 Capita	**439.5**	**245.0**	**79.4%**

Source: SLO 2006 statistics

[1] CCPL does not require registered borrowers to be residents of Clermont County. Therefore, this number includes residents of CCPL's legal service area, as well as residents of surrounding counties. In 2006, 9,456 (9.0 percent) of CCPL's registered borrowers were residents of other counties.

[2] Annual library visits calculated by multiplying attendance at the library during a typical week by 52 weeks.

[3] Per capita is calculated using the legal service area population.

As illustrated in **Table 5-2**, CCPL's registered borrowers and annual library visits in relation to its legal service area population fall significantly below the peer average. Various studies indicate a number of possible variables that could promote the use of a library including economic status and education levels. The Auditor of State (AOS) compared the educational attainment and average income of persons residing in Clermont County to the counties in which peer libraries are located and the results indicate that Clermont is comparable to the peers and demographics did not provide a basis for the variances. While CCPL's focus on increasing program attendance (see **executive summary**) has proved to be successful, it has not increased the number of borrowers or library visits to the level of the peer average. Consequently, the significant variances illustrated in **Table 5-2** could potentially be due to the Library's collection of materials (see **R5.8** and **R5.9**).

A library's collection and circulation can be measured and compared jointly to assess patron use and turnover patterns.[2] **Table 5-3** compares CCPL's collection and circulation statistics to the peer average.

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[2] Collection refers to all materials that are available to borrow (input) while circulation refers to the number of times materials are loaned out over a specified period (output).

Table 5-3: CCPL and Peer Collection and Circulation (2006)

	CCPL	Peer Average	Percent Above/(Below)
Total Collection Materials	565,300	491,985	14.9%
Total Circulation	1,543,805	1,659,198	(7.0%)
Legal Service Area Population	190,589	100,806	89.1%
Materials Expenditures	$1,269,542	$917,710	38.3%
Materials per Capita	3.0	4.9	(38.8%)
Material Expenditures per Capita [1]	$6.66	$9.10	(26.8%)
Circulation Per Capita [2]	8.1	16.5	(50.9%)
Turnover Rate [3]	2.7	3.4	(20.6%)

Source: SLO 2006 statistics

[1] Materials expenditures per capita relates library funds spent on materials for the collection (e.g., books, periodicals, audio and video cassettes) to the number of persons the library was established to serve.

[2] Circulation per capita relates the number of library materials lent to the number of persons the library serves.

[3] The turnover rate compares the number of materials circulated to the number of materials the library has in its collection. Turnover rate is equal to circulation divided by the number of physical materials held. Because libraries are not required to submit data to SLO on physical materials held, total collection was used instead. The difference between collection and materials held is that the collection accounts for the number of subscriptions while physical materials would account for all items held.

As illustrated in **Table 5-3**, CCPL's collection is about 39 percent smaller than the peers when examined on a per capita basis. CCPL also spent 26.8 percent less per capita on materials than the peer average in 2006. The content and size of a library's collection can directly affect its circulation statistics. CCPL's lower circulation could be the result of lower material expenditures and the materials held per capita (fewer available resources or a more limited selection). Turnover rate indicates how often each item in the collection was borrowed. While CCPL's total circulation is 7.0 percent less than the peers, its volume of materials held is 14.9 percent higher, indicating a lower turnover rate. Thus CCPL's collection is borrowed less often than the peer average. This could be related to operating hours, materials selected, or the types of media available. (See **R5.1, R5.8** and **R5.9**.)

Collection

CCPL's Material Selection Policy states that the Library is committed to providing a collection which spans most areas of knowledge and which gives free and equal access to this material to the total community. The collection is the total accumulation of materials owned by the Library and consists of a variety of materials including books, magazines, movies, and recordings. **Table 5-4** compares CCPL's 2006 collection to the peer average by types of items as a percent of total materials.

Table 5-4: CCPL and Peer Collection Materials Composition

	CCPL		Peer Average		Percent
	# of Items	% of Total	# of Items	% of Total	Above/(Below)
Book Stock	454,988	80.5%	379,299	77.1%	3.4%
E-books	10	0.0%	3,396	0.7%	(0.7%)
Bound Periodicals	0	0.0%	2,275	0.5%	(0.5%)
Current Print Subscriptions [1]	1,224	0.2%	708	0.1%	0.1%
Electronic Serial Subscriptions	0	0.0%	545	0.1%	(0.1%)
Microforms	0	0.0%	34,573	7.0%	(7.0%)
Video Cassettes & Discs	57,434	10.2%	37,198	7.6%	2.6%
Recordings	50,524	8.9%	32,076	6.5%	2.4%
Computer Software	22	0.0%	1,575	0.3%	(0.3%)
Databases	10	0.0%	50	0.0%	0.0%
Other [2]	1,088	0.2%	291	0.1%	0.1%
Total Collection Materials	**565,300**	**100.0%**	**491,985**	**100.0%**	**0.0%**

Source: SLO 2006 statistics
[1] Current print subscriptions are the number of subscriptions, not number of items.
[2] CCPL classified book-like items such as professional titles, programming popup books, interlibrary loan titles, and book kits in this category.

Table 5-4 shows that CCPL has greater percentage of its materials in book stock, video cassettes and discs, and recordings than the peer average and a lower percentage of materials are in software and databases. However, the overall distribution is not significantly different than the peers. To better illustrate access to collection materials, Table 5-5 compares CCPL to the peer libraries on a per capita, per borrower, and per square foot basis. Because the majority of CCPL and the peers' collections fall into the categories of books, video, and audio, a further comparison was made on a per capita basis in these categories.

Table 5-5: CCPL and Peer Collection Ratio Comparison

	CCPL	Peer Average	Percent Above/(Below)
Total Collection Materials	565,300	491,985	14.9%
Legal Service Area Population	190,589	100,806	89.1%
Collection Materials per Capita	**3.0**	**4.9**	**(38.8%)**
Book Stock per Capita	2.39	3.76	(36.4%)
Video Cassettes & Discs per Capita	0.30	0.37	(18.9%)
Recordings per Capita	0.27	0.32	(15.6%)
Total Registered Borrowers	105,139	69,611	51.0%
Collection Materials per Borrower	**5.4**	**7.1**	**(23.9%)**
Net Library Area in Square Feet	93,261	74,982	24.4%
Collection Materials per Square Foot	**6.1**	**6.6**	**(7.6%)**

Source: SLO 2006 statistics

The Library maintains a larger collection of materials, due, in part, to a larger legal service area population, more registered borrowers, and more overall facility space. Nonetheless, CCPL's collection materials per capita, per borrower, and per square foot fall below peer averages (see **R5.9**).

Table 5-6 compares CCPL's collection materials-related expenditures to the peer average.

Table 5-6: CCPL and Peer 2006 Collection Materials Expenditures

	CCPL	Peer Average
Total Materials Expenditures	$1,269,542	$917,710
Total Operating Expenditures	$7,660,769	$5,459,231
Material Expenditures as % of Total	**16.6%**	**16.8%**

Source: SLO

Although CCPL's collection materials per capita is smaller than the peer average, the percent of expenditures spent on the collection was comparable in 2006. CCPL projects that the funds available for 2007 material purchases will decrease, due to budget constraints. During the June, 2007 Trustee's meeting, the Library reported that the materials portion of the 2007 budget was 12 percent.

Three-Year Change

Table 5-7 presents a three-year history of Library statistics.

Table 5-7: CCPL 2004-2006 Library Statistics

	2004	2005	2006	Three-Year Percent Change
Demographics				
Legal Service Area Population [1]	185,799	190,589	190,589	2.6%
Net Area in Square Feet	89,737	93,261	93,261	3.9%
Borrowers				
Number of Registered Borrowers (Adults)	65,002	65,827	73,371	12.9%
Number of Registered Borrowers (Children)	29,900	29,291	31,768	6.3%
Total Registered Borrowers	**94,902**	**95,118**	**105,139**	**10.8%**
Number of Programs Offered				
Children's Programs	2,552	3,003	1,933	(24.3%)
Total Library Programs	**3,386**	**2,122**	**2,716**	**(19.8%)**
Total Program Attendance	**87,241**	**72,222**	**83,762**	**(4.0%)**
Collection				
Book Stock	426,983	441,536	454,988	6.6%
E-books	0	0	10	100.0%
Current Print Subscriptions	1,372	1,407	1,224	(10.8%)
Video Cassettes & Discs	42,637	52,988	57,434	34.7%
Recordings	36,769	45,670	50,524	37.4%
Computer Software	2	10	22	1,000.0%
Databases	6	9	10	66.7%
Other [2]	9	1,006	1,088	11,988.9%
Total Collection Materials	**507,778**	**542,626**	**565,300**	**11.3%**
Circulation				
Adult Circulation	1,104,637	945,391	1,056,589	(4.3%)
Juvenile Circulation	706,027	655,127	608,641	(13.79%)
Video Cassette & Discs	575,303	513,791	267,293	(53.5%)
Recordings	181,336	177,806	171,821	(5.2%)
Total Circulation [3]	**1,810,644**	**1,824,167**	**1,543,805**	**(14.7%)**
Attendance				
Annual Attendance in Library	**516,828**	**878,592**	**922,532**	**78.5%**

Source: SLO statistics 2004-2006

[1] Because population numbers are used for determining the funding for libraries, SLO decided to "lock" this entry on the State Survey, denying libraries the ability to update it in 2006. SLO is in the process of identifying a logical way to update the legal service area population and plans to update all libraries' population data for 2007.

[2] CCPL classified book-like items such as professional titles, programming popup books, interlibrary loan titles, and book kits in this category.

[3] Total circulation is equal to circulation of all materials, including interlibrary loans, staff circulation, board circulation, special collections, and renewals. This is not supposed to be the total of the above categories because, when separated by item type, some items are counted twice (for example, a juvenile movie is counted under juvenile and video).

As illustrated in **Table 5-8**, CCPL experienced significant changes in several areas from 2004 to 2006. The following are explanations for these changes:

- **Net Area in Square Feet (3.9 percent increase)**: The Library opened the new Bethel Branch in August, 2005. The new building was more than double the size of the old one.

- **Total Registered Borrowers (10.8 percent increase)**: CCPL has attracted new borrowers through outreach services and partnerships such as the "Flash Your Card and Save" program. This program allows registered borrowers to receive discounts at local businesses by showing their library card during Library Card Sign-up Month (September). Additionally, some branch employees visit schools during September to get children who do not have a card the opportunity to sign up for one.

- **Total Library Programs (19.8 percent decrease)**: Most branches had to reduce the number of programs due to limited availability of staff. The Library's benchmark study (see the **executive summary**) also led the Library to combine programs (such as story times) to meet attendance goals, thus reducing the total number of programs. Although the number of programs decreased, CCPL's use of benchmark data to consolidate programs has helped hold the loss of program attendance to only 4.0 percent.

- **Total Collection Materials (11.3 percent increase)**: According to the Collection Development Department, the Library uses standards and guidelines from its Collection Development Manual, turnover rates, and patron requests when ordering materials (see **R5.8** and **R5.11**). Branch managers continue to be responsible for the de-selection, or culling, of their respective materials.

- **Total Circulation (14.7 percent decrease)**: Total circulation is equal to circulation of all materials plus the number of renewals. This includes interlibrary loans while the breakout for adult and juvenile does not. Video cassette and discs circulation decreased 53.5 percent due to the establishment of a $1.00 fee for feature films on January 1, 2006 (see **R5.12**). The Library also set a limit on the number items that could be checked out by new card holders.

- **Annual Library Attendance (78.5 percent increase)**:[3] In addition to increased library attendance due to a growing County population and Library promotion efforts, CCPL indicated that staff has improved consistency between branches in counting patrons (see **R4.1**).

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[3] According to SLO, annual library attendance is calculated by reporting the total number of persons in the library per typical week and multiplying by 52 weeks.

Assessments Not Yielding Recommendations

In addition to the analyses in this report, assessments were conducted which did not warrant changes and did not yield recommendations. The assessment not yielding a recommendation for this section of the report is discussed below:

- **Genealogy Collection**: CCPL's genealogy collection is housed at the Batavia Branch and consists of a variety of reference books, census records, newspapers, and surname and obituary files. The collection is owned by the Clermont County Genealogy Society (the Society). If items are donated to the Library for the collection, they become the property of CCPL. The Society holds meetings that are open to the public each month at the Batavia Branch. While the Society used to train volunteers to help with genealogy-related customer service, CCPL employees are now trained to provide guidance to patrons when using the collection for research. Library staff receives genealogy training as part of the initial reference training at the Batavia Branch and the Library pays for staff members to attend workshops and seminars to improve this service (see **executive summary**).

  According to the Batavia Branch manager, patrons that use the genealogy collection come to the Library specifically for this purpose. Many come from other areas (other counties and states, and sometimes other countries) to use the collection. CCPL's genealogy collection practices are generally in line with seven peer libraries[4] that also offer this type of collection. The only are area of difference is that CCPL does not own the collection, whereas the peer libraries own their genealogy collections. CCPL maintains an effective partnership with the Society whose ownership of the genealogy collection in no way appeared to be problematic. In the event that the Society should ever disband or cease operation for any reason, the genealogical material owned by the Society would become the property of the CCPL.

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[4] The seven peers include Troy-Miami County Public Library, Lorain Public Library, Lane Public Library (Hamilton), Geauga County Public Library, Clark County Public Library, Warren-Trumbull County Public Library, Washington-Centerville Public Library, and Cleveland Heights – University Heights Public Library.

Recommendations

R5.1   In order to control operating costs at the Library while effectively meeting the needs of the community, CCPL should consider restructuring its total operating hours by allocating 65 hour weeks only to the busiest branches and using more targeted service hours at the branches with lower circulation and fewer borrowers. An examination of use patterns at each branch in relation to hours served and input from community members will assist CCPL in better tailoring its operating hours to patron preferences and needs (see R5.2 and R5.4). In conjunction with restructuring operating hours, CCPL should consider extending operating times to include Sunday hours at select branches.

CCPL should implement a process to evaluate the hours of operation offered at each branch and the related levels of circulation and program attendance. This information should be used in an ongoing decision-making process to ensure operating hours best suit attendance patterns. By expanding its practice of examining operating ratios and increasing efforts dedicated to obtaining patron feedback, CCPL may be able to simultaneously improve customer satisfaction and redirect operating costs by restructuring its hours of operation.

Each of CCPL's 10 branches is open 65 hours every week. All branches operate on the same schedule: Monday through Thursday from 9:00 AM to 9:00 PM and Friday and Saturday from 9:00 AM to 5:30 PM. The Library is not open Sundays. Annually, CCPL records the number of patrons in each library branch over a one week period, usually in October. The Library also tracks the number of questions asked of reference staff on a per hour basis and compiles this information daily. The data collected provides the Library with statistical information to compare its branches. CCPL recognizes that some branches are busier than others and indicates that the Library can streamline operations by varying branch schedules. Also, while patrons in some communities have inquired about Sunday hours, CCPL has not surveyed community members to determine if this would be a beneficial change.

Because CCPL has more library branches than the peers, its total annual operating hours exceed the peer average by 11.4 percent. However, comparisons made on a per hour basis in relation to population, registered borrowers, and circulation show that CCPL falls well below the peer average (39.1 percent, 53.0 percent, and 62.8 percent, respectively). This indicates that the usage rate on a per-hour basis is lower than the peers in each area.

Due to demographic differences and variations in community use patterns, a smaller group of peers, which more closely resemble CCPL, was used to further examine hours of operation. **Table 5-8** illustrates a more detailed comparison to the selected group of

peers in the areas of population, registered borrowers, circulation and libraries on a per-hour basis.

Table 5-8: CCPL and Selected Peer Hours of Operation Ratios

	CCPL	Peer Average – Selected Peers	Percent Above/(Below)
Legal Service Area Population	190,589	161,466	18.0%
Annual Total Hours of Operation	33,800	17,628	91.7%
Population per Hour [1]	**5.6**	**9.2**	**(39.1%)**
Total Registered Borrowers	105,139	84,019	25.1%
Annual Total Hours of Operation	33,800	12,809	163.9%
Registered Borrowers per Hour [2]	**3.1**	**6.6**	**(53.0%)**
Total Circulation	1,543,805	1,579,565	(2.3%)
Annual Total Hours of Operation	33,800	12,861	162.8%
Total Circulation per Hour [3]	**45.7**	**122.8**	**(62.8%)**
Annual Total Hours of Operation	33,800	18,291	84.8%
Number of Libraries	10	6	66.7%
Average Hours per Library [4]	**3,380**	**2,927**	**15.5%**

Source: CCPL, peers, and SLO 2006 statistics
[1] Peers = Greene, Lane (Butler County), and Warren-Trumbull (similar in population).
[2] Peers = Geauga, Warren-Trumbull, and Westerville (similar in number of registered borrowers).
[3] Peers = Lorain, Warren-Trumbull, and Westerville (similar in total circulation).
[4] Peers = Geauga, Greene, Lorain, Warren-Trumbull (number of libraries - 4 peers because three have 6 libraries and one has 7).

When compared to the peer average, CCPL serves fewer patrons and fewer registered borrowers per hour (39.1 and 53.0 percent, respectively), emphasizing the disparity in operating hours. Circulation per hour has the greatest deviation from the peer average (62.8 percent) demonstrating that CCPL has less than half the amount of materials circulating during its open hours than the peers (see **R5.9**).

The majority of the peer libraries have unique schedules in that schedules vary by branch, as well as by the day of the week. **Chart 5-1** compares CCPL to the peer average daily hours per library for each day of the week.

Chart 5-1: CCPL and Peer Daily Hours per Library

Average Daily Hours per Library
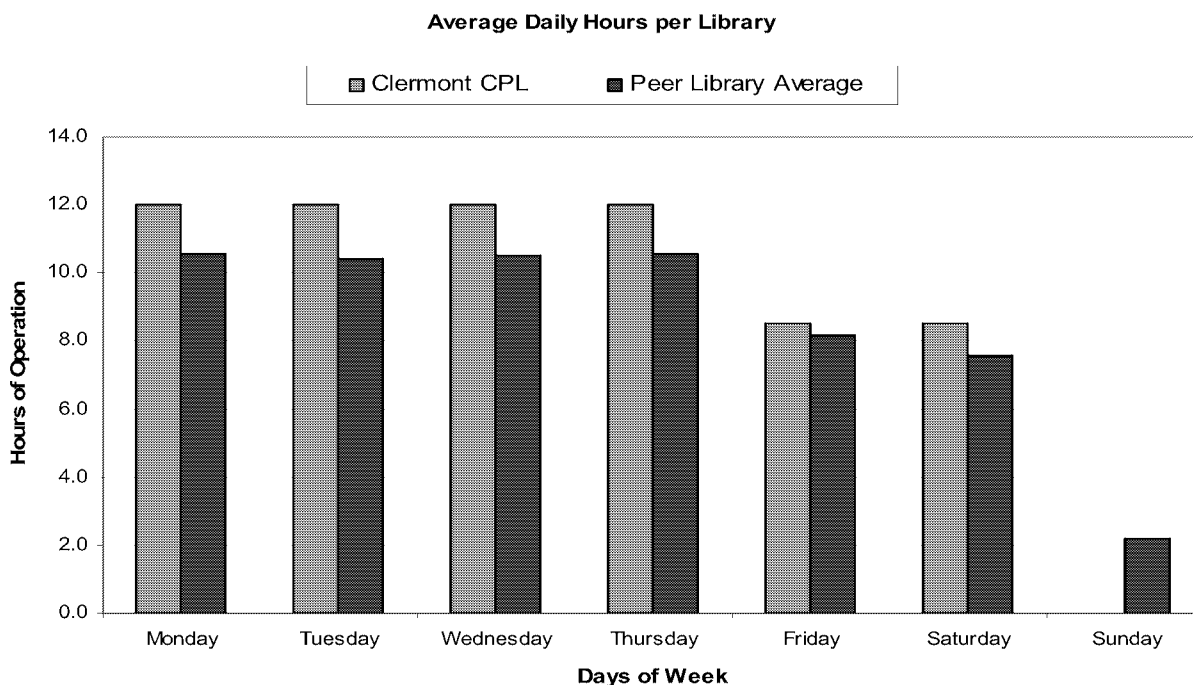
Source: CCPL and peers

As illustrated in **Chart 5-1**, CCPL has a greater number of operating hours than the peer average each day of the week, except Sunday. Eleven of the 12 peer libraries offer hours on Sundays, 5 of which only open their main library. Six of the 11 peers offering Sunday hours do so only during the school year (September to May).

While CCPL has practices in place to collect and examine data for each branch regarding use by hour, it has not used the findings to adjust operating schedules. The Library expressed concern that operating on Sundays would be difficult with its current hiring freeze. However, this may be feasible if it recalibrates its operating hours among its various branches and reduces total operating hours.

Offering hours of operation in excess of peer averages and community needs leads CCPL to spend funds on areas that do not yield the greatest level of patron use or satisfaction. Additionally, CCPL may not be meeting the desires of its community as it does not offer hours on Sundays. As a result, CCPL may lose patrons to surrounding libraries, such as Hamilton and Butler, which are open Sundays. Adjusting operating hours would allow the Library to offer Sunday hours at a few branches throughout Clermont County without increasing costs. This can be accomplished by decreasing the number of operating hours throughout the week at the less busy branches to a level in line with the peer average.

CCPL could then allocate hours to the busier branches, such as Milford-Miami, Union Township, and Amelia[5], to open on Sundays.

Financial Implication: If CCPL reduced its operating hours by 2 hours Monday through Thursday and 30 minutes on Friday and Saturday (a total of 9 hours) at its 6 branches with more limited patron attendance, it would realize a cost savings of approximately $73,000. Adding operating hours at Milford-Miami, Union Township, and Amelia for 5 hours each on Sunday would result in an additional cost of approximately $20,000. The net savings to CCPL would be approximately $53,000.[6]

R5.2   Based upon branch attendance and demographic information, such as population density and square mileage, CCPL should consider closing one branch library. Closing a branch would allow the Library to redirect resources, such as materials, programs, and other services, to the remaining branches. A branch closure, along with adjusting operating hours (see R5.1), is an important issue for the Library to consider when developing its strategic plan (see R2.1) and facilities master plan (see R4.1).

Ohio's public library system is made up of both county and municipal libraries. County libraries, like CCPL, offer service to the population of the entire county while municipal libraries have a much smaller service area. Many Ohio counties include both county and municipal systems. CCPL is the only public library system in Clermont County; there are no municipal library systems. This must be taken into consideration when examining the number of libraries (main and branches) within a specific system.

CCPL began library service in 1955 with a bookmobile and a small office as its first facilities. As the Library grew, the Trustees set a goal of having a library within fifteen minutes drive time of all Clermont County residents. This was accomplished when CCPL opened its tenth branch (see **executive summary** for a map of CCPL branches). Operating 10 branch locations is convenient for the patrons, but it disperses the available funds for Library programs and services over a larger area and contributes to higher staffing levels (see **staffing and organization**). Periods of restricted financial flexibility may hinder CCPL's ability to effectively direct resources to service its community (see **planning and financial management**).

Table 5-9 compares CCPL's demographics ratios to libraries in counties with population densities that are within 20 percent of Clermont County.

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[5] These branches had the highest circulation numbers according to the SLO 2006 statistics.

[6] The savings for reducing hours was calculated by multiplying the average hourly pay for a circulation and reference employee by 9 hours, by 6 branches, and by 52 weeks. The costs for adding Sunday hours was calculated by multiplying the average hourly pay for a circulation and reference employee by 5 hours, by 3 branches, and by 52 weeks.

Table 5-9: CCPL and Peer Number of Library Locations

	CCPL	Clark County Public Library	Franklin Public Library	Greene County District Library	Warren-Trumbull County Public Library	Peer Average	Percent Above/ (Below)
County Served	Clermont	Clark	Warren	Greene	Trumbull		
County Population	190,589	142,376	196,622	151,996	219,296	177,573	7.3%
County Square Miles	452.0	399.9	399.6	414.9	616.5	457.7	(1.2%)
Population Density	421.7	356.0	492.0	366.3	355.7	392.5	7.4%
Peer Libraries in County	10	5	2	7	6	5	100.0%
Other Public Libraries within County	0	1	4	0	7	3	(100.0%)
Total Public Libraries in County [1]	10	6	6	7	13	8	25.0%
Square Miles per Library in County	45.2	66.7	66.6	59.3	47.4	60.0	(24.7%)
Number of libraries above peer average based on square miles per library							**2.5**
Persons per Library in County	19,059	23,729	32,770	21,714	16,869	23,771	(19.8%)
Number of libraries above peer average based on persons per library							**2.0**

Source: SLO (2006) and the U.S. Census Bureau
Note: Cuyahoga, Geauga, Butler, Lorain, Trumbull, and Montgomery counties are excluded due to significant variances in population density.
[1] Excludes bookmobiles.

Table 5-9 shows that CCPL branches cover a smaller area and serve fewer persons per library than the peers. The Library could reduce the number of branches up to two and be comparable to the number of locations per mile and per person. As times change, so have the desires of library users and, as a result, using its funds to keep all 10 branches open may prevent CCPL from better directing its resources to meet the needs of its community.

Top Ten Reasons to Support Libraries (American Library Association (ALA), 2005) realizes that libraries are no longer buildings that merely house books, but instead are organizations providing an array of resources, services, and programs that help make communities attractive. With greater funds dedicated to branch operations, the quality of planning programs and services for patrons could be affected. CCPL should regularly use data on patron use and other demographics in order to determine the optimal building space and number of buildings needed for its community (see **R4.1**).

Several peer libraries provide services through bookmobiles. CCPL may want to consider implementing bookmobile services which could mitigate the impact on a community from closing a branch as well as assist in outreach efforts (see **R5.6**). Additional access to technology resources could also improve outreach efforts, including additional electronic

resources (e.g. databases) and greater access to computers (see **R5.3**). Because of the projected population growth in Clermont County (see **Table 5-1**), AOS recommends that CCPL close only one branch to ensure it is prepared to meet the needs of its growing community.

Financial Implication: Closing one branch would result in annual savings of $200,000 based on a conservative estimate of salaries, benefits, utilities, and facility custodial, maintenance, and repair costs. Actual savings would vary depending on the branch that is closed. This savings estimate was based on the branch with the lowest personnel and second lowest facility costs. ALA provides a range for the cost of a bookmobile of $35,000 to $150,000, depending on the type of vehicle purchased. Using the average of this range, purchasing a bookmobile would result in a one time cost of $92,500. Additionally, CCPL would incur approximately $90,000 in annual operating costs for the bookmobile based on industry estimates.

R5.3   CCPL should track and examine computer usage through its performance measurement process. The Library should use this information to determine the optimal placement of new computers among the branches and measures should be tied to the Library's technology plan (see R4.4). With the increase in computer dependency across the nation, CCPL should regularly evaluate the usage and demand of accessible computers.

CCPL's personal computer reservation system allows patrons to sign up and reserve computers for use. This system limits the amount of time each patron spends on a computer to one hour. While the system is convenient and facilitates access to computer services, CCPL may not have enough computers to meet demand as patrons often have to wait for a one to become available. CCPL does not track the number of individuals who have to wait or the length of the wait. According to Library employees, there are many times when all computers are being used and additional computers are needed in order to keep up with patron demand.

The Library's Service Quality Task Force (SQTF) tracks a variety of data in order to examine and measure performance within the branches (see **executive summary**). However, the SQTF does not examine the number of patrons using its computers or the time spent on the computers among the branches. While 72.7 percent of youth survey participants said they were very happy with the Library's computer resources, there were many comments that indicated the desire for more access to computers in the branches.

Public Libraries and the Internet (Florida State University, 2006) provides current information on public library activities in the networked environment. According to the study conducted, 98.9 percent of public library branches are connected to the Internet and 98.4 percent of those libraries offer Internet access to the public. Challenges remain as

public libraries continue to improve public access computing and Internet services. Nearly half of public libraries essentially experienced reductions in funding, and only 20.7 percent of public library branches indicated that the number of workstations they currently have is adequate to meet patron demand.

Florida State University states that public libraries are often the first choice for many people to access the Internet and engage in networked services such as applying for a job, applying for and engaging in government services, obtaining health information, and a variety of other resources. However, the need to continually enhance information technology, telecommunications, and networked services often puts considerable strain on already stressed library budgets. Furthermore, Ohio was one of the top three states in terms of the highest percentage of library systems with decreases in available funding in 2006.

Without analyzing the patron use of computers at each branch, CCPL may not have an accurate understanding of patron demand at the branch level in terms of computer usage. Adding these measurements to the SQTF metrics could provide the Library with effective information on use patterns for planning and resource allocation purposes. The SQTF could use the statistics from its reservation system to analyze patterns of computer use at the branch level.

Chart 5-2 is an example of data that could be considered for decision-making purposes. A consideration of wait time in this analysis would allow the Library to better direct computer allocations and purchases.

Chart 5-2: CCPL Average Hours per Computer – July, 2007

Computer Hours per Branch
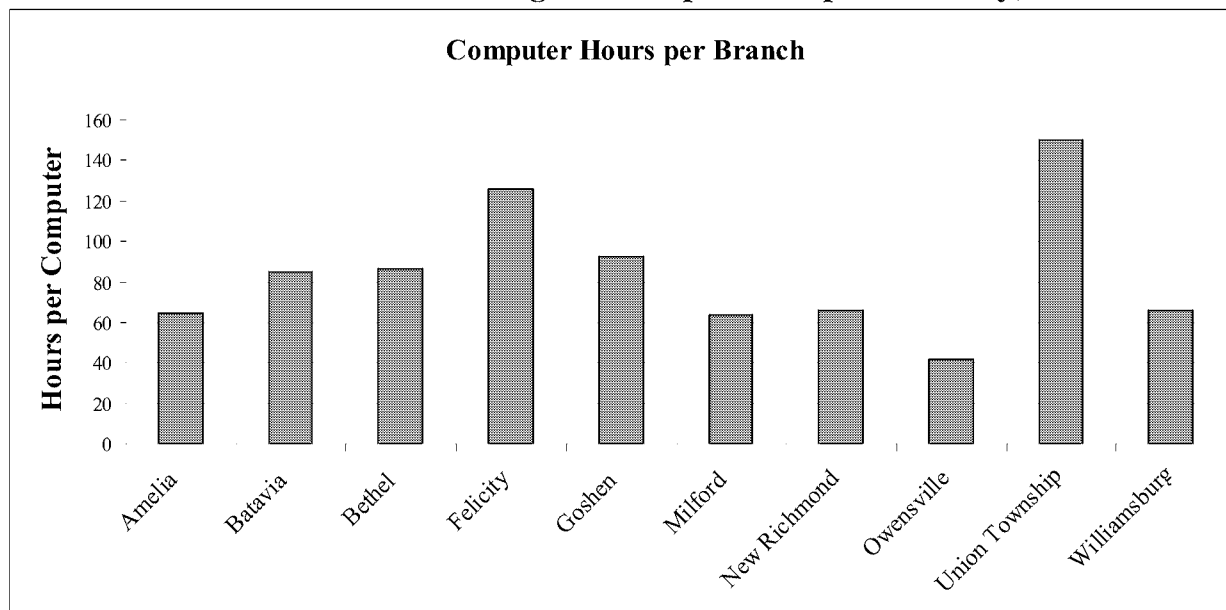
Source: CCPL July 2007 Public Computer Internet Sessions
Note: Totals were calculated by dividing the total logged on hours by the number of computers with Internet access at each branch.

Analyzing data, such as average hours per computer, would help CCPL in planning for future acquisitions and determining ways to increase access for its patrons. For example, if the Union Township Branch continues to demonstrate higher average hours per computer, the Library may decide that this branch should receive the next additional computer, assuming adequate space is available. Additionally, closing a branch will allow CCPL to increase access by reallocating computers to those existing branches with high patron demand. Increasing access would enable CCPL to improve its community satisfaction levels.

R5.4   CCPL should regularly survey its community and patrons about service satisfaction, service improvement ideas, and courses or programs offered. Model questionnaires provided by the ALA could be used with little modification. Administering surveys and analyzing the results will help CCPL tailor its services to better meet the needs of its patrons.

In 2006, CCPL conducted a survey about how patrons viewed the services offered by the Library to gain an understanding of how it was meeting community expectations before reducing staff. This survey was administered using LibQUAL +™.[7] This information was

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[7] In the LibQUAL +™ survey, a service offered by the Association of Research Libraries (ARL), libraries across the country can solicit, track, understand, and act upon users' opinions of service quality. The survey results are

necessary to communicate with other staff what the patron expects in terms of service. Also in 2006, CCPL conducted a survey at each branch for children between the ages of 7 and 17 to determine satisfaction levels regarding waiting times and librarian assistance. Out of the 984 surveys submitted, the overall results were positive.

CCPL also surveyed patrons who used the reference desk and the results of this survey showed overall satisfaction with the customer service proved by the reference desk staff. This survey also provided information on the other services used by patrons while at the Library. As a result of the reference survey, CCPL implemented "roving reference," where librarians come out from behind the reference desk and circulate through the library seeking out patrons who may be in need of assistance. The survey illustrated that the majority of people coming to the reference desk to ask questions were children, as opposed to adults. Roving reference was aimed to reach patrons who may have questions, but do not feel comfortable approaching the reference desk to ask.

While the Library has conducted surveys in the past, the branches do not offer surveys or questionnaires to obtain feedback regarding specific programs offered. Instead, the branches use the benchmarks for attendance rates (see **executive summary**) as a means of evaluating program success.

Delivering Satisfaction and Service Quality (ALA, Hernon, 2001) elaborates on assessing and evaluating customer satisfaction stating that feedback provided by patrons can confirm the hard work by management and staff to accommodate customer expectations. Hernon provides several survey instruments including a customer satisfaction questionnaire, an employee satisfaction questionnaire, a service improvement form, and a workshop evaluation (program) questionnaire for public libraries. The customer satisfaction questionnaire has been extensively used and repeatedly tested in public libraries and can be used with little modification. Similarly, the workshop evaluation questionnaire can be used by either an academic institution or public library and combines open-ended questions and a ten-point numeric scale.

While the LibQUAL +™ survey allowed CCPL to evaluate patron expectations, it was not focused on providing specific feedback for improving programs at the branches. Administering questionnaires on a regular basis and using instruments such as those from ALA's *Delivering Satisfaction and Service Quality* (Hernon, 2001), would allow the Library to monitor and evaluate patron responses and identify possible improvements for programs. In addition, CCPL implemented an online survey tool which will assist the Library in streamlining these feedback processes.

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presented in reports describing the users' desired, perceived, and minimum expectations of service. It then provides resulting gaps between the three levels.

R5.5   While CCPL has many successful community partnerships, it should actively educate its staff on the importance of these partnerships and how to effectively promote them within the community. CCPL's efforts to create community partnerships reflect the Library's commitment in providing information and resources and educating its staff of the importance of these relationships may allow the Library to strengthen this role.

CCPL's relationships with community organizations vary between the branches and their respective communities. Community partnerships are sometimes formed at the branch level and other times through CCPL administration. Examples of partnering include tax assistance classes offered by the American Association of Retired Persons (AARP), investment seminars given by local firms, and couples counseling from the County Department of Mental Health. These partnerships often involve the Library providing publicity and/or facility space to community organizations offering these services. Other partnerships help CCPL to inform its community about Library programs. For example, the Clermont County Auditor's Office sends informational materials regarding upcoming Library programs to County employees with their paychecks. However, CCPL branch managers sometimes find it difficult to build new relationships with community organizations because of the required staffing levels in the branches, as it is often difficult to be absent to meet with partnering organizations.

In addition, some branch managers are members of community organizations (e.g., local business associations or the chamber of commerce). Other branches do not have many businesses in the area and therefore have fewer partnering opportunities. The "Flash your Card and Save" program helps branch employees attract community businesses within their areas to develop new partnerships with the Library. This program has become more successful in 2007 because the responsibility of outreach to businesses has shifted from CCPL administrative staff to the branch managers who often have stronger community ties.

From Outreach to Equity: Innovative Models of Library Policy and Practice (ALA, 2004) provides contemporary views of library outreach and presents models of policies and practices from libraries across the country. The Chicago Public Library System notes that branch libraries are recognized as partners only if other community organizations and residents know they exist and what they have to offer. Such recognition is accomplished through community outreach. The Hiram Kelly Branch of the Chicago Public Library System encourages all employees to be outreach ambassadors for the library whenever possible. After a brief history of the library and the community it serves, new employees receive information on community partnerships and materials including old photos, programs, and flyers are used to describe past partnerships and collaborations. After the initial orientation, the new employees accompany a veteran employee to a community fair, class visit, or school assembly. The goal of these activities is to help staff members

become comfortable with the process of community outreach and partnership development.

CCPL's administration realizes that the Library could more effectively motivate and educate all staff on methods to promote services and programs within the community. The goal of creating and nurturing community linkages can be fully achieved when all employees view themselves as full-time ambassadors of the Library. An educated staff could more persuasively promote CCPL's programs and services to the community, which could then increase the number of registered borrowers and library visits (see **R5.9**).

R5.6   **While CCPL's Library at Your Door (L@YD) homebound delivery program is effective and currently meets the needs of Clermont County seniors, the Library should explore other low-cost options for expanding its services to seniors as the population in this age group increases. Options include using the U.S. Postal Service's (USPS) free postage for the blind, as well as assigning someone the responsibility of managing and organizing outreach services for Clermont's County's seniors. Until funds become available to develop this position, the Library should consider using volunteers to provide services to additional participants.**

In 2005, CCPL received a grant from SLO totaling $17,673 for the start up of the L@YD project. The funding was used to purchase delivery bags and materials designed for disabled and elderly users, such as large print books and movies. L@YD is a collaborative project with Clermont Senior Services and the Council on Aging in Southwest Ohio to provide homebound delivery to residents who can not physically come to the Library because of disability, injury, or age.

The Library devotes the first Tuesday and Thursday of each month (one driver on each day) to deliver and pick up material from participating residents using its shuttle vans. One employee at each branch acts as the liaison for its respective community's participants. The liaison, along with volunteers, tracks patron requests and interests in a database, selects materials to be delivered, and makes phone calls to remind patrons of delivery and pick-up dates. Library administrators provide promotional tools for advertisement, budgeting for supplies and materials, and supervision of the service.

Clermont County population projections indicate that the seniors will be the fastest growing age group in the coming years. As seen in **Table 5-1,** the senior population is projected to more than double in total by 2030. Should this forecast prove accurate, this will likely increase demand for senior outreach services.

The Cumberland County Public Library System (Cumberland) was recognized in 2006 by the Pennsylvania Library Association for its Service to Adult Readers (STAR)

Homebound Library Service program. Cumberland uses approximately 100 volunteers to deliver library material to more than 200 homebound seniors. Using volunteers allows Cumberland to maximize staff time and resources and provide one-on-one personal service to homebound patrons, enriching the lives of isolated seniors and bringing satisfaction to volunteers.

Cumberland has a full-time Adult Outreach Service Coordinator in charge of the STAR program and responsible for recruiting, training, and supervising the program volunteers. Formal processes have been implemented to recruit and train the volunteers and job descriptions explaining the expectations of the position have been created. Volunteers use patron profiles to make the selection of materials to be delivered, saving the staff significant time. In addition, Cumberland has 52 centers, including senior centers and nursing homes, served by the STAR program that house small collections from the library. STAR program volunteers visit the centers monthly to exchange the collection with a new one. There are approximately 20 books in each center's collection.

Five-Star Programming and Services for Your Fifty-Five plus Library Customers (ALA, 2003) states that volunteers are invaluable for libraries with large service areas and small staffs. Volunteers can make the difference between seniors being served and seniors being served effectively. However, volunteers must be selectively chosen, trained, and encouraged to remain volunteers.

An alternative method to providing homebound services is "Books by Mail", a program operated by the Public Library of Youngstown and Mahoning County. This program provides materials to 450 disabled and elderly people through the USPS. Materials may be mailed free if posted by or for the use of blind or other persons who cannot read or use conventionally printed materials due to a physical handicap. Participants meeting the eligibility requirements of the USPS's Free Matter for the Blind and Physically Handicap Persons may receive and send reading materials at no cost.

Sharing the responsibilities throughout its branches and utilizing its shuttle drivers has allowed CCPL to effectively offer homebound delivery to its participants. According to CCPL, this service is operating at capacity with 121 participants across Clermont County. However, the drivers have a difficult time making the deliveries within the two eight-hour shifts. With the changes in staffing, CCPL has not assigned a specific person to run its senior outreach program nor has it dedicated the time and effort to recruiting and training volunteers.

A growing elderly population will result in an increasing demand for services for senior citizens and the Library will need to expand its programs to meet the needs of the community. To expand its future capacity to provide service to its homebound patrons, CCPL should develop a program like the one in use at Cumberland and use volunteers to

provide homebound delivery. Additionally, the Library should use the USPS's free matter for the blind postage for all who qualify.

R5.7   CCPL should expand its volunteer opportunities and age-specific interest programs in order to attract additional users and increase teenagers' usage of the Library. Other libraries, such as the Columbus Metropolitan Library (CML) and the Westerville Public Library (WPL), have identified these programs as beneficial in attracting teens to the branches.

Increasing and maintaining teenager interest in libraries can be difficult because it is often the most difficult age to attract to the Library. Many CCPL branches have "teen zones" areas in the libraries specifically dedicated to teenagers. Some branches also offer programs specifically geared toward teens while others offer programs to teens and adults together. The Library also implemented outreach programs, such as the Teen Band Exposé, where local teen bands gather to play music at a local park. Additionally, CCPL has a website dedicated to teens with links to movies, music, book, events, research, and other club and program information geared towards this age group. Lastly, CCPL relies on teen volunteers at local branches.

The Enoch Pratt Free Library (EPFL) in Baltimore partnered with its local public school and developed a program called Community Youth Corps (CYC). This program evolved from focus groups and surveys of teens in an effort to determine their needs. The CYC allows Baltimore teens to earn community service credit hours by volunteering at EPFL. Some of the successful outcomes the CYC include:

- An increase in teens that use the library as a resource;
- Teens that plan and coordinate library programs for peers;
- Teens that are trained to develop technology, employment, and leadership skills;
- Teens that have an understanding of career opportunities in libraries; and
- Staff that has a greater appreciation of teens as customers and as workers at the library.

The Columbus Metropolitan Library has been aggressive in reaching out to local teens. In addition to summer reading programs, advisory boards, poetry and art workshops, and homework help centers, CML uses popular video and arcade games to attract new teen users. CML representatives stated that these programs bring teens into the library and create a positive association with the library. WPL also offers gaming in its library. According to WPL's director, the investment of approximately $900 (less than 0.1 percent of its budget) has attracted more than 3,000 new young adult users to the library. Gaming has also helped WPL increase circulation, as it leads teens to explore other library resources.

In addition to attracting teens through volunteer opportunities, offering age specific interest programs, such as gaming, may help CCPL attract new users to the Library. Video games are becoming more popular in libraries across the State. While some may argue that video games do not meet a library's educational standards, they can be an effective tool to reach out and draw teens into libraries, which in turn could lead to increased circulation and participation in more traditional programs. Lastly, gaming programs would be cost effective in that they would not require substantial planning or staff time.

R5.8   **CCPL should measure the effectiveness of the Library's collection to assist in efforts to enhance its current operations. It could benchmark its collection statistics against peer libraries and use this data to set future goals. These goals can then assist the Library with strategic planning and budgeting for collection materials.**

CCPL's Collection Development Department has developed a procedure to determine which items need to be replaced and what new items should be purchased. A spreadsheet on the Library's shared drive (referred to as the "collection profile") is separated by adult and children's materials and includes data on circulation and turnover rates[8] for each branch. Branch employees can examine the profiles and submit input on needed materials. CCPL's SQTF also discusses the condition and use of its collection to measure the effectiveness of holdings. Statistics (referred to as metrics by the SQTF), such as the average cost of an item, percent of library materials less than five years old, speed of acquiring materials, and percent growth of the collection are examined and discussed by the SQTF.

According to *Best Practices and Benchmarking; Making Worthwhile Comparisons* (U.S. Office of Secretary of Defense, 2002), benchmarking helps organizations identify standards of performance in other organizations and to import them successfully to their own. It allows organizations to discover where they stand in relation to others. By identifying, understanding, and comparing the best practices and processes of other organizations with its own, an organization can target problem areas and develop solutions to achieve best levels of performance. Benchmarking is typically an internal process, performed by personnel within an organization who already have a thorough knowledge of the process under review. The U.S. General Accountability Office (GAO) pinpoints several elements that are essential in this review including:

- **Understand the government process you want to improve**: Choosing an optimal benchmarking partner requires understanding the process being studied and the benchmarking process itself.

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[8] Examining circulation and turnover allows the Collection Development Department to determine the demand for materials. For example, if a book was checked out 13 times (4 week check out) it means it was constantly checked out and the Library should consider ordering another copy to keep up with the demand.

- **Research to plan the review**: Before selecting comparison organizations, research the organizations themselves as well as current industry trends and developments.

- **Select appropriate organizations**: Research should yield a list of best practice organizations. Experts suggest keeping the list to a manageable number, which can be as low as five.

- **Collect data from selected organizations**: Develop a standard list of questions to structure the interview process and guide your discussions. Gear questions toward discovering common practices and characteristics among the selected organizations.

- **Identify barriers to change**: Identify the barriers to implementation within your organization, whether real or perceived.

- **Make recommendations for change constructive and convincing**: Give your agency a "basket of ideas" from which to choose. Build flexibility into the recommendations, as your agency will need to adapt them to its unique needs and functions.

Although SQTF records and examines data, providing the Library with an understanding of its collection, CCPL does not evaluate its data against external benchmarks. Peer libraries, preferably those with similar demographics, would be critical resources in obtaining data to use when setting benchmarks. Setting goals for its collection and continually benchmarking against similar libraries will allow CCPL to measure the effectiveness of its collection. These measurements can provide valuable feedback and guide the Library in its decisions regarding its collection.

R5.9   CCPL should develop program management-related target goals in all areas of operations using the data collected by its SQTF. As CCPL has been successful in improving program attendance through target setting, the Library should implement this process for increasing its collection, circulation, and registered borrowers. Internal target goals can motivate employees to strive for improvements and provide CCPL with a means to measure the progress of its efforts.

CCPL has identified objectives and areas of improvements within its strategy map (see **planning and financial management**). Some examples of these objectives include creating a marketing plan, providing programs and services responsive to customer needs, and striving to understand and provide what users want. The strategy map also defines activities to use when working toward these objectives and a variety of metrics the SQTF plans to track and evaluate for each objective. In 2005, the CCPL's SQTF

conducted a study on its programs referred to as the Benchmark Study of Programming in CCPL (see **executive summary**). In order to evaluate the programming efforts, CCPL set its own attendance targets for success, based on the experience of the staff and Director. This study provided CCPL with defined attendance targets and resulted in improved attendance rates.

While CCPL is not significantly different than the peer libraries in terms of demographics, **Tables 5-2, 5-3**, and **5-5** indicate that CCPL's community does not use the Library at a level comparable to the peers. While SQTF meets monthly to discuss and evaluate the Library's operations, it has not established defined targets to use when examining progress in the areas of collection, circulation, or registered borrowers.

According to *Establishing Performance Targets* (U.S. Agency for Internal Development, 1996), performance targets should be established for each performance indicator for strategic objectives. Whereas the indicator defines how performance will be measured, the target identifies the specific result to be achieved within an explicit timeframe. Targets orient staff to the tasks to be accomplished and motivate individuals involved to do their best to ensure the targets are met.

Without defined targets, CCPL may not have a clear understanding of its desired level of success in relation to patron use of the Library. Establishing formal program management targets can allow CCPL to effectively track the progress and achievement of its strategic goals in this area. Possible targets could include the number or percentage of new borrowers attracted by a marketing plan, and the increase in circulation from obtaining an improved understanding of patron desires. Motivating employees with set targets, much like program attendance, can help CCPL to increase the number of borrowers and improve its collection. This in turn will enable the Library to increase library visits and circulation statistics to a level in line with the peers.

R5.10 CCPL should improve its promotional efforts by educating all employees about its programs and services and how to promote them. As full-time ambassadors of the Library, it is vital that CCPL's employees are educated and informed in order to effectively communicate about the Library's services to the community. CCPL could improve its promotion efforts by modeling the techniques described in ALA's *Library Advocates' Handbook.*

As the only public library in Clermont County, CCPL is established to serve a population of over 190,000 residents. Library programs and services are planned and offered both system-wide and at the branch level. Branch libraries are responsible for planning programs and services for their specific communities. CCPL also offers system-wide programs and services, such as L@YD homebound delivery and the Veterans History Project. There are also programs and services planned and administered by staff

committees, like the Library's traveling story telling troupe and Dream Weavers (see the **executive summary**).

CCPL's administrators have effective methods in place to communicate program and service related information to the branch managers through its manager meetings and informative memos. The Library also has monthly staff meetings during which employees discuss programs with youth service specialists from other branches. CCPL's Multimedia Resource Department is responsible for promoting programs and services to the community. When a staff member wants the Library to notify patrons about an upcoming event, he or she fills out a Publicity and Media Recognition Form. The Multimedia Resource Department uses the information from this form to print flyers, post information on the website, and/or include information in the Library's newsletter.

Youth service specialists and adult service specialists are the designated CCPL employees that plan programs for the branches. The library assistant positions do not include programming responsibilities, although these employees are often in contact with patrons. Without the responsibilities of planning and implementing the programs, these employees may not have clear understanding of what is actually being offered. The Library agreed that branch staff could benefit from training on methods of promoting programs to the community.

According to *Community Connections: A Toolkit for Public Libraries* (Ohio Library Council, 2006), a critical step in public engagement is making sure that the internal base of support is educated on the mission, plan, policies, and actions so that they understand what the library is doing and why. Employees are on the front line with library patrons each day and they are ambassadors of the organization when they are on and off the job. While the library cannot dictate their actions off the job, it can keep them informed, updated, and engaged so they understand the needs, issues, and rational behind the library's actions.

The *Library Advocates' Handbook* (ALA, 2006) covers basic techniques for training staff on how to deliver a library's message. On or off the job, library staff has countless opportunities to build public understanding and advocate support. A key element of any public awareness campaign is a communication plan with clearly defined key messages, target audiences, and strategies for reaching those audiences. It is important that all library staff understand the plan, its rationale, and their role in supporting it. A beneficial tool within the handbook is the *Defining the Message Worksheet* which includes space to record the goal, objective, message, audience, etc.

Because library assistants and other employees directly interact with patrons on a daily basis, it is imperative that they understand the programs and services in order to effectively promote them. By ensuring employees have a clear understanding of the

programs and services offered, as well as the processes to promote them, the Library can be more effective in informing the community about what programs and services are offered. While the Library has effective channels of communication between branch managers and administrators regarding programming, the community may not receive clear information about the programs from all Library employees.

R5.11 CCPL should improve its centralization process through actively communicating with branch staff. Surveying staff may also yield ideas for improvements, such as advancing the channels of communication between branch staff and the Collection Development Department. Addressing staff feedback, distinguishing the roles in the materials selection process, and keeping staff informed about collections development may also improve CCPL's centralized collection functions. Additionally, CCPL should obtain ideas for improvements from peer libraries regarding centralized materials selection. Participating in ALA discussion groups and communicating with other library systems in Ohio would potentially yield additional strategies for addressing centralization.

Beginning in January 2007, the selection and purchasing of all collection materials transitioned from the responsibility of individual branch managers to a central team of administrators. Before this change, there was over 40 staff scattered throughout the branches that participated in decisions about items to be purchased or replaced. After conducting a workflow study, CCPL realized that many of these staff dedicated a significant amount of time each week to this task. With financial situations requiring CCPL to contain costs, the Library decided to make this an administrative responsibility within the Collection Development Department.

The Collection Development Department consists of three staff members in charge of selecting materials for the Library's collection. These individuals are also available to assist branches with the de-selection and maintenance of collection material. While the branch employees no longer order materials, they may request specific materials by submitting a Materials Request Form or contacting the Collection Development Department. CCPL's Collection Development Manual includes policies relating to selection and de-selection of materials. The Library is in the process of updating this manual to reflect the change from branch to centralized purchasing responsibility.

Branch employees noted both benefits and drawbacks related to the centralized process of collection development. Increased time is available to focus on other branch responsibilities, such as programming and outreach. However, the centralized process may not provide the branches with the best possible materials for the collection, as the selection process can be unique to a community's interests. Overall, branch employees understand the reasons for the transition and described the communication between the Collection Development Department and branch employees in positive terms.

According to *Public Library Collection Development in the Information Age* (Acquisitions Librarian Journal, 1998), many librarians believe that their communities are unique and that they alone can order effectively for their patrons, yet research indicates that readers in the United States are influenced more by the media and what is published and promoted than by local factors when they select items to read. Centralized selection can be a successful way to allocate additional staff time to direct public service without sacrificing the utility of local collections.

The Association for Library Collections and Technical Services (ALCTS), a division of the ALA, offers members networking and informational opportunities though its discussion groups. The library community can meet at the ALA Midwinter Meeting and Annual Conference to discuss topics of mutual interest. Groups are created by people with a similar interest in issues, problems, and topics who want a venue to assemble. Centralized versus decentralized selection in public library systems was among the topics discussed at the 2004 Midwinter Meeting. While the discussion mentions that centralized selection yields tremendous cost savings, some individual libraries had suggestions for improving the process. These suggestions included:

- **Employee Input**: One library surveys its staff on how well collection development seems to be meeting customer needs while another asks location managers to provide information on what is and is not needed.

- **Responsibility**: When neighborhood branches express concerns about materials being selected, the distinction between branch and central roles needs to be emphasized, and branches need regular budget reports showing where the money is being spent.

- **Communication**: Establishing good communication between the public service staff and selection staff is critical to being successful in a centralized selection environment.

CCPL has been selecting collection materials with a centralized staff for less than one year. At the time of this analysis, the new process has not been in place for a sufficient period of time to conduct a cost savings analysis. However, there are other measures, such as gauging employee satisfaction and examining the impact of collection trends using SQTF data, which could be used to determine the effectiveness of the Library's new process for collection development. Significant changes in materials, material expenditures, circulation, numbers of borrowers, or turnover rates could go undetected without a formal evaluation process. Because the selection of materials is an important task, the Library should ensure that the selection process is as efficient as possible while retaining or enhancing its effectiveness. Assessing the efficiency of centralized selection will allow CCPL to ensure it is meeting the needs of each branch's patrons.

R5.12 CCPL's Trustees should re-examine its decision to implement a fee for entertainment videos (feature films). While removing the fee would reduce revenues, this may increase circulation (see R5.9) and minimize the impact of losing patrons to surrounding libraries.

Upon reviewing the State 2006 Biennium Budget and the Library's long-term funding plan, CCPL Trustees determined that charging a fee for feature films (VHS and DVD) would be one way to recover costs and stay financially sound. The Trustees indicated that the Library needed to implement this fee prior to seeking a new tax levy. In January 2006, CCPL began charging a $1.00 fee for each feature film that was checked out of the Library. After implementing the new fee, the circulation of videos decreased 53.5 percent (see **Table 5-7**). In fact, circulation in all categories decreased in 2006 and CCPL employees attributed the decrease to the implementation of the fee.

According to *The DVD Predicament—LJ Audio/Video Survey 2005* (Library Journal, 2005), audiovisual materials contribute enormously to circulation statistics. Approximately 15 percent of public libraries charge a fee (most charge $1.00) to borrow videos and the distribution is fairly even among libraries of different sizes. Sixty-six percent of the libraries, and an even larger percentage of smaller libraries, use the revenues generated by the fees to support the video budget. None of the peer libraries[9] or the Public Library of Cincinnati and Hamilton County, charge a fee for videos.

While the fee for videos provides CCPL with additional revenue, it is negatively impacting circulation rates and patron attendance. In addition to reducing circulation, the fee may also have resulted in a negative public perception of the Library. According to CCPL administrators, charging for the videos has upset and angered many patrons.

Financial Implication: Removing the rental fee for videos would result in the loss of approximately $115,000 in annual revenues for CCPL.

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[9] Geauga County Public Library charges a $1.00 fee for new releases only.

Financial Implications Summary

The following table summarizes the estimated financial implications associated with the recommendations in this section of the performance audit.

Summary of Financial Implications for Program Management

Recommendation	Annual Cost Savings	Annual Implementation Cost/Loss of Revenue	One-time Implementation Cost
R5.1 Reduce operating hours in six branches	$73,000		
R5.1 Increase operating hours in three branches		$20,000	
R5.2 Close one branch	$200,000		
R5.2 Implement bookmobile		$90,000	$92,500
R5.12 Remove fee for videos		$115,000	
Total	**$273,000**	**$225,000**	**$92,500**

Source: AOS recommendations

Client Response

The letter that follows is the CCPL's official response to the performance audit. Throughout the audit process, staff met with Library officials to ensure substantial agreement on the factual information presented in the report. When the Library disagreed with information contained in the report and provided supporting documentation, revisions were made to the audit report.

As noted in the response, CCPL has taken steps to begin implementation of a number of the recommendations contained in the audit report. Although Library officials had discussed a few of the recommended actions prior to the performance audit, none of the recommendations had been implemented by the Library at the time of the performance audit nor had concrete plans for implementation been made. Activities that were in process at the Library are discussed within the report. As no factual issues remained unresolved, no additional report revisions were necessitated.

December 27, 2007

Kristi Erlewine
Senior Audit Manager
130 W. Second Street, Suite 2040
Dayton, Ohio 45402

Dear Ms. Erlewine:

The Clermont County Public Library Board of Trustees would like to thank the State Auditors for their time and careful analysis of the Library system. Going through this process has confirmed that the Clermont County Public Library is on the right track, and is being fiscally responsible. We have excelled in areas such as Emergency Coverage, Genealogy, Service Quality Task Force as well as Community Services, and have surpassed all of the basic fundamentals for auditing purposes. We should at this juncture, focus on formalizing plans, objectives and statistics that have been collected, and use this information to enhance reporting long term goals, objectives, and budget analysis.

Several of the initial suggestions supplied in the initial audit were already in the process of being implemented, and as a result are no longer of matter for auditing purposes. These include the installation of self check out stations, re aligning staff to equalize system staffing needs, creating a centralized training division, installing patron counters, which allow us to track patrons entering the facilities, re-tooling all programs and outreach services to meet community needs and staff workloads and, updating the chart of accounts to more specifically track expenses.

It was somewhat difficult to draw valid conclusions in areas such as salaries and benefits when salaries were compared to other comparable libraries, but the benefits packages was compared with State employee benefits. None the less, the following items were noted in the auditor's report as suggested recommendations, and will be addressed when appropriate.

- The strategic plan will be incorporated into the five year forecast and operating budget, and goals included that span over the entire length of the planning period.

- Develop a formal facilities master plan. We currently have all aspects of facilities management located in excel databases, and simply need to compile these figures into one complete set of documents. This process also includes establishing a capital improvement plan which will help ensure funds are allocated for preventative maintenance.

- Update the current technology plan to incorporate practices suggested by the GFOA and SLO checklist. While we do have an existing disaster response and recovery process, it is not based on a checklist format. Incorporating the existing disaster recovery plan into a checklist will aid in the event of an IT disaster.

- Look into employee benefits packages to ensure the library is receiving services equitable to other Library, County and State agencies.

Sincerely,

Joseph Braun
President of the Board of Trustees

David Mezack
Interim Director