

**Cuyahoga County Public Library and East Cleveland Public Library
A Study of the Feasibility of Library Inclusion**

A feasibility study conducted by
The Baldwin-Wallace College Community Research Institute

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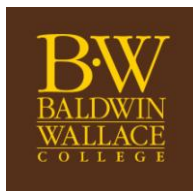
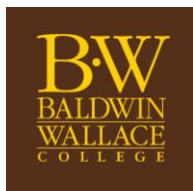


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Executive Summary

The purpose of this study is to determine the feasibility of the inclusion of the East Cleveland Public Library (ECPL) into the Cuyahoga County Public Library (CCPL) system. The Executive Director of ECPL, Greg Reese, first approached the Executive Director of CCPL, Sari Feldman, to consider the possibility of inclusion in June 2009. Director Feldman agreed to initiate a study of the feasibility of this proposal. The issue was prompted in large part by the growing fiscal crisis faced by ECPL as a result of severe state budget cuts and declining property tax revenues. The Baldwin-Wallace College Community Research Institute (CRI) was hired to conduct the study in December, 2009.

The feasibility study consists of three components: stakeholder focus groups and interviews; a fiscal and operations analysis; and a study of the broader environment facing public library management. The CRI team conducted focus groups of CCPL and ECPL staff, as well as focus groups with the ECPL Board of Trustees and East Cleveland community leaders. Interviews with members of the CCPL Board of Trustees were also conducted.

Based on analysis of the evidence gathered, the CRI finds that ECPL can continue to operate the Main Library Branch either as an independent library, or through inclusion in CCPL. Inclusion in CCPL provides the advantages of fiscal savings through economies of scale, as well as access by East Cleveland residents to the full range of services enjoyed by CCPL patrons in 47 communities across Cuyahoga County. Continued operation of ECPL as an independent system is feasible if ECPL continues to realize savings from operating one branch, and continues with fiscal measures designed to operate a balanced budget and pay off an accumulated deficit of over \$500,000.

Inclusion in CCPL involves overcoming the challenges associated with a community losing its autonomous library system. Support for this option must be clearly articulated by the Board of Trustees and leadership of ECPL in order to help the East Cleveland community understand the benefits of this option.

Remaining independent is a fiscally viable option if ECPL operates one branch on a constrained budget. While this option is politically easier to accept in not requiring a change of perspective for the community or library leadership, it runs the risk of future fiscal challenges resulting from potential additional cuts in state library funding and/or continued decline of the East Cleveland property tax base.

In order to move forward with the process of inclusion, a letter of intent from the ECPL Board to CCPL requesting such action would be necessary. In addition, a forensic audit should be conducted of ECPL finances for the periods 2006 to 2009, and a facility and maintenance audit should be conducted on all facilities under consideration. Should ECPL choose to remain independent, it will need to develop financial plans to operate a balanced budget with one branch. The audits recommended for the inclusion process are also recommended for ECPL should it choose to remain independent.

Introduction

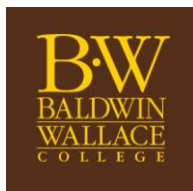
The Baldwin-Wallace College Community Research Institute (CRI) was asked by Cuyahoga County Public Library (CCPL) and East Cleveland Public Library (ECPL) to conduct a study to determine the feasibility of including ECPL as part of CCPL. The study was initiated in December 2009. Data collection and analysis was completed in February 2010. The final report was delivered to the Boards of Trustees of CCPL and ECPL in March 2010.

The study involved three components:

- A series of focus groups and interviews were organized with the staff and Board members of CCPL and with the staff, Board members, and community leaders of ECPL in order to understand perceptions of the inclusion option, and to identify important issues and concerns.
- A fiscal and operational analysis of ECPL was conducted to determine the financial feasibility of the inclusion of ECPL in the CCPL system. Several models were created outlining the major options faced by ECPL and CCPL.
- A review of public library management literature was conducted to gauge trends in library funding and management that might have an impact on ECPL inclusion in CCPL, and to find examples of libraries engaged in mergers or consolidations.

The purpose of the focus groups was to collect stakeholder perceptions on the opportunities, barriers, and issues related to the inclusion of ECPL in the CCPL system. These data provide insights into the potential issues that may need to be addressed in future decisions. They represent participants' perceptions at the time the focus groups were conducted and thus are individual expressions of opinions rather than factual interpretations. Since participants were granted anonymity to insure more candid participation, no records of comment authorship were kept. In addition to focus groups, the team also conducted one-on-one interviews with CCPL Board of Trustees members Darlene Evans McCoy, Sanjiv K. Kapur, and Leonard M. Calabrese. Primary points emerging from the focus groups and interviews are presented in the body of the report on pages 5-9. Full summaries of the data are presented in Appendix 3.

The second component involved an analysis of the financial and operational status and processes of CCPL and ECPL. Financial reports and documentation were secured from each library and analyzed to develop a fiscal and operational baseline upon which future projections could be made. Service levels of each system were analyzed to determine steps needed to include ECPL services in CCPL, and what effects such a change might have on staffing levels and service delivery. Four options were developed: two involved the continuation of independent operations for ECPL, and two explored the inclusion of ECPL into the CCPL system. Projections of financial deficit or surplus provided in these models are based on multiple operational assumptions, which are all specified in Appendix 1.



The review of library research journals and news sources aimed at gauging recent trends in library management within the context of environments of fiscal constraint. Examples of library consolidations and mergers were included in the search.

Study Overview

Public libraries faced an immediate funding challenge when the Ohio Public Library Fund (PLF) was cut by 18% (\$84.3 million) for fiscal year 2010. Ohio provides one of the highest levels of state support to public libraries in the country, dedicating 2.22% of state tax revenue to library support. The reduction in state support to 1.97% of tax revenue created an immediate fiscal crisis in many library systems across the state.

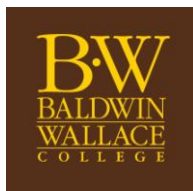
This cut had a major impact on ECPL because the drop in state funding was compounded by a drop in property tax revenues. ECPL delayed payments to vendors and the OPERS public employee retirement plan; a manageable operating deficit that had started in 2008 ballooned to over \$500,000 over a six-month period. ECPL temporarily closed all three branches in December 2009 when OPERS sought payment of \$100,000 in delayed premium submissions by requesting the withholding of local tax revenue by Cuyahoga County Treasurer James Rokakis. On January 19, 2010, ECPL re-opened its Main Library Branch with reduced hours of operation and reduced staffing.

In the same environment, and facing similar challenges, CCPL has been able to maintain the 28 branches located in the 47 communities served by the library, and patrons receive consistent, high quality services, despite widely varying property values and tax collection rates. CCPL's uniform budget process allows for the possibility of including ECPL as part of its service area, although this would be subject to the availability of resources and the development of a stable operating budget.

The need for library services in the City of East Cleveland is unquestioned. However, the ability to provide services in a financially-sustainable manner is the primary challenge for ECPL. The population decline in East Cleveland, combined with the community's low property valuations and tax collection rates raise questions about the viability of operating three separate branches.

It is clear that East Cleveland depends heavily on the East Cleveland Public Library for critically-needed services. ECPL provides an anchor for the community through its many services to people who cannot easily access books, computers, and other electronic resources. ECPL has become the *de facto* library service for the five elementary schools of the East Cleveland City Schools system.

ECPL has assets of great value to both East Cleveland and Cuyahoga County. The Main Branch Performing Arts Center is a renowned facility built in 2007 with foundation and private sector donations, and has gained a strong reputation for hosting jazz artists and serving as a location for the Tri-C Jazz Fest. The Icabod Flewellyn collection and the Presidential Letters collection are valuable sets of artifacts in need of continued care and preservation. ECPL has a Health Literacy



collection housed at Huron Hospital, paralleling the efforts of CCPL to expand outreach to particular audiences in accessible locations.

The primary factors determining the feasibility of the options presented are the financial sustainability of the library and the acceptance by the community, Board, and staff of new operational arrangements. The focus groups conducted with East Cleveland community leaders and the ECPL Board and staff revealed that they had strong concerns about maintaining the community's voice in decisions about ECPL. They emphasized the particular needs and value of the services provided by ECPL. They also noted their concerns about becoming "just another branch" of the larger CCPL.

Focus groups with CCPL staff and interviews with Board members revealed concerns about the ability of CCPL to maintain prudent fiscal management if they were to become responsible for the services that ECPL currently provides. Additionally, questions were raised about a variety of issues, including the amount of outstanding current debt accumulated by ECPL, the ability of East Cleveland to generate sufficient property tax revenues to contribute its share to CCPL operations, and the extent to which ECPL leadership and the East Cleveland community would be willing to relinquish control over the existing independent library system to become one or more branches of CCPL. CCPL staff and Board members recognized the value of ECPL's main branch and the particular collections it contains as assets that would be beneficial to CCPL patrons. The Performing Arts Center was also identified as an asset of great interest.

In all groups, there was consistent acknowledgement of the importance of delivering quality library services in East Cleveland. ECPL staff, community leaders and Board members were mindful of losing these important services, while CCPL staff and Board members believe ECPL services will likely increase in quality and range if ECPL were included in CCPL. Potential benefits of the inclusion were seen as emerging from reductions in service costs through operational efficiencies, increased access to a broader array of services and collections, and enhanced programs and outreach services. Please see Appendix 3 for summary data for all focus groups.

Focus Group and Interview Results

East Cleveland Public Library Staff, Board, and Community: Priorities and Concerns

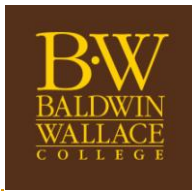
East Cleveland community leaders and the staff and Board of the East Cleveland Public Library expressed a consistent set of priorities and concerns for ECPL and the East Cleveland community in discussing the feasibility of becoming included in CCPL. From the summaries of the focus groups conducted with each constituency (see Appendix 3), the following priorities and concerns were expressed.

Priorities

- East Cleveland has unique service needs that should be prioritized in building plans for the future of ECPL, including:
 - access to computers and computer training
 - provision of Safelink phone services for immigrant residents
 - preservation of the Icabod Flewellyn and Presidential Letters collection
 - continuation of children's reading programs
 - provision of G.E.D. tutoring
 - access to job counseling
 - preservation of homework assistance
- Performance programs at the Gregory L. Reese Performing Arts Center should be expanded
- The local staff who know the needs and interests of the community should be maintained
- The service levels provided prior to branch closings should be reestablished
- ECPL should return to financial stability

Concerns

- The employment stability of ECPL staff
- The fear of layoffs
- The status of non-union personnel in a unionized CCPL system
- The status of seniority in the transition from ECPL to CCPL
- The potential permanent closure of the Caledonia and/or North Library branches, which limits accessibility for patrons without transportation
- The loss of governance and consultation in decision making about ECPL through inclusion in CCPL
- The fear of becoming "just another branch" in a larger system
- The loss of the distinctiveness of ECPL as a community asset and anchor
- The effects of a change from CLEVNET to the CCPL database and catalog
- The fear that CCPL will not understand the needs of a predominantly African-American community as part of its larger system
- The continued provision of security at ECPL branch locations



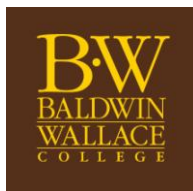
Cuyahoga County Public Library Staff: Priorities and Concerns

Priorities

- The fiscal health of CCPL
- Serving East Cleveland and CCPL system residents through combined collections and facilities
- Minimization of job loss for CCPL staff
- Ensuring that CCPL communities are not affected negatively by inclusion of ECPL

Concerns

- The ability of CCPL to absorb costs and liabilities of ECPL in a financially responsible manner
- The logistical challenges of integrating non-union ECPL staff into CCPL unionized staff structure, including addressing issues of seniority, staff assignments, and differing levels of compensation
- The possible negative public reaction to perceived financial risk involved in inclusion of ECPL
- Adequate security for staff working in East Cleveland
- The possible financial and legal liabilities that may become obligations of CCPL after inclusion
- Unknown maintenance costs of ECPL facilities
- Logistical, staffing, and cost challenges of incorporating ECPL facilities into circulation and delivery routes of CCPL



Cuyahoga County Public Library Board of Trustees Interviews: Priorities and Concerns

Priorities

- Maintaining the fiscal health of CCPL
- CCPL's reputation for excellent service, collections, and innovation
- Adherence to the service mission of CCPL by maintaining and enhancing services to East Cleveland through inclusion of ECPL
- Serving East Cleveland and CCPL system residents through combined collections and facilities
- Inclusion would become a model for other regionalization efforts involving public libraries and other public entities
- Potential external funding opportunities through inclusion of ECPL, which has prioritized special needs and a proven track record of success at securing external funding
- Minimization of job loss for both CCPL and ECPL staff
- Increased diversity of CCPL staff and communities
- Moral imperative to help communities in need such as East Cleveland

Concerns

- The ability of CCPL to absorb costs and liabilities of ECPL in a financially responsible manner
- The logistical challenges of integrating non-union ECPL staff into CCPL unionized staff structure, including addressing issues of seniority, staff assignments, and differing levels of compensation
- The possible negative public reaction to perceived financial risk involved in inclusion of ECPL
- The possible financial and legal liabilities that may become obligations of CCPL after inclusion
- Unknown maintenance costs of ECPL facilities
- Logistical, staffing, and cost challenges of incorporating ECPL facilities into circulation and delivery routes of CCPL

Fiscal and Operational Analysis

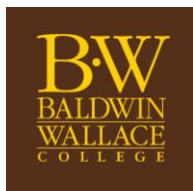
This part of the research focused on developing a baseline financial and operational picture of ECPL. Once the baseline was developed, projections of future options were outlined based on a number of important assumptions regarding State Public Library Fund revenue, the tax rate and the tax collection rate. Operational models used historical data from ECPL and current staffing models from CCPL.

Data were collected from public records such as the ECPL's 2008 Ohio Library Statistics Administration Form, CCPL's Comprehensive Annual Financial Report, Cuyahoga County Auditor's Office, the State of Ohio, the Tax Analysis Division of the Ohio Department of Taxation, and the U.S. Census Bureau. Internal data collected included ECPL internal financial data and CCPL branch statistics. CCPL provided its 2008 audited financial statement. No audited financial statements were available from ECPL; the latest audited statement dates from 2006. Once the baseline financial data were compiled, specific questions were directed to CCPL or ECPL staff for additional information.

Two estimates of revenue generated in East Cleveland for ECPL were developed using Cuyahoga County tax projections and the State of Ohio Public Library Fund projections. The first estimate used the current ECPL tax rate of 7 mills, which was assumed to prevail until (and if) ECPL becomes included in the CCPL system. The second estimate used the CCPL tax rate of 2.5 mills, which was assumed to become the appropriate rate after inclusion. In addition, the low collection rate in East Cleveland was taken into account with projected tax revenue collection conservatively estimated at 70 percent. Under those assumptions, operations were examined under two main options: ECPL remaining independent and ECPL being included as part of CCPL.

Multiple operational assumptions were also made concerning how the ECPL main library would be managed, whether it should stay independent, or should become included in the CCPL system. The most important assumption was that management would remain identical to what it is today if ECPL retained its independence; however, should ECPL be included into CCPL, the staffing of the ECPL branch was assumed to become similar to the way comparable branches of CCPL are staffed. The metrics that drove the staffing levels were circulation and collection patterns as compared with similar CCPL branches. The second significant assumption concerns expenditures on collections. Since ECPL substantially curtailed its expenditures on collections in 2009, it was assumed that it would need to restore them to a level commensurate to what the CCPL system spends, whether the library remained independent or became included in CCPL. Finally, the third significant assumption was that, should ECPL remain independent, it would retain its security detail provided by the East Cleveland Police, while, if included into CCPL, security would be provided by CCPL staff. All of the other assumptions made are detailed in each of the alternatives presented in Appendix 1.

Other costs of operation that were not included in this analysis are building maintenance, additional technology and systems support, interlibrary services and support, and administrative



support services such as human resources, marketing and development. While there would be significant economies of scale in delivering these existing services to ECPL, there would also be initial start-up costs.

In order to provide sufficient alternatives for decision making, four future options were developed. A significant question is whether all ECPL branches could be placed back in operation. Due to budget constraints caused in part by the cut in the Public Library Fund in July 2009, ECPL experienced a furlough period in December and closed two branches; as of January 19, 2010, only the ECPL Main Library Branch has been in operation.

Four analytical models were developed. The first two options describe the financial situation if ECPL were to continue operating independently. Option One considers ECPL operating with the main library only, and Option Two with ECPL operating with a main library and its two branches. The same analyses were conducted in Options Three and Four, but with ECPL included in the CCPL system. Each option examines financial operations in 2010 and projects operations for 2011 and 2012. Each option presents estimated costs and revenues, with changes made to reflect the number of branches operating, personnel and other costs, as well as forecast reductions in revenues if the option involves a change from the East Cleveland property tax rate of 7 mills to the CCPL rate of 2.5 mills (the millage collected for CCPL from participating communities.)

Table 1 on the following page presents a comparative synopsis of each option. Based on the projected deficit that Options One, Two, and Four will generate in 2010 and 2011, these options are not evaluated for 2012. Option Three is projected to result in a nearly balanced budget in 2010 and is projected for 2011 and 2012. While 2011 and 2012 operating results show a positive balance, additional maintenance and facility expenses will most probably need to be accounted for in the budget. Explanation of the options follows, with a concluding analysis. A detailed description of revenue and expenses for each option can be found Appendix 1.

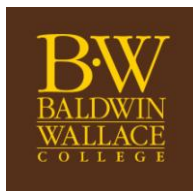
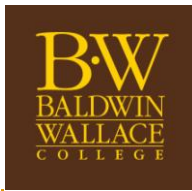


Table 1: Financial Options for East Cleveland Public Library

Results	Option One: ECPL Manages the Main Library Independently	Option Two: ECPL Manages the Main Library and Both Branches Independently	Option Three: ECPL Main Library Included in CCPL	Option Four: ECPL Main Library and Both Branches included in CCPL
Total Operating Revenue 2010 (100% at 7 mills)	\$2,410,093	\$2,410,093	\$2,410,093	\$2,410,093
Total Expenses 2010	\$2,574,394	\$3,165,425	\$1,845,556	\$2,818,117
Net Operational Results 2010	(\$164,301)	(\$755,332)	\$564,537	(\$408,024)
Past-due Payables from 2009	(\$513,911)	(\$513,911)	(\$513,911)	(\$513,911)
Net Results 2010	(\$678,212)	(\$1,269,243)	\$50,626	(\$921,935)
Total Operating Revenue 2011 (Property Tax 50% at 7 mills, 50% at 2.5 mills)			\$2,066,324	\$2,066,324
Total Expenses 2011	\$2,574,394	\$3,165,425	\$1,845,556	\$2,818,117
Net Operational Results 2011	(\$132,215)	(\$723,246)	\$220,764	(\$751,793)
Caryover from 2010	(\$678,212)	(\$1,269,243)	\$50,626	(\$921,935)
Net Results 2011	(\$810,427)	(\$1,992,489)	\$271,390	(\$1,673,728)
Total Operating Revenue 2012 (Property Tax 100% at 2.5 mills)			\$1,690,368	NC
Total Expenses 2012	NC		\$1,845,556	
Net Operational Results 2012			(\$155,188)	
Surplus carried from 2011			\$271,390	
Net Results 2012	NC	NC	\$116,202	NC

NC – Not calculated based on the level of deficit projected for 2011.



Option One: ECPL manages the Main Library independently.

This option looks at the costs of keeping the East Cleveland Public Main Library under the current management team. Both of the branches would remain closed indefinitely. Under this option:

- Revenues are calculated with property tax at 7 mills.
- The staffing level is maintained at 24 FTEs.
- Total operational expenditures are estimated at \$2,574,394.
- Including the past-due payables results in total deficits of \$678,212 in 2010 and \$810,427 in 2011.
- This model assumes that past-due payables can be carried forward.

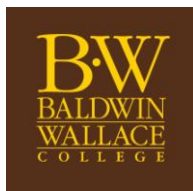
Option One is a possible option for ECPL, as long as creditors are willing to extend credit in 2010, and library purchases are curtailed. Significant personnel reductions and other cost saving measures will be needed to reach a balanced budget and pay off the accumulated payables.

Option Two: East Cleveland Public Library manages the Main Library as well as the North and Caledonia Branches independently.

This option looks at the personnel and cost implications of keeping the East Cleveland Public Main Library under the current management team, with both of the branches reopening in 2010. Under this option:

- Revenues are calculated with property tax at 7 mills.
- The staffing level is restored to 34 FTEs.
- Total operating expenditures are estimated at \$3,165,425.
- Including the past-due payables results in total deficits of \$1,269,243 in 2010 and \$1,992,489 in 2011.

Even with significant cuts in operational and personnel costs, Option Two is not viable for ECPL.



Option Three: The Main Library Branch of East Cleveland Public Library is included in Cuyahoga County Public Library.

This option looks at the personnel and cost implications of including the East Cleveland Main Library Branch as part of Cuyahoga County Public Library. Under this option:

- Revenues are calculated with property tax collections at 7 mills for 2010 (based on the 2009 taxation rate). In 2011, property taxes are collected at 7 mills for the first half of the year, and 2.5 mills for the second half, assuming a change in millage on June 30, 2010. For 2012, property taxes are collected at the 2.5-mill rate.
- The staffing level is estimated at 17.4 FTEs, based on comparative CCPL circulation and collection metrics.
- Total operational expenditures are \$1,845,556.
- Including the pay-off of past-due payables results in temporary surpluses of \$50,626 in 2010, \$271,390 in 2011, and \$116,202 in 2012.

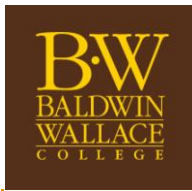
Option Three is viable for both ECPL and CCPL providing assumptions are tenable.

Option Four: The Main, Caledonia and North Branches of East Cleveland Public Library are included in Cuyahoga County Public Library.

This option looks at the personnel and cost implications of including the East Cleveland Main Library Branch and the Caledonia and North Branches in the Cuyahoga County Public Library system. Under this option:

- Revenues are calculated with property tax collections at 7 mills for 2010 (based on the 2009 taxation rate). In 2011, property taxes are collected at 7 mills for the first half of the year, and 2.5 mills for the second half, assuming a change in millage on June 30, 2010. For 2012, property taxes are collected at the 2.5-mill rate.
- The staffing level is estimated at 33.4 FTEs, based on comparative CCPL circulation and collection metrics.
- Total operational expenditures are \$2,818,117.
- Including the pay-off of past-due payables results in deficits of \$921,935 in 2010 and \$1,673,728 in 2011. Based on the significant deficit projected in 2011, the 2012 results were not calculated.

Option Four is not a viable option, either for ECPL or CCPL.



Analysis of Options

Options One and Three are very similar, but assume different tax revenues and different staffing models, with Option Three eliminating the administrative overhead of an independent library system. Option One and Option Three are conservative in estimating a low collection rate of property taxes.

Under Option Three, CCPL can operate the Main Library more efficiently utilizing economies of scale in technology, networks, specialized staff, and collections. The inclusion of ECPL in CCPL would provide sustainable services and collections for the foreseeable future.

It is clear that re-opening the ECPL Caledonia and North Branches is cost prohibitive under either of the options examined (Options Two and Four). It is therefore likely that both of these branches will remain closed for the foreseeable future.

Finally, capital costs were not estimated in any of the models and would need to be determined through a facility audit. These costs would eventually need to be added to budget projections.

Analysis of Branch Locations

In order to examine the area served by the ECPL Main Library and of both branches, a map was drawn with all ECPL libraries and other surrounding existing libraries. The map is in Appendix 3. This evaluation points to a possible service area overlap between the North Branch of ECPL and Cleveland Public Library's Glenville branch. It does appear that the East Cleveland Public Library Caledonia branch is serving an area with little overlapping branch services.

Therefore, it is important to recognize these service area needs if future conditions allow additional branch operations, especially given the economics of the area served and the transportation challenges faced by residents.

The Contemporary Context of Public Library Management

The research conducted by the Community Research Institute about the role of public libraries in the U.S. reveals a landscape of changing expectations, new models of services, and increasing constraints due to diminished local and state financial support.

The key trends affecting libraries include:

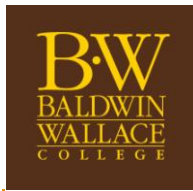
- An increased focus on electronic access to materials and a shift toward providing enhanced computer access and training for patrons.
- Increased costs of access to electronic sources because of the number of database subscriptions and their costs.
- A strong demand for local programming for children, senior citizens, job seekers, and other constituencies.
- A shift to different service populations, such as senior citizens, immigrants, and the “Generation Y” cohort (born between 1980 and 1999).
- A shift to the role of community centers, serving as the location for G.E.D. tutoring, language instruction, artistic performances, homework assistance, and employment counseling.

The communities in which most libraries operate can be broadly grouped into two general categories:

- Aging communities in which libraries face increased demands for public services while experiencing declining revenue, due to the combination of reduced state funding and the leveling off or decline in property tax dollars.
- Newer communities, such as metropolitan outer ring suburbs, in which libraries benefit from higher property values and housing development, but also face the challenge of rapidly increasing service needs and low tolerance for increasing property tax rates.

When faced with such challenges, a few libraries considered merger in an attempt to contain costs. Very few of these mergers were completed:

- The Minneapolis Public Library and Information Center merged into the Hennepin County Public Library in 2008 after approvals by each library’s Board of Trustees, the Minneapolis City Council, and passage of legislation in the Minnesota state legislature. A consistent factor explaining the success of the merger was the willingness of each system to cooperate in the merger process. The Minneapolis and Hennepin County systems each saw benefits to the merger, which involved cost savings, maintenance of existing levels of service, and avoiding future short term future tax increases.
- A recent effort to merge the town libraries of Hanover and Norwell, Massachusetts was shelved after determining that the estimated cost savings were not worth the disruption of closing one of the town libraries. (<http://www.wickedlocal.com/norwell>)
- The City of Nashville, Tennessee also considered a proposal by its mayor to merge its public library system with the library of the Metropolitan Nashville School District in



2008. The proposal was not pursued due to lack of support by the public library system and lack of involvement of their leadership in the initial discussions.

(<http://www.schoollibraryjournal.com/article/CA6616911>)

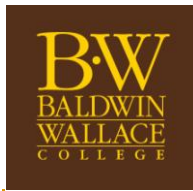
- Dover City and Kent County libraries in Delaware also discussed a merger which was not pursued. (<http://de.newszapforums.com>)
- In a study of library closures during the period of 1999-2003, 14 out of 134 permanent closures of libraries occurred as a result of mergers. These tended to be mergers of small independent libraries that suffered from antiquated collections, lack of electronic services, lack of usage, or sudden loss of funding. (Koontz, Jue, Bishop, 2009)

Therefore, while libraries remain important to communities, the ability to support operations has been significantly affected by the economy, technology, and demand. More detail on the review of the issues facing public libraries can be found in Appendix 5.

Implementation Recommendations

To initiate the inclusion process, the following action steps should be taken:

- The Board of ECPL provides a letter of intent to CCPL requesting inclusion, with the understanding that inclusion will require the dissolution of ECPL as an independent entity, and that there are no requirements for ECPL to have a presence on the CCPL Board of Trustees, as is true for all other communities served by the CCPL system;
- A forensic audit conducted of ECPL finances dating from 2006-2009;
- A facility and maintenance audit is conducted on all facilities under consideration;
- Conduct deed and title searches on ECPL properties to determine ownership;
- A legal search of potential liabilities (e.g., workers compensation claims, tort claims, contract disputes, sexual harassment and civil rights violations) filed or pending against ECPL; should such liabilities be found, determination of how such matters should be resolved in the course of the inclusion process or afterwards by CCPL;
- Verification of process for transition of ECPL property tax millage from current rates to CCPL rates;
- Determination of whether the decision for inclusion is to be made by the ECPL Board of Trustees or placed on the ballot for a vote by the citizens of East Cleveland.



If the ECPL Board of Trustees chooses to remain as an independent library system, or is not able to work out arrangements for inclusion with CCPL, then the following steps towards maintaining a viable library system should be considered:

- The ECPL Board of Trustees should request an independent audit of their financial records from 2006 to 2009;
- Development of a sustainable budget plan to pay off the current deficit and maintain balanced operations; this will require developing financing to pay off short term deficits;
- A capital plan for maintenance of the main building;
- Development of plans for alternative use or sale of the Caledonia and North Branch facilities;
- Plans for new service outreach to the East Cleveland Public Schools, Huron Hospital, and other community centers should be developed on the basis of community need and fiscal sustainability;
- Development of an emergency fiscal plan for rapid implementation should a sudden shortfall of revenue occur again in the future.

Appendix 1 Fiscal and Operational Analysis Summaries

Option One

East Cleveland Public Library manages the Main Library independently

Description:

This option looks at the personnel and cost implications of keeping the East Cleveland Public Main Library under the current management team. Both of the branches would remain closed indefinitely.

Personnel Breakdown and Costs:

	Personnel	Total Cost	Percentage
Director	1	\$117,851	
Deputy Director	1	\$ 92, 123	
Executive Assistant	1	\$50,925	
Office Admin.	1	\$40,577	
Deputy Fiscal Officer	1	\$40,200	
Administration Total		\$341,676	32.56%
Technology Manager	2	\$95,487	
Technical Support	4	\$139,578	
Technology Total		\$235,065	22.40%
Librarians	7	\$283,482	
Circulation	3	\$99,221	
Library Operations Total		\$382,703	36.47%
Maintenance Manager	1	\$40,363	
Maintenance Employees	2	\$49,691	
Maintenance Total		\$90,054	85.81%
Total Salaries	24	\$1,049,498	100.00%
Retirement		\$146,930	
Benefits		\$314,850	
TOTAL PERSONNEL COSTS		\$1,511,277	144.00%

Financial Summary:

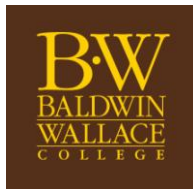
Revenues		
Public Library Fund	\$1,240,553	51.47%
Property Tax	\$1,169,640	48.53%
Total Revenues	\$2,410,093	100%
Expenses		
Personnel	\$1,511,277	58.70%
Library Materials	\$420,188	16.32%
Supplies	\$55,832	2.17%
Utilities	\$156,086	6.06%
Security	\$135,464	5.26%
Insurance	\$31,664	1.23%
Rents and Leases	\$42,960	1.67%
Furniture and Equipment	\$29,172	1.13%
External Services (includes Clevnet)	\$126,669	4.92%
Maintenance	\$44,068	1.71%
Miscellaneous	\$21,015	0.81%
Total Expenditures	\$2,574,394	100%
Net Operational Results	(\$164,301)	
Past-due Payables from 2009	(\$513,911)	
Net Results 2010	(\$678,212)	
Net Operational Results 2011	(\$132,215)	
Net Results 2011	(\$810,427)	

Assumptions:

- There are no additional furloughs or reductions in staff.
- Property taxes are collected at 70 percent of billed amount.
- ECPL's collection expenditures increase to be commensurate to those of CCPL, at \$21.75 per patron. In 2009, ECPL spent \$107,075 on library materials, or \$5.54 per patron, and in 2008, it spent \$320,681, or \$16.60 per patron.
- Public Library Funds revenues increase by \$32,086 in 2011.

Conclusion:

Option One is possible for ECPL, as long as creditors are willing to extend credit in 2010, library purchases are curtailed, and some personnel reductions and/or furloughs are implemented.



Option Two

East Cleveland Public Library manages the Main Library,
Caledonia and North Branches independently

Description:

This option looks at the personnel and cost implications of keeping the East Cleveland Public Main Library under the current management team, with both of the branches reopening in 2010.

Personnel Breakdown and Costs:

	Personnel	Total Cost	Percentage
Director	1	\$117,851	
Deputy Director	1	\$ 92, 123	
Executive Assistant	1	\$50,925	
Office Admin.	1	\$40,577	
Deputy Fiscal Officer	1	\$40,200	
Administration Total		\$341,676	23.40%
Technology Manager	2	\$95,487	
Technical Support	6	\$201,662	
Technology Total		\$297,149	20.35%
Librarians	11	\$483,410	
Circulation	7	\$247,649	
Library Operations Total		\$731,059	50.07%
Maintenance Manager	1	\$40,363	
Maintenance Employees	2	\$49,691	
Maintenance Total		\$90,054	6.17%
Total Salaries	34	\$1,459,936	100.00%
Retirement		\$204,391	
Benefits		\$437,981	
TOTAL PERSONNEL COSTS		\$2,102,308	144.00%

Financial Summary:

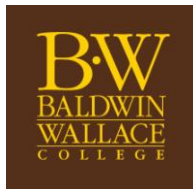
Revenues		
Public Library Fund	\$1,240,553	51.47%
Property Tax	\$1,169,640	48.53%
Total Revenues	\$2,410,093	100%
Expenses		
Personnel	\$2,102,308	66.41%
Library Materials	\$420,188	13.27%
Supplies	\$55,832	1.76%
Utilities	\$156,086	4.93%
Security	\$135,464	4.28%
Insurance	\$31,664	1.00%
Rents and Leases	\$42,960	1.36%
Furniture and Equipment	\$29,172	0.92%
External Services (includes Clevnet)	\$126,669	4.32%
Maintenance	\$44,068	1.39%
Miscellaneous	\$21,015	0.66%
Total Expenditures	\$3,165,425	100%
Net Operational Results	(\$755,332)	
Past-due Payables from 2009	(\$513,911)	
Net Results 2010	(\$1,269,243)	
Net Operational Results 2011	(\$723,246)	
Net Results 2011	(\$1,992,489)	

Assumptions:

- There are no additional furloughs or reductions in staff.
- Real-estate taxes are collected at 70 percent of billed amount.
- ECPL's collection expenditures increase to be commensurate to those of CCPL, at \$21.75 per patron. In 2009, ECPL spent \$107,075 on library materials, or \$5.54 per patron, and in 2008, it spent \$320,681, or \$16.60 per patron.
- Utilities costs at the two branches are unknown. Impact of the lack of accurate information is minimal.
- Public Library Funds revenues increase by \$32,086 in 2011.

Conclusion:

Option Two is not a viable option for ECPL.



Option Three

Cuyahoga County Public Library includes the East Cleveland Main Library Branch

Description:

This option looks at the personnel and cost implications of keeping the East Cleveland Main Library open as part of the Cuyahoga County Public Library system.

Personnel Breakdown and Costs:

	Personnel	Total Cost	Percentage
Manager	1	\$72,800	
Administration Total		\$72,800	8.87%
Librarians	10.8	\$522,326	
Circulation	4.6	\$202,560	
Mentor – Monitor	1	\$23,544	
Library Operations Total		\$724,886	91.13%
Total Salaries	17.4	\$821,130	100.00%
Retirement		\$114,958	
Benefits		\$143,566	
TOTAL PERSONNEL COSTS		\$1,079,654	131.48%

Financial Summary for 2010:

Revenues		
Public Library Fund	\$1,240,553	51.47%
Property Tax (100% at 7 mills)	\$1,169,640	48.53%
Total Revenues	\$2,410,093	100%
Expenses		
Personnel	\$1,079,654	58.50%
Library Materials	\$420,188	22.77%
Supplies	\$55,832	3.03%
Utilities	\$156,086	8.46%
Insurance	\$31,664	1.71%
Rents and Leases	\$42,960	2.33%
Furniture and Equipment	\$29,172	1.58%
External Services	\$30,000	1.62%
Total Expenditures	\$1,845,556	100%
Net Operational Results 2010	\$564,537	
Past-due Payables from 2009	(\$513,911)	
Net Results 2010	\$50,626	

Assumptions:

- For 2010, property taxes are collected at 7 mills (based on taxes accrued in 2009). For 2011, property taxes are collected at 7 mills for the first half of the year, and 2.5 mills for the second half, assuming a change in millage on June 30, 2010. For 2012, property taxes collected at 2.5 mills.
- The East Cleveland facility is staffed using the CCPL model for all branches, based on circulation and number of cardholders; if the model were based on the number of hours of computer usage, the personnel costs should be increased.
- There are no budgeted costs for security.
- Property taxes are collected at 70 percent of billed amount.
- Insurance costs include the two branches, which should be excluded under this alternative. This is not material to the decision.
- The projected ECPL's collection expenditures are commensurate with those of CCPL, at \$21.75 per patron.
- No increases forecast for costs of personnel, benefits, utilities and other expenses.

Financial Summary for 2011:

Revenues		
Public Library Fund	\$1,272,639	61.59%
Property Tax (50% at 7 mills, 50% at 2.5 mills)	\$793,685	38.41%
Total Revenues	\$2,066,324	100%
Expenses		
Personnel	\$1,079,654	58.50%
Library Materials	\$420,188	22.77%
Supplies	\$55,832	3.03%
Utilities	\$156,086	8.46%
Insurance	\$31,664	1.71%
Rents and Leases	\$42,960	2.33%
Furniture and Equipment	\$29,172	1.58%
External Services	\$30,000	1.62%
Total Expenditures	\$1,845,556	100%
Net Operational Results 2011	\$220,764	
Surplus carried from 2010	\$50,626	
Net Results 2011	\$271,390	

Assumptions:

- For 2010, property taxes are collected at 7 mills (based on taxes accrued in 2009). For 2011, property taxes are collected at 7 mills for the first half of the year, and 2.5 mills for the second half, assuming a change in millage on June 30, 2010. For 2012, property taxes collected at 2.5 mills.
- The East Cleveland facility is staffed using the CCPL model for all branches, based on circulation and number of cardholders; if the model were based on the number of hours of computer usage, the personnel costs should be increased.
- There are no budgeted costs for security.
- Property taxes are collected at 70 percent of billed amount.
- Insurance costs include the two branches, which should be excluded under this alternative. This is not material to the decision.
- The projected ECPL's collection expenditures are commensurate with those of CCPL, at \$21.75 per patron.
- No increases forecast for costs of personnel, benefits, utilities and other expenses.

Financial Summary for 2012:

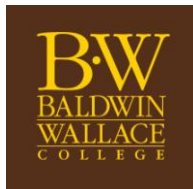
Revenues		
Public Library Fund	\$1,272,639	75.29%
Property Tax (100% at 2.5 mills)	\$417,729	24.71%
Total Revenues	\$1,690,368	100%
Expenses		
Personnel	\$1,079,654	58.50%
Library Materials	\$420,188	22.77%
Supplies	\$55,832	3.03%
Utilities	\$156,086	8.46%
Insurance	\$31,664	1.71%
Rents and Leases	\$42,960	2.33%
Furniture and Equipment	\$29,172	1.58%
External Services	\$30,000	1.62%
Total Expenditures	\$1,845,556	100%
Net Operational Results 2012	(\$155,188)	
Surplus carried from 2011	\$271,390	
Net Results 2012	\$116,202	

Assumptions:

- For 2010, property taxes are collected at 7 mills (based on taxes accrued in 2009). For 2011, property taxes are collected at 7 mills for the first half of the year, and 2.5 mills for the second half, assuming a change in millage on June 30, 2010.
- The East Cleveland facility is staffed using the CCPL model for all branches, based on circulation and number of cardholders; if the model were based on the number of hours of computer usage, the personnel costs should be increased.
- There are no budgeted costs for security.
- Property taxes are collected at 70 percent of billed amount.
- Insurance costs include the two branches, which should be excluded under this alternative. This is not material to the decision.
- The projected ECPL's collection expenditures are commensurate with those of CCPL, at \$21.75 per patron.
- No increases forecast for costs of personnel, benefits, utilities and other expenses.

Conclusion:

Option Three is a viable option for CCPL, as long as assumptions made are tenable.



Option Four

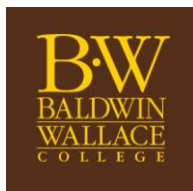
Cuyahoga County Public Library manages the East Cleveland Main Library
and the Caledonia and North branches

Description:

This option looks at the personnel and cost implications of keeping the East Cleveland Main Library and the two branches open under the Cuyahoga County Public Library system.

Personnel Breakdown and Costs:

	Personnel	Total Cost	Percentage
Manager	3	\$218,400	
Administration Total		\$218,400	13.93%
Librarians	18.8	\$905,754	
Circulation	8.6	\$378,512	
Mentor - Monitor	3	\$65,400	
Library Operations Total		\$1,349,666	86.07%
Total Salaries	33.4	\$1,568,066	100.00%
Retirement		\$213,669	
Benefits		\$270,480	
TOTAL PERSONNEL COSTS		\$2,052,215	130.88%



Financial Summary 2010:

Revenues		
Public Library Fund	\$1,240,553	51.47%
Property Tax (100% at 7 mills)	\$1,169,640	48.53%
Total Revenues	\$2,410,093	100%
Expenses		
Personnel	\$2,052,215	72.82%
Library Materials	\$420,188	14.91%
Supplies	\$55,832	1.98%
Utilities	\$156,086	5.54%
Insurance	\$31,664	1.12%
Rents and Leases	\$42,960	1.52%
Furniture and Equipment	\$29,172	1.04%
External Services	\$30,000	1.06%
Total Expenditures	\$2,818,117	100%
Net Operational Results	(\$408,024)	
Past-due Payables from 2009	(\$513,911)	
Net Results 2010	(\$921,935)	

Assumptions:

- The East Cleveland facilities are staffed using the CCPL model for all branches.
- There are no budgeted costs for security.
- Property taxes are collected at 2.5 mills, and no longer at 7 mills.
- Property taxes are collected at 70 percent of billed amount.
- CCPL pays the past-due payables of ECPL in 2010. It is possible that some creditors may extend payment to 2011.
- The projected ECPL's collection expenditures are commensurate with those of CCPL, at \$21.75 per patron.
- Public Library Funds revenues increase by \$32,086 in 2011.

Financial Summary 2011:

Revenues		
Public Library Fund	\$1,272,639	61.59%
Property Tax (50% at 7 mills, 50% at 2.5 mills)	\$793,685	38.41%
Total Revenues	\$2,066,324	100%
Expenses		
Personnel	\$2,052,215	72.82%
Library Materials	\$420,188	14.91%
Supplies	\$55,832	1.98%
Utilities	\$156,086	5.54%
Insurance	\$31,664	1.12%
Rents and Leases	\$42,960	1.52%
Furniture and Equipment	\$29,172	1.04%
External Services	\$30,000	1.06%
Total Expenditures	\$2,818,117	100%
Net Operational Results 2011	(\$751,793)	
Carry-Over from 2010	(\$921,935)	
Net Results 2011	(\$1,673,728)	

Assumptions:

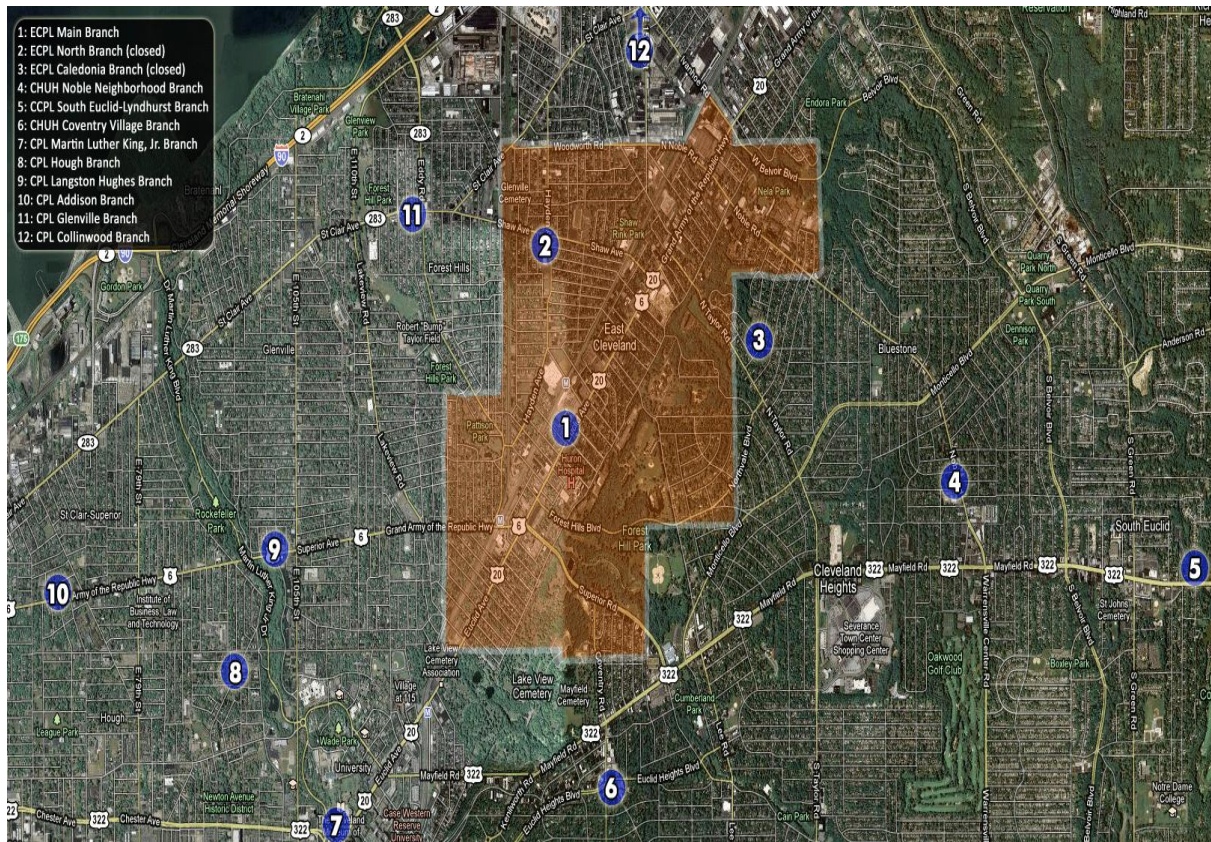
- The East Cleveland facilities are staffed using the CCPL model for all branches.
- There are no budgeted costs for security.
- Property taxes are collected at 2.5 mills, and no longer at 7 mills.
- Property taxes are collected at 70 percent of billed amount.
- CCPL pays the past-due payables of ECPL in 2010. It is possible that some creditors may extend payment to 2011.
- The projected ECPL's collection expenditures are commensurate with those of CCPL, at \$21.75 per patron.
- Public Library Funds revenues increase by \$32,086 in 2011.

Conclusion:

Option Four is not a viable option for CCPL.

Appendix 2

Map of Libraries in East Cleveland and Surrounding Municipalities



Appendix 3

Summaries of Focus Groups and Interviews

The focus groups were conducted on site at each organization. The focus group of the CCPL staff was organized by staff union representatives and conducted on January 13th, 2010 at the CCPL administrative offices in Parma. CCPL Director Sari Feldman did not attend the staff focus group, nor did any of the administrative leadership of CCPL. Individual interviews were conducted with CCPL Board members Darlene Evans McCoy (2/2/10), Sanjiv Kapur (2/5/10), and Leonard Calabrese (by phone on 2/10/10), by CRI co-director Tom Sutton. Interviewees understood that their comments would be reported in aggregate without individual attribution.

Focus groups of the ECPL staff, East Cleveland community leaders, and members of the ECPL Board of Trustees were organized by ECPL Director Greg Reese, on January 22nd, January 29th, and February 4th, respectively, at the East Cleveland Main Library Branch. ECPL Director Reese attended the three ECPL focus groups. The ECPL staff focus group was attended by five key staff, including the Associate Director, librarians, circulation staff, and a technical services manager. The East Cleveland community leader focus group included Director Greg Reese, Mayor Gary Norton, Judge Una Keenon, Reverend Norris, A. Gus Kious, M.D., and five members of the Friends of East Cleveland Library group. Gregory Clifford, Stan Soble, Diana England, and Chester Tucker represented the East Cleveland Board of Directors, along with Director Greg Reese. Each of the focus groups was facilitated by two members of the CRI study team.

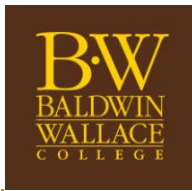
Cuyahoga County Public Library Staff Focus Group (January 13, 2010)

The discussion was dominated by questions and concerns about the challenges, barriers, and costs of a potential merger. Roughly in order of their importance, these included the following:

Financial concerns – These included concerns that ECPL does not have its finances and financial management in order; that adequate financial audits be conducted prior to any attempted merger; that CCPL would have to assume ECPL's liability for the Ohio Public Employees Retirement System deficit and other debt; that a merger would add financial and legal obligations to vendors, suppliers, and current and former employees seeking redress for outstanding payments, wages, or benefits; and that there may be additional costs associated with the merger that will adversely affect CCPL.

Employment and union concerns – This included, especially, questions about how seniority issues would be handled (would currently laid-off CCPL staff take precedence over existing ECPL staff?); and logistical issues associated with integrating a non-union library into a unionized system.

Public relations concerns – CCPL staff were concerned about a potential public backlash against CCPL for irresponsibly taking on additional financial obligations. On the other hand, CCPL staff



were also concerned about the possible negative reaction to any decision not to “rescue” the ECPL system. Either of these could show up adversely in a levy campaign.

Security concerns – CCPL staff expressed concerns about the safety of employees working in East Cleveland. It was noted that some existing CCPL libraries were denied requests for additional security measures, and questions arose about how the addition of ECPL, with its security needs, would be handled.

Infrastructure and logistical concerns – These included concerns about the condition of ECPL facilities and the cost of upgrading and maintaining them; and concerns about the impact on delivery routes, shipping, and exchanging staff.

Among the potential benefits of a merger, CCPL staff noted the following:

New, useful, and special facilities – CCPL staff particularly cited the ECPL performing arts space, the Icabod Flewellen collection, and the ample meeting rooms.

Regionalism – A merger, done correctly, might serve as a model for similar local, regional, and national efforts to merge systems and attain greater efficiency and effectiveness.

Union benefits – Assuming ECPL employees would join the union, any increase in the number of unionized employees increases the bargaining position of the union.

New grant/funding opportunities – CCPL staff noted the potential fundraising opportunities associated with a library system located in a community that is relatively marginalized socioeconomically.

Among the alternatives to a merger, the following options were raised:

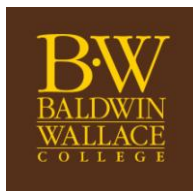
ECPL remains independent – Raise public and private money to overcome current difficulties and move forward on a sound financial basis.

Storefront/bookmobile – Provide library services in East Cleveland without the expenses associated with large, expensive library facilities.

East Cleveland contracts with CCPL as service provider – East Cleveland would provide the library space, and CCPL would provide library services; this would eliminate the costs to CCPL of maintaining expensive facilities.

Downsize ECPL – Close the main library and one branch; operate out of a smaller, less expensive facility.

No library service in East Cleveland – It was pointed out that many cities do not have libraries or library services; their residents commute to surrounding cities to gain access to library services.



Summary of Cuyahoga County Public Library Board Member Interviews

Fiscal prudence – CCPL has a primary responsibility for fiscal prudence and maintaining a stable system for its existing patrons and the taxpayers of the 47 participating communities of CCPL;

Stewardship – CCPL places a very high priority on good stewardship of its resources and sound governance;

Significant needs – ECPL and East Cleveland have significant needs that should be addressed; CCPL is willing to consider inclusion of ECPL, provided this does not have a negative impact on the financial stability of CCPL;

Regionalism – The growing priority of regionalization is a positive factor to consider in thinking about inclusion. CCPL sees the importance of increasing operational efficiency and access to services through the potential for inclusion of existing public libraries such as ECPL;

Security needs – Concern about the difference in security needs of ECPL and CCPL; can a consistent and effective system of security be maintained for ECPL facilities if they included in CCPL?

Quality standards – There is a difference in quality standards between ECPL and CCPL; the high quality of CCPL services should not be lowered in any way to include ECPL. Rather, ECPL services need to be improved to match the quality of services provided by CCPL;

Service expectations – CCPL patrons and communities demand more in services and quality from CCPL; it seems that East Cleveland residents demand less from ECPL, when looking at comparisons of service quality;

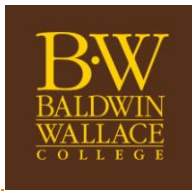
Staffing integration – It is important to check on how the ECPL non-union staff can be integrated into the unionized CCPL staff in a way that minimizes job loss;

ECPL increased services – ECPL will benefit from increased access to services provided by CCPL through inclusion;

Voice of ECPL community – CCPL should consider ways to continue representation of the voice of the East Cleveland community should inclusion be chosen by ECPL;

Board communication – There appeared to be a lack of ‘Board to Board’ discussion between ECPL and CCPL during the process of considering inclusion;

Increase in diversity – Inclusion of ECPL in CCPL will increase the diversity of the CCPL staff, which is a positive outcome, as well as increase the percentage of African-American residents receiving CCPL services;



Property tax millage drop – CCPL will likely not gain complete support for ECPL services from the existing East Cleveland property tax base, particularly if the millage drops to 2.5 mills;

Collaboration precedent – Inclusion of ECPL in CCPL provides an opportunity to model collaboration of public services that results in greater efficiency and improved services, a phenomena that is likely to increase in practice in the future in Northeast Ohio;

Value of ECPL – ECPL is recognized and valued by CCPL as a major anchor in East Cleveland, both as a community center and as a source for economic development;

Performing Arts Center – The ECPL performing arts center is a strong asset that would add value to CCPL;

ECPL meets community needs – It is clear that ECPL meets deep needs of the East Cleveland community;

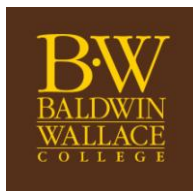
ECPL physical plant needs – CCPL is concerned about physical plant needs of ECPL facilities, and how these will be addressed;

Provision of service without ECPL – If ECPL were to stop providing services, how would CCPL provide service to East Cleveland, as it would become part of the CCPL service area by default?

Three branches – Does ECPL need three branches? Larger communities in CCPL are served by one branch; 19 municipalities in CCPL do not have branch locations;

Moral responsibility – CCPL has a moral responsibility to consider in this process; it is the nationally top ranked public library system sitting right next to the poorest city in Ohio;

Local governance changes – The larger context of local governance needs to be considered in this process. Northeast Ohio has an unsustainable governance system that must change to become more efficient. Shared service districts, revenue sharing, and inclusion are options that will increasingly be required for the region to make its governance systems financially sustainable.



East Cleveland Public Library Staff Focus Group (January 22, 2010)

ECPL staff concerns and questions about a possible merger focused primarily on employment issues and serving the unique needs of East Cleveland. Additionally, some concerns were expressed about logistical and transitional difficulties associated with a potential merger. Finally, some thoughts were expressed regarding alternatives to a wholesale merger.

Regarding employment issues, the following points were made:

Layoffs – Would some staff be eliminated? Would some position categories be eliminated entirely?

Seniority – Would East Cleveland staff seniority be respected and maintained? Or would CCPL use a merger as a means of rehiring some of its laid-off employees, while laying off current ECPL employees to make room for the rehired CCPL employees?

Reassignment – ECPL staff also expressed concern about the possibility of being reassigned to different libraries outside East Cleveland.

Job satisfaction – Would CCPL jobs be as satisfying as the ones held in ECPL?

Union – ECPL staff also expressed concerns about working in a union environment.

It was emphasized that ECPL serves the unique needs of East Cleveland:

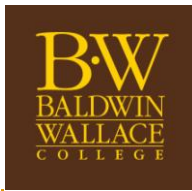
African American urban community – Questions arose about whether CCPL adequately understands the unique needs of a predominately African American urban community, and about whether they would be committed to serving those unique needs.

Immigrant communities – Additionally, ECPL serves Russian and Jewish immigrant communities within East Cleveland, each with unique needs.

Dedicated resources – ECPL has acquired and developed specific library resources and collections aimed at those African American and immigrant communities. Would these be effectively used and maintained?

Dedicated services – ECPL staff offers services tailored to the specific needs of the community. These include, for example, assistance with Safe Link phones, job applications, filing for unemployment, creating and using email accounts, creating and submitting resumes, and paying bills on line.

Developing partnerships – ECPL staff knows its own community from the inside, and is positioned to take advantage of that insider knowledge and familiarity to partner with other community organizations and institutions to more effectively address the needs of the



community, and to recognize and create synergies. For example, ECPL currently partners with Huron Hospital and the Ohio Benefits Bank.

Performing arts – The ECPL performing arts auditorium offers affordable access to the performing arts for many East Cleveland residents.

Computer access – Many residents of East Cleveland rely on ECPL for access to computers and computer training, for employment searches and preparations, and for school work.

Serving children – ECPL functions as a safe haven for children after school. Additionally, East Cleveland elementary schools contain no libraries, so they rely on ECPL for library resources and support.

Community center – ECPL is a free, accessible community center that is especially important in an urban environment like East Cleveland.

Finally, the following logistical and transitional concerns were raised:

Operating systems – ECPL currently uses the operating system of Clevenet. Is this compatible with that of the CCPL?

Cataloguing – Who would do the re-cataloguing, and who would pay for it?

Lag time during transition – Would there be a period of transition during which East Cleveland residents would not have access to the library?

Collections – What would happen to ECPL's collection? Would it remain in East Cleveland, or would it be migrated?

During the discussion, a couple of alternatives to inclusion were presented

Subsidiary status – Would it be possible for ECPL to assume subsidiary status in which funds and services are shared but local control is retained?

Alternative funds – ECPL staff members suggested seeking alternative sources of funding from public and private sources.

East Cleveland Public Library Board Focus Group (February 4, 2010)

The discussion was dominated by questions and concerns about the uniqueness of the ECPL services, the characteristics of the community it serves, the process of a potential inclusion, while recognizing the financial constraints under which the library operates. While open about some of the issues ECPL faces, the Board members were on occasion reluctant to discuss some of the elements of the proposed inclusion, seemingly convinced that it was CCPL's role to persuade them that the inclusion was in ECPL's best interest, and were guarded about their plans for the future, with or without CCPL's involvement.

The comments made by the Board members included the following:

Role in the Community – The Board is keenly aware that the Library is perceived by the East Cleveland community as an anchor, and that it offers a collection and services that are unique. Their perception is that the Library is the keeper of an African-American heritage that may be lost in a merger with a larger system. The library is seen as an institution within East Cleveland.

Services offered – The ECPL offers programs that are uniquely designed for its community. They include a lunch program for school children in the summer, a minority health clinic, GED preparation programs, job training programs, a group of computer specialists to help residents with job searches and resume writing, in addition to the more traditional services associated with a library, such as reading programs, research assistance for school children projects and a safe haven for teens. The ECPL also represents the only way to connect to the Internet for many residents.

Pervasive poverty – There is a strong feeling that the remainder of the communities in the area that CCPL serves are substantially better off financially and economically than East Cleveland. The Board reiterated that the elementary schools operate without libraries, that the middle school has a library, but no librarians, and that only the high school has a staff librarian.

Difficulty of access – For many of East Cleveland residents, access to the library is a challenge; residents do not have their own transportation, they rely on public transportation or walk to the library. The Board noted that it was particularly the case for children. For those residents for whom transportation is available, it tends to be unreliable.

Impact of the Merger – The Board is concerned about the fact that the branches may not reopen, that people may lose their jobs and that the people who depend on the library for the unique services it offers will suffer.

The Performing Arts Center – While recognizing the extraordinary asset that the Performing Arts Center represents, the Board's comments were exclusively related to the role the Center would play in the negotiation with CCPL, and they saw it as the primary reason CCPL was interested in ECPL.

Process of the merger – Several questions were raised regarding the process; whether the ECPL Board would continue to exist, whether there would be a document outlining the responsibilities of CCPL toward the commitments made by the ECPL Board to its community, and whether the process would be put to a vote.

Prospect of negotiation – At least for some of the Board members, there was the perception that inclusion into CCPL's system should involve negotiations, and that the Board's role would be to protect ECPL's assets, and guarantee the maintenance of the services that ECPL provides to the community. There was agreement that whatever the results of these negotiations would be, a document should be created and its terms enforced by an outside entity. The Board was unwilling to share the terms to which ECPL Board members would agree, and the conditions that they would place in the process.

Financial Impact – Although the financial difficulties that ECPL has faced in the recent past were recognized, the Board feels that the situation is under control, and that it has the ability to continue operating for the foreseeable future. The strategic plan that an outside consultant developed for ECPL was not yet known, but Board members were confident that it would allow the library to continue normal operations.

East Cleveland Public Library Community Leaders Focus Group (January 28, 2010)

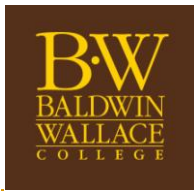
The discussion was dominated by questions and concerns about the services offered by the Library, the possible loss of services and the impact such reduced services would have on the population it serves, and the financial impact of a proposed inclusion into CCPL. Community members were very supportive of the efforts that ECPL has made to provide good-quality services to the East Cleveland community, and were worried about the consequences of a change in leadership. They are very much "Friends of the Library."

This focus group results were quite similar to the results obtained with the focus group conducted with the ECPL Board; the comments made by the community leaders included the following:

Role in the Community – The Library is perceived by the East Cleveland community as one of the anchors of the community, offering services that are uniquely tailored to the needs of the population it serves.

Health Information Center – The health information center is perceived as a model of preventative medicine, providing services to a population that tends to be under-served by the traditional medical infrastructure. It is considered a model, not duplicated anywhere else in the country. There is concern that such a program would be lost.

Personal Computer Usage – Community leaders are keenly aware that for a number of the residents, the only access to computers and to the information on the internet is through the library. Job seekers, students, and others rely on the library to provide them this access, exclusively.



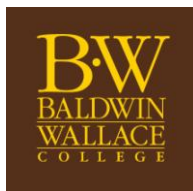
Possible Loss of Services – The community members are concerned about the possible loss of services and the impact that this loss would have on the community. Their perception is that the library provides services that are not available anywhere else, including in the CCPL system.

Loss of Control – Some of the community leaders expressed concerns that decisions regarding programming, services, and other issues would be made by people who do not know the community and its special needs.

Impact on Employees – The impact on current employees of ECPL was mentioned as one of the issues to be addressed, with much uncertainty about the process and the possible outcomes of the inclusion of non-union employees into a unionized environment.

Financial Exigency – Community leaders recognized that the library had few options to cover the costs of its day-to-day operations, and that outside funding could not be secured for that purpose.

Millage Change – There was some anticipation that the tax millage would remain the same, with 2.5 mills now going to CCPL, and the remainder (4.5 mills) being re-directed toward the general municipal budget. The assumption was that this change would allow the city to support other municipal services.



Appendix 4: Interview and Focus Group Questions

Focus Group Introductory Remarks

- Welcome
- Introductions
 - CRI staff: “we’ve been hired...”
 - Focus group participants
- Overview of topic
- Ground rules
 - Hear from everyone
 - Respect others’ views
 - Minimize side conversations
 - One person speak at a time

Interview/Focus Group Questions

1. Are you already aware of the possible merger of the CCPL and ECPL library systems? How much do you know about it?
2. What do you see as potential costs, challenges, and barriers to this proposed merger?

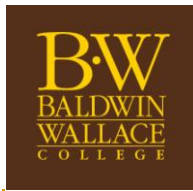
Prompts:

Financial
Jobs

- Compensation
- Benefits
- Hours

Staffing
Bureaucratic
Legal
Programmatic
Other?

3. How do you think these costs, challenges, and barriers could best be addressed?



4. What are the potential benefits of the proposed merger?

Prompts:

- Performing arts space
- New collections
- New clientele
- Other?

5. Is there any information from the study we are doing that would be of particular interest to you? Areas where you think we should focus our attention?

6. Are you in favor of the proposed merger? Why or why not?

Appendix 5

Survey of Recent Literature on Challenges Facing Public Libraries

The traditional consensus on the role and purpose of libraries - as guardians of knowledge, truth, justice, and culture; collecting, storing, organizing, and making available printed materials for an intended audience of students, researchers, or the public at large - is changing and being threatened. It is being fractured by the internet, which is now seen as a primary research tool for both casual interests and more serious information research by most people, especially the younger generation (Wilding, 2005, p. 22.)

We are living in an age of fiscal crisis (Hennen, Jr., 2005, p. 49.) This will greatly affect the organizational structures in which library staff work. Independent local libraries are seen as providing overlapping services, which can be more economically served by larger regional units. The Ohio Public Library Fund (PLF), the main funding support from state coffers for public libraries, will be reduced by \$84.3 million in fiscal year 2010/11. Ohio libraries will deal with an approximate 11% reduction in revenue from state sources. Because of declining tax revenues, the impact will probably be much higher (Berry III, 2009.)

Libraries are competing for funding with vital services such as police and fire and may have to eliminate branches, cut materials budgets, reduce hours, lay off staff, and defer capital purchases (Amdursky, 2004, p. 39.) Public library funding is typically tied to the tax capacity available within its geographic boundaries. Possible mergers and districts are quickly stalled by the tax capacity issue, as most urban centers have lower relative tax bases than their suburban neighbors. Some communities rely on hotel room taxes, local income taxes, and sales taxes, but the differences in tax capacity usually remain. Problems of fragmentation, the loss of tax capacity in the center city, and the duplication of services are found in most metropolitan areas. Aging inner-ring suburbs present an opportunity to rethink metropolitan strategies. While people in outer-ring suburbs may generally have higher incomes and better services than city dwellers, the economic health of the city is important to the whole region. Maintaining quality services to city residents helps businesses and property values. A thriving city is obviously a better neighbor than a failing one (Hennen, Jr., 2004, p. 37-38.)

Local government bodies (villages, townships, cities, and counties) often provide overlapping services, creating a tension between cost containment, on the one hand, and local autonomy and control on the other. Local government control systems are based on 19th century models that are economically inefficient and that institutionalize funding inequalities (Amdursky, 2004, p. 38.) The traditional preference for local independence perpetuates financial inequities. Library systems are largely supported through property taxes and are highly dependent on their local tax base. Affluent outer-ring suburbs have been able to have high quality library resources and services. Inner city libraries must deal with a much poorer tax base, and are forced to rely more heavily on state funding, which is being reduced in Ohio. Changing existing government structures is difficult (Amdursky, 2004, p. 38.) The geographical structure and funding systems

put in place years ago may be outdated. Ohio, Pennsylvania, and Florida are among the first states that have leveraged state funding to encourage regional library development and equalize funding levels for communities with low tax capacity (Hennen, Jr., 2004, p. 37.) These efforts, if successful, may prove to be a model for the rest of the country.

While pressures on state budgets mean state funding is unlikely to change soon, libraries should assess long-term strategies and alliances for when state economies recover. Independent library taxing districts that encompass multiple units of local government show a strong correlation between districts and better, dedicated funding levels (Amdursky, 2004, p. 40.)

Online access and increased mobility decrease the need for a “uniqueness” of local libraries. Patrons want traditional, book-based library services as well as expensive new technology. Keeping up with technology is expensive, and technology changes the role that geography plays in library services. Technology trends suggest a regional, state or national response. The public demands more, different and seamless services, including “Web 2.0” social networking and communications tools, the ability to post and read user-supplied book reviews directly linked into the OPAC (online public access catalog), and being able to use one’s library card for any public library in the region.

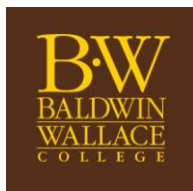
The expected de-emphasis on the importance of library buildings has not occurred. This is because of a rising trend to use library buildings as community centers and programming as a source of community revitalization (Wilding, 2005, p. 25.)

Library clientele will change to include more elderly, more immigrants, and the 60 million members of Generation Y, born between 1980 and 1999 (Wilding, 2005, p. 25.) The public may value quality services over autonomy for its own sake. The public may be more accepting of mergers (perceived cost savings) than other stakeholders (library Boards, directors, and staffs, who may be concerned about job loss or loss of power) (Amdursky, 2004, p. 38.)

A benefit of consolidation is independent governance for the library system. Former governing authorities are relieved of responsibility. Librarians need to be active in developing the state library laws that affect service outcomes. New laws are needed in many states that will allow libraries to merge and to become independent taxing districts (Amdursky, 2004, p. 40.)

There has been little comparative research, or long-term longitudinal studies that show the community and economic impact of libraries. Research that has been done was often isolated and uncoordinated. Librarians should use a triple bottom line concept of equity, efficiency, and effectiveness to assess program success (Hennen, Jr., 2005, p. 51.) Effectiveness belongs on the bottom line because, regardless of the price, poor service is never a good value.

Measuring library quality is difficult. National standards for libraries ended with the Carter administration (Wilding, 2005, p. 25.) Some states have developed standards for libraries, but in many cases these are minimums. One comparative tool is the HAPLR Index, developed by



Thomas Hennen, Jr. It includes 15 factors focused on circulation, staffing, materials, reference service, and funding levels (Wilding, 2005, p. 26.) Library Journal has also developed an Index of Public Library Service, awarding “Stars” for library visits, circulation, program attendance, and public Internet computer use, as measured per capita (Lance, 2009, p. 21.) Cuyahoga County Public Library was ranked #1 in the U.S. on the Library Journal 2009 Index of Star Libraries.

Elected officials look to reorganize library services to maximize cost-effectiveness. Library staff and patrons seek the organizational structure that best maximizes high-quality service. These are often seen as conflicting goals (Hennen, Jr., 2005, p. 49.) Library leadership needs to be able to articulate clearly the benefits of consolidation to all constituencies. These benefits can include increased efficiency in human resources, accounting, and marketing, and in technical services areas (materials acquisitions, cataloging/processing). Public services areas are generally not reduced unless branches are closed or hours are shortened. (Amdursky, 2004, p. 40.)

Some basic concerns that need to be addressed when considering a merger of library systems will include the following (Amdursky, 2004, p. 40):

- Will some branches be eliminated?
- Will each branch retain its local appeal?
- How will tax dollars be directed?
- Who will lead the new library organization?
- Consolidating staff will be difficult.

A number of issues will affect the merger decision process. Because of autonomy issues, mergers can often only be accomplished with incentives, such as state funds to encourage mergers, or pressures from local officials (Hennen, Jr., 2004, p. 37.) A merger is probably easier between a city library and a consolidated suburban library than with scores of suburban libraries, which have widely divergent tax rates (Hennen, Jr., 2004, p. 37.) While voters will often not support mergers that eliminate branches, it is important to have open and fair discussions on how closure decisions would be made. This perspective is that citizens should be involved in determining what should be done. Public judgment should be informed by information sharing, and reached through acceptance of the consequences of whatever actions they want to take for the greater good (Wilding, 2005, p. 35.) Lastly, a consolidated library Board must represent all segments of the library district but remain small enough to function effectively (Amdursky, 2004, p. 40.)

It is important to remember that libraries tend to be collaborative by nature. Patrons expect to have access to any library’s resources. Libraries share online catalogs and databases. Economies of scale are attained through cooperative purchasing of databases and other technological elements such as online catalogs and communications (Amdursky, 2004, p. 40.)

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Proper planning and informed advocacy are necessary to generate sufficient funding.

Final Report of the Local Government and Library Revenue Distribution Task Force, November 29, 2006. Retrieved from the Ohio Library Council website:

<http://www.olc.org/pdf/LocalGovtLibRevDistTFFinalReport.pdf>

Includes the following "Outside of Scope" recommendation:

- Public Library coordination – libraries should be encouraged to eliminate duplicative systems to allow for seamless usage of any public library in the state with any Ohio public library card. Regardless of home address, Ohioans should be able to access materials at their most convenient location. Such consolidation would save tax money by eliminating administrative overhead, and would simultaneously improve patron services. This could also encourage a consolidation of library districts within counties for further administrative savings.

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Analyzes consolidation issues for public libraries in the Kansas City metropolitan area.