

CAL Annual Conference

# **Statistical and Financial** **Benchmarks**

November 21, 2009

**Chris Brogan, CGFO, Chief Finance Officer, Pueblo LD**

**Michael Varnet, CPA, Chief Finance Officer, Pikes Peak LD**

# Program Overview

November 21<sup>st</sup>, 2009 2:00 PM – 3:00 PM

- 1 min: Introduction – *Michael Varnet*
- 20 min: External Statistical and Financial Measures - *Michael Varnet*
- 20 min: Internal Performance Measures – *Chris Brogan*
- 5 min: Library Rate of Return – District Perspective - *Mike Varnet*
- 5 min: Library Rate of Return – Taxpayer Perspective – *Chris Brogan*
- 10 min: Questions and Answers



## External Statistical and Financial Benchmarks

- **Discussion of Issues**
- **Examples**
  - **Library Research Services**
    - **Colorado Libraries**
  - **Public Library Data Services/BiblioStat Connect**
    - **National Libraries**
    - **National Benchmarks**

## **Benchmark Discussion**

- **What are statistical and financial benchmarks?**
- **What can they be used for?**
- **What are possible problems with benchmarks?**
- **Where can we find such information?**
- **How can this information be used?**



# Statistical and Financial Benchmarks

## ➤ What are statistical and financial benchmarks?

### ➤ Statistical measures

- Input measures
- Output measures
- Other measures

### ➤ National, state or local or other data/averages

- Not legally enforceable
- No one standard "fits" all

### ➤ Must be meaningful for you and your organization

- Library structure
- Community structure
- Goals of organization

# Statistical and Financial Benchmarks

- **What can they be used for?**
  - **Short-term planning and long-term planning**
    - Targeted square footage per capita
  - **Evaluation of achievement of goals**
    - Is the total square footage per capita higher than the median?
  - **Show value to local and state communities**
    - Circulation per capita exceeds national average
  - **Show needs to local and state communities**
    - Need additional funding to increase library materials per capita
  - **List not all inclusive**



# **Statistical and Financial Benchmarks**

- **What are possible problems with benchmarks?**
  - **Inconsistent data collection**
    - Purge inactive registered borrowers after 2 or 3 years
  - **Inconsistent circumstances surrounding library**
    - Some libraries are county libraries while others are stand-alone library districts
    - County or City may pay for some portion of administrative costs (i.e. accounting services, human resources) whereas such costs are included in the library district financial information
  - **Different strategies used for different reasons**
    - Some libraries may emphasize a non-circulating collection; others may emphasize popular materials

# Statistical and Financial Benchmarks

## ➤ Where can we find such information?

### ➤ Library Research Services

➤ [http://www.irs.org/pub\\_stats.php](http://www.irs.org/pub_stats.php)

### ➤ STAR Library

➤ <http://www.libraryjournal.com/article/CA6629180.html>

### ➤ HAPLR Index

➤ <http://www.haplr-index.com>

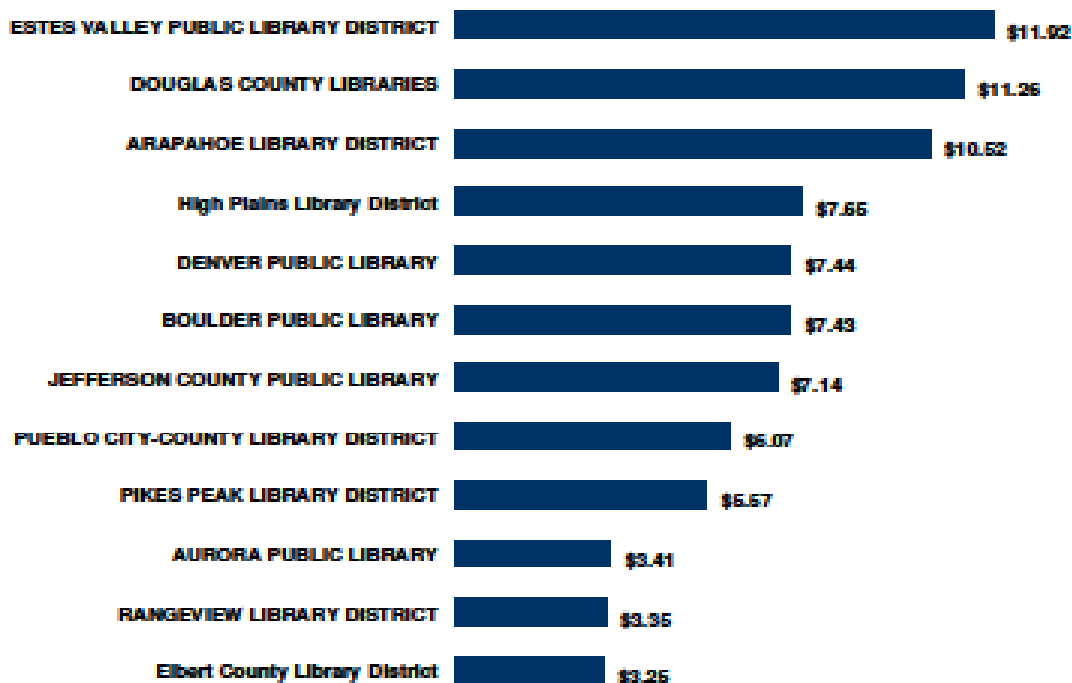
### ➤ BiblioStat Connect

➤ <http://Connect.informata.com>

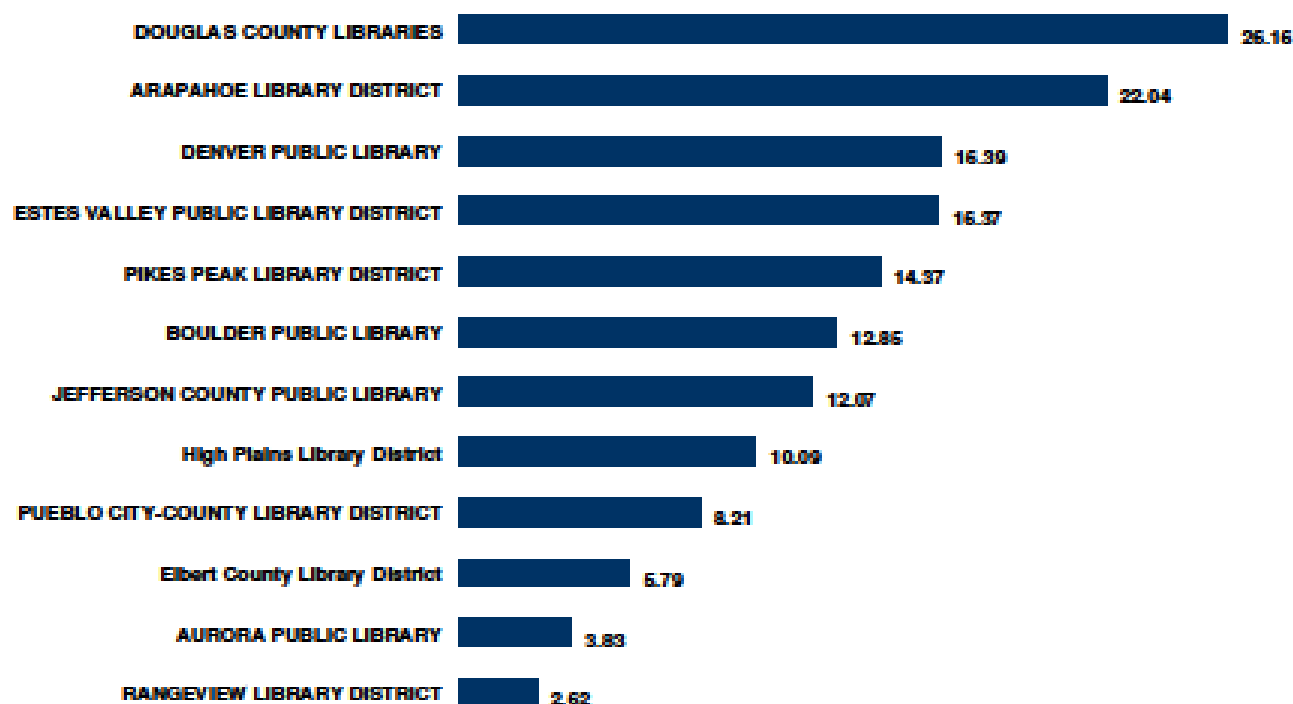


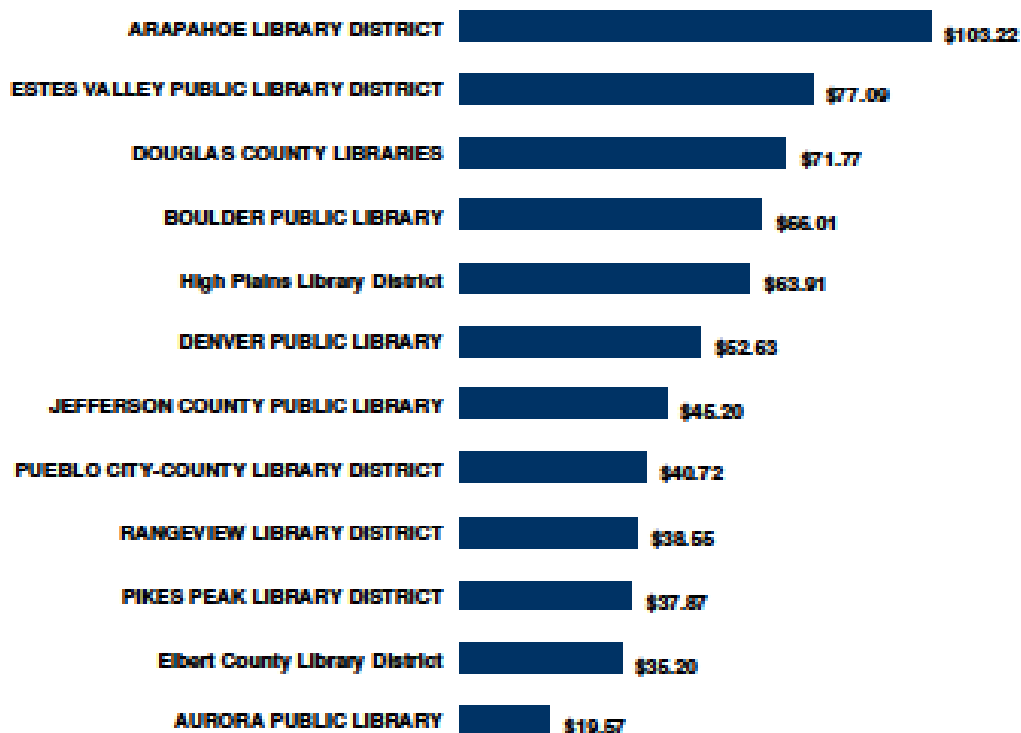
# **Statistical and Financial Benchmarks**

- **How can this information be used?**
  - **Compare your library to other libraries**
  - **Inquire what other libraries are doing to achieve their goals**
  - **Chart progress/trends/performance over period of time**

**Materials Expenditures per Capita, 2008**



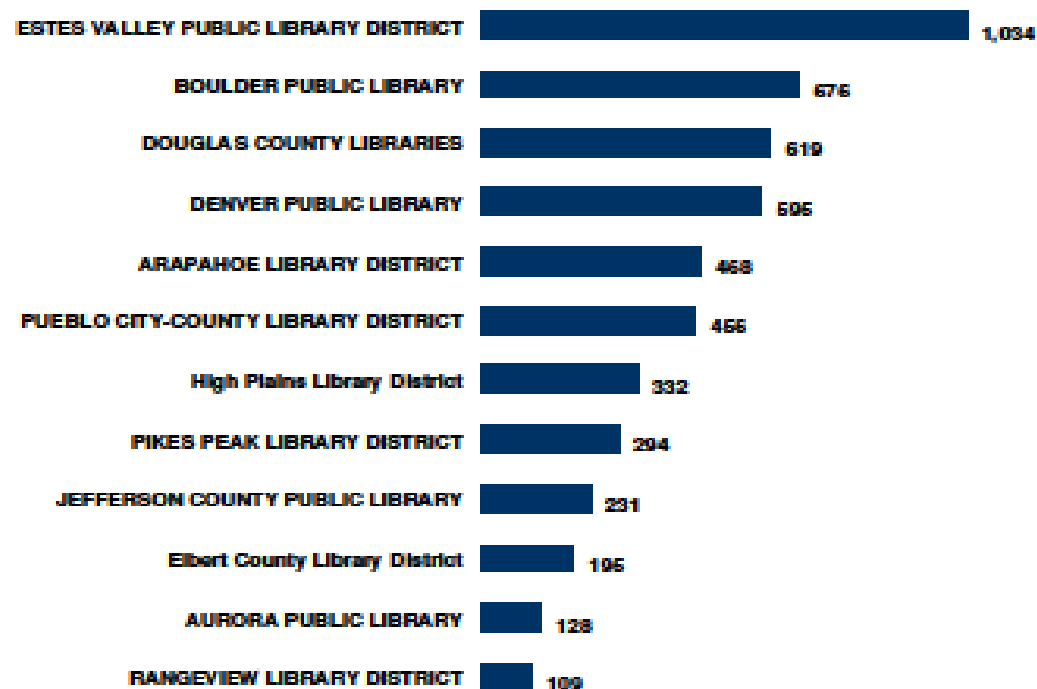
**Circulation per Capita, 2008**

**Local Income per Capita, 2008**



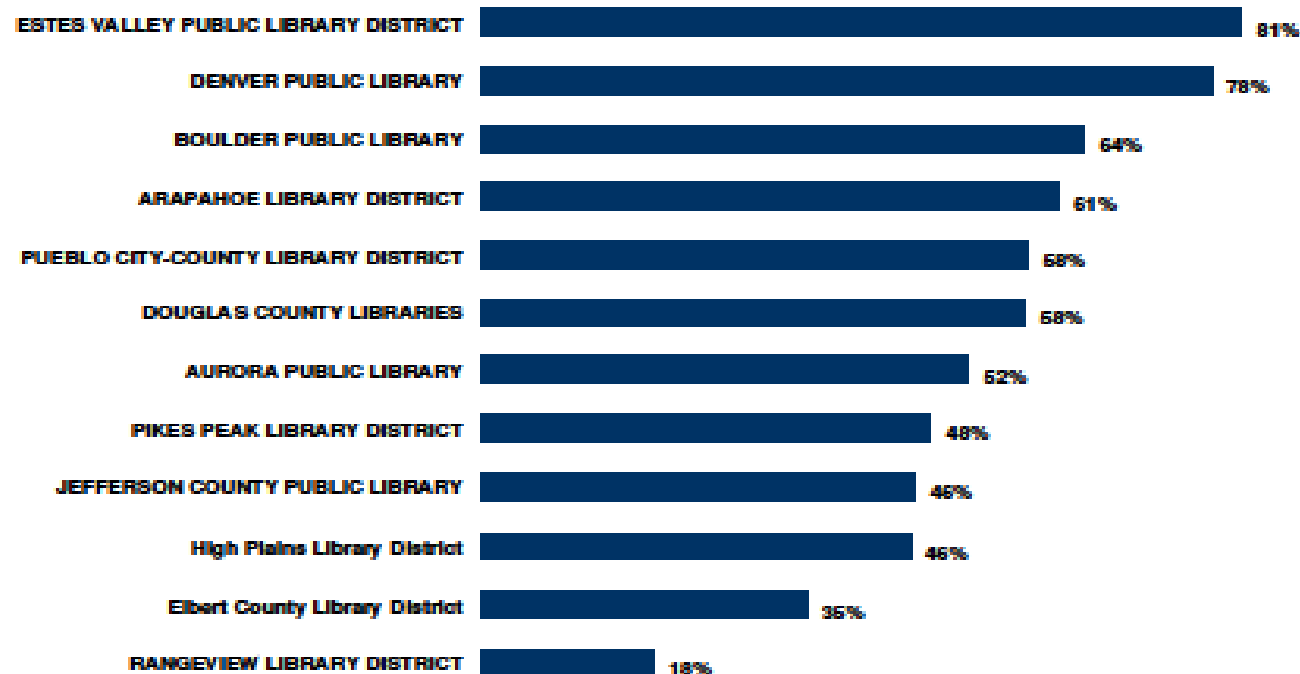


**Program Attendance per 1,000 Served, 2008**





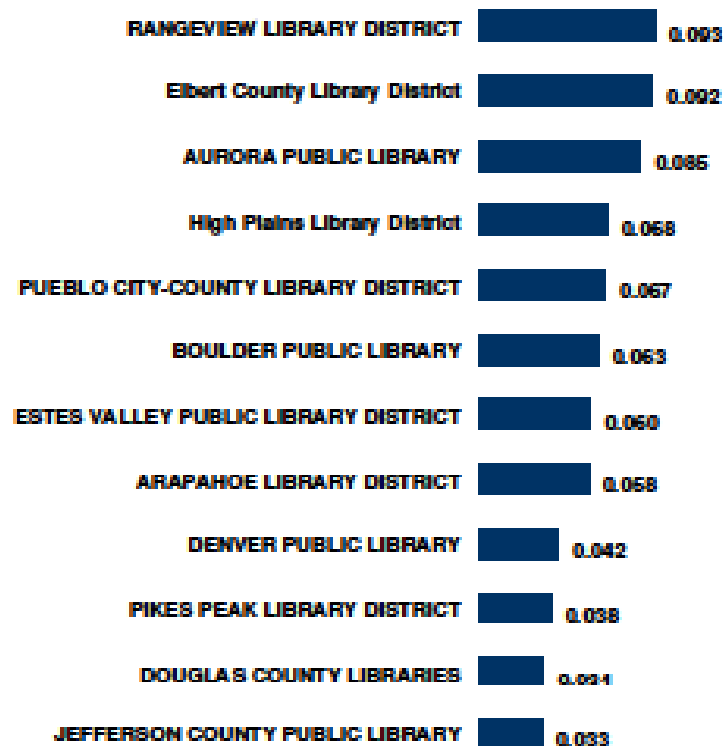
**Registered Borrowers as Percent of Legal Service Area Population, 2008**





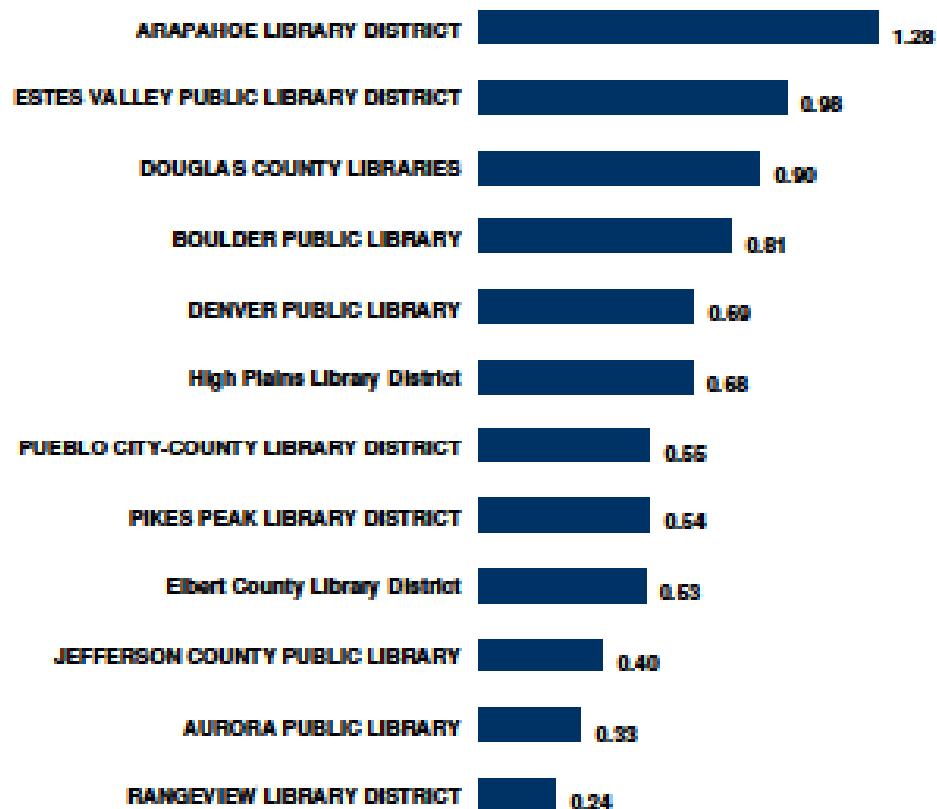


**Staff per 1,000 Circulation, 2008**



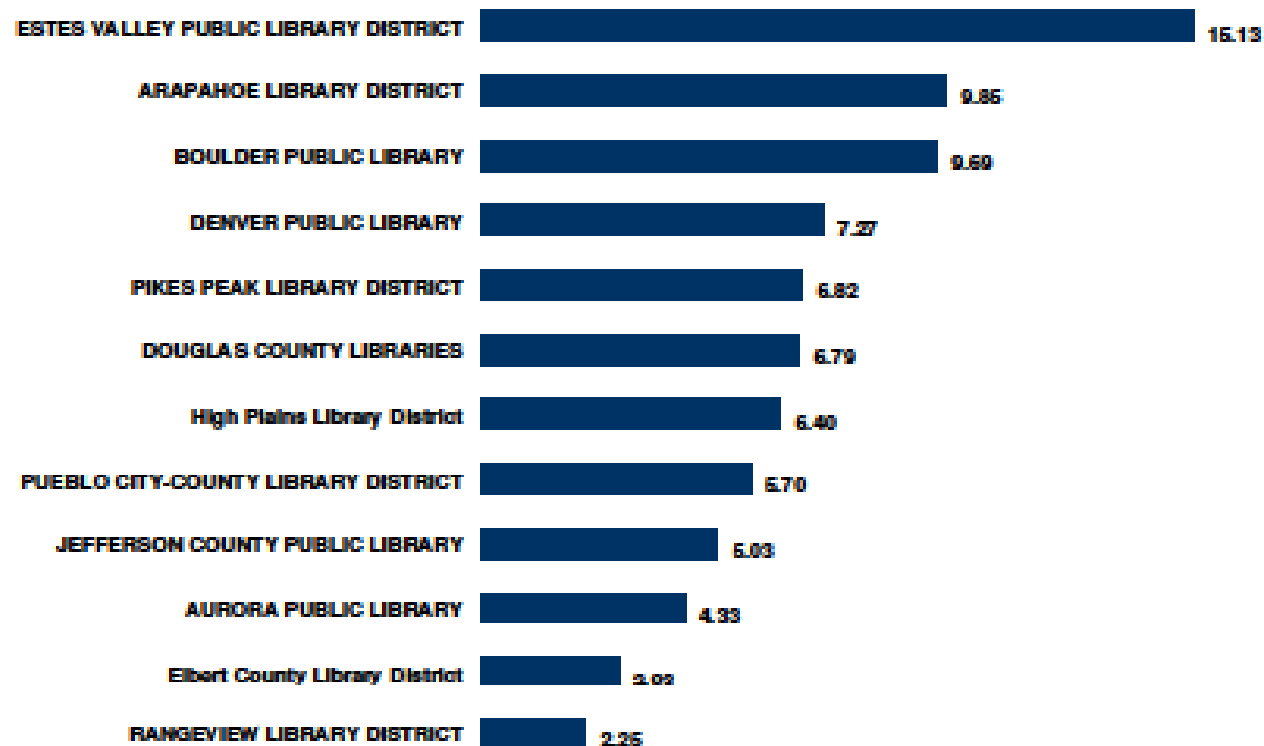


**Staff per 1,000 Served, 2008**





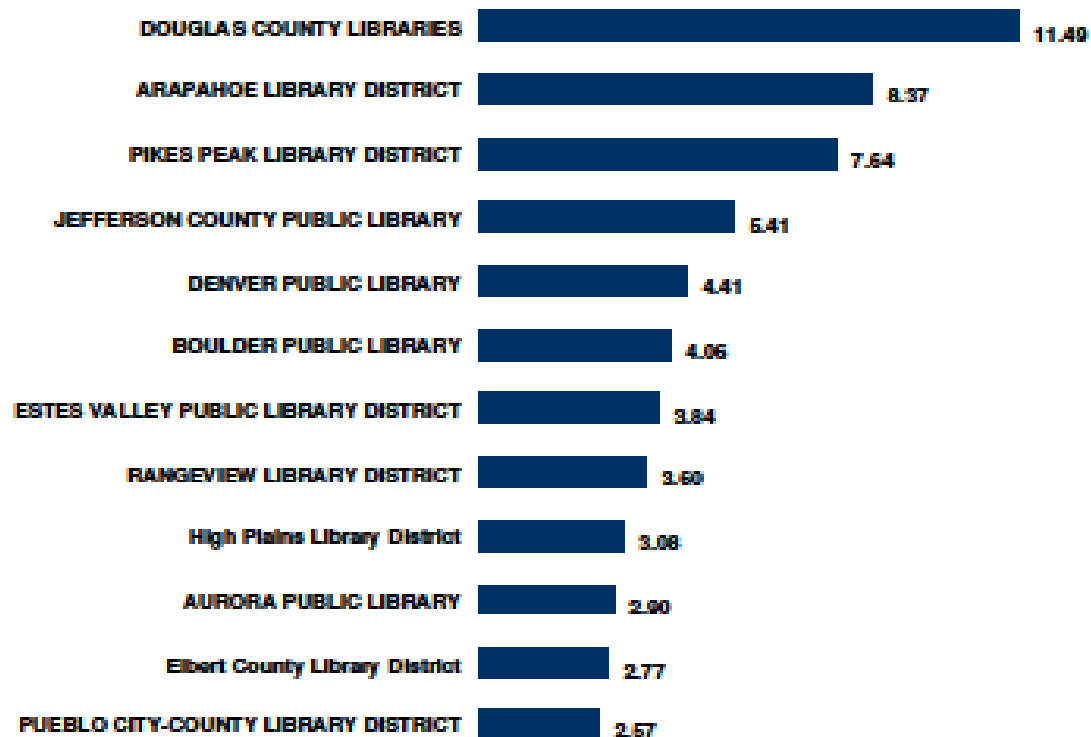
**Visits per Capita, 2008**





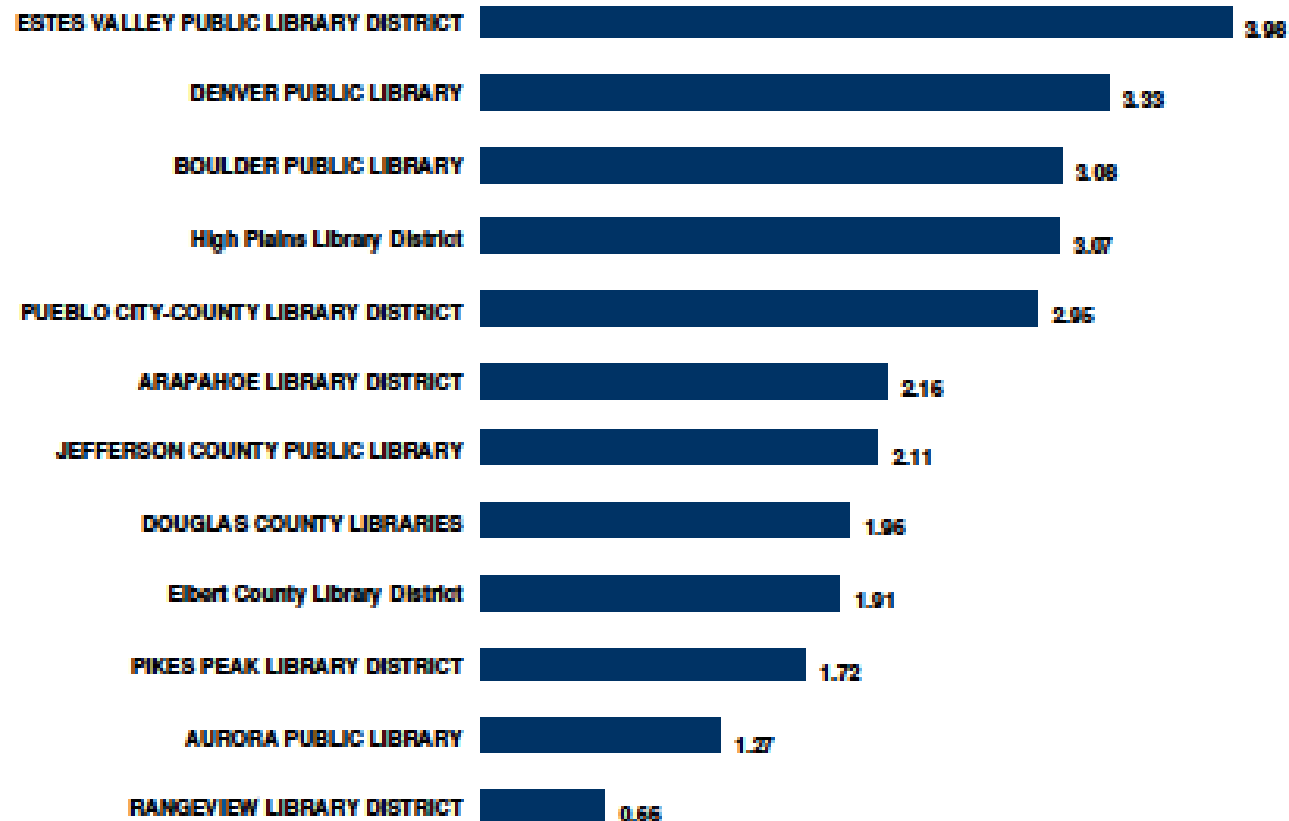


**Turnover Rate, 2008**



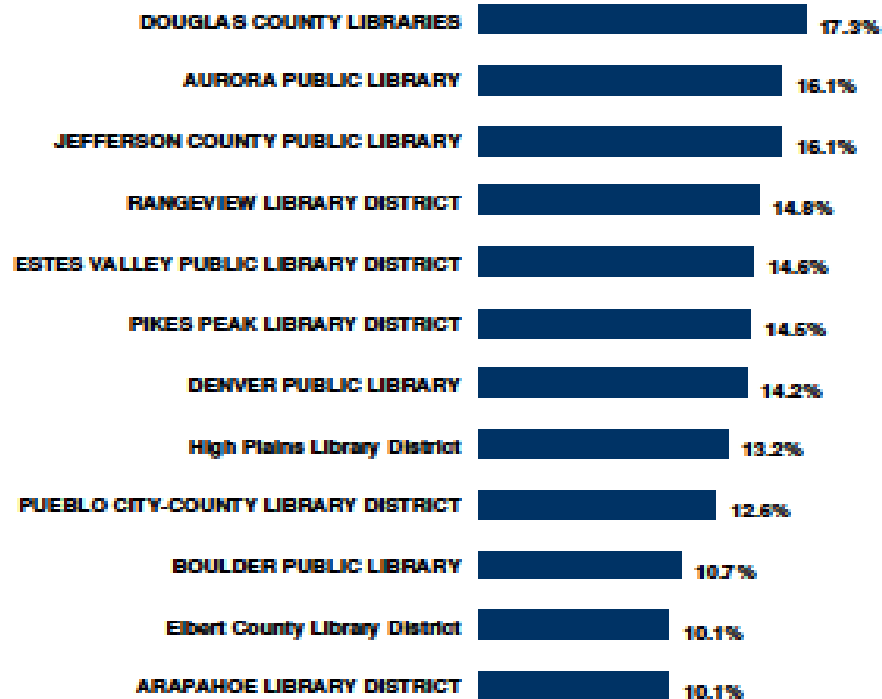


**Volumes per Capita, 2008**





**Materials Expenditures as Percent of Total Expenditures, 2008**

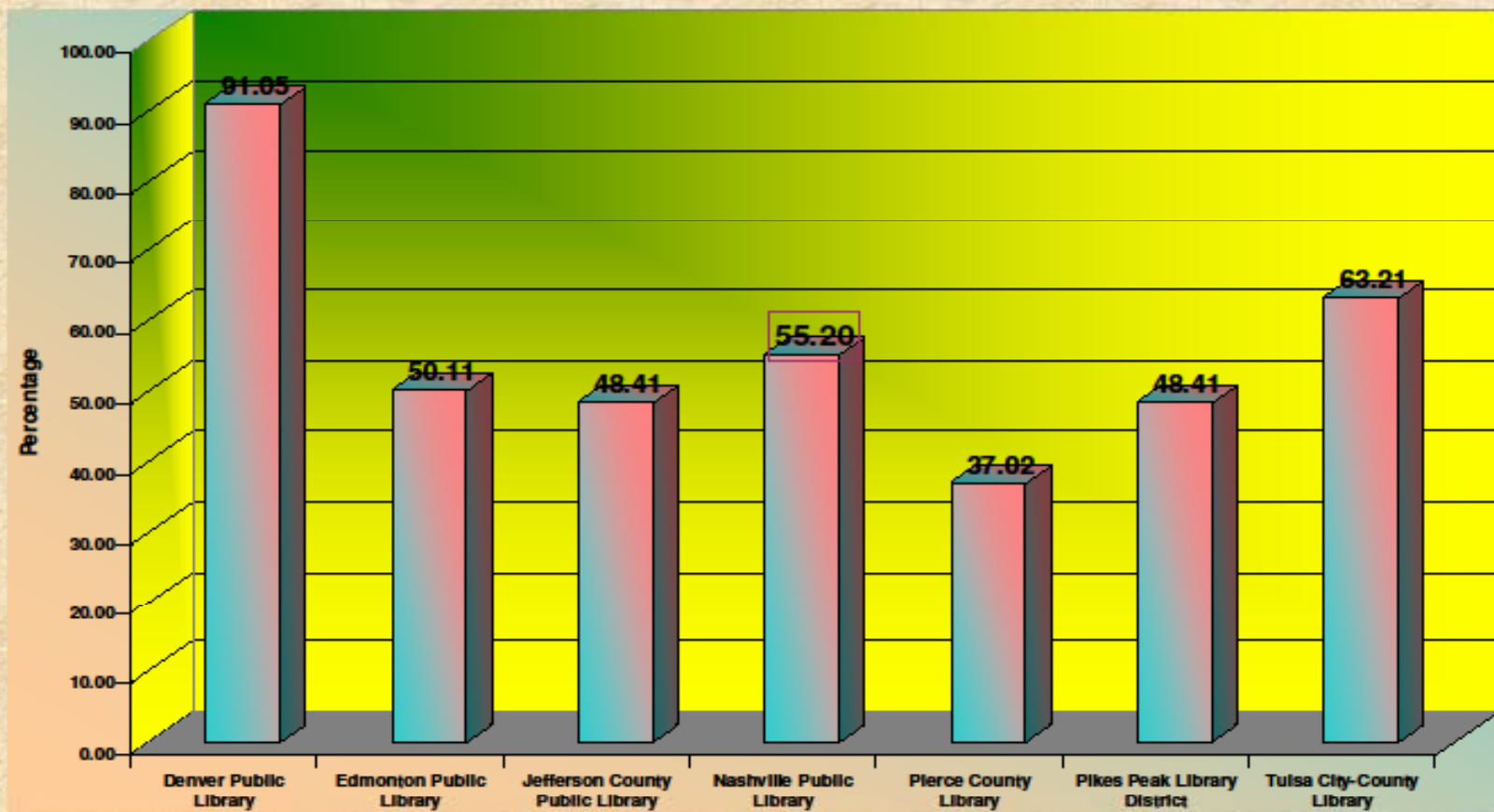




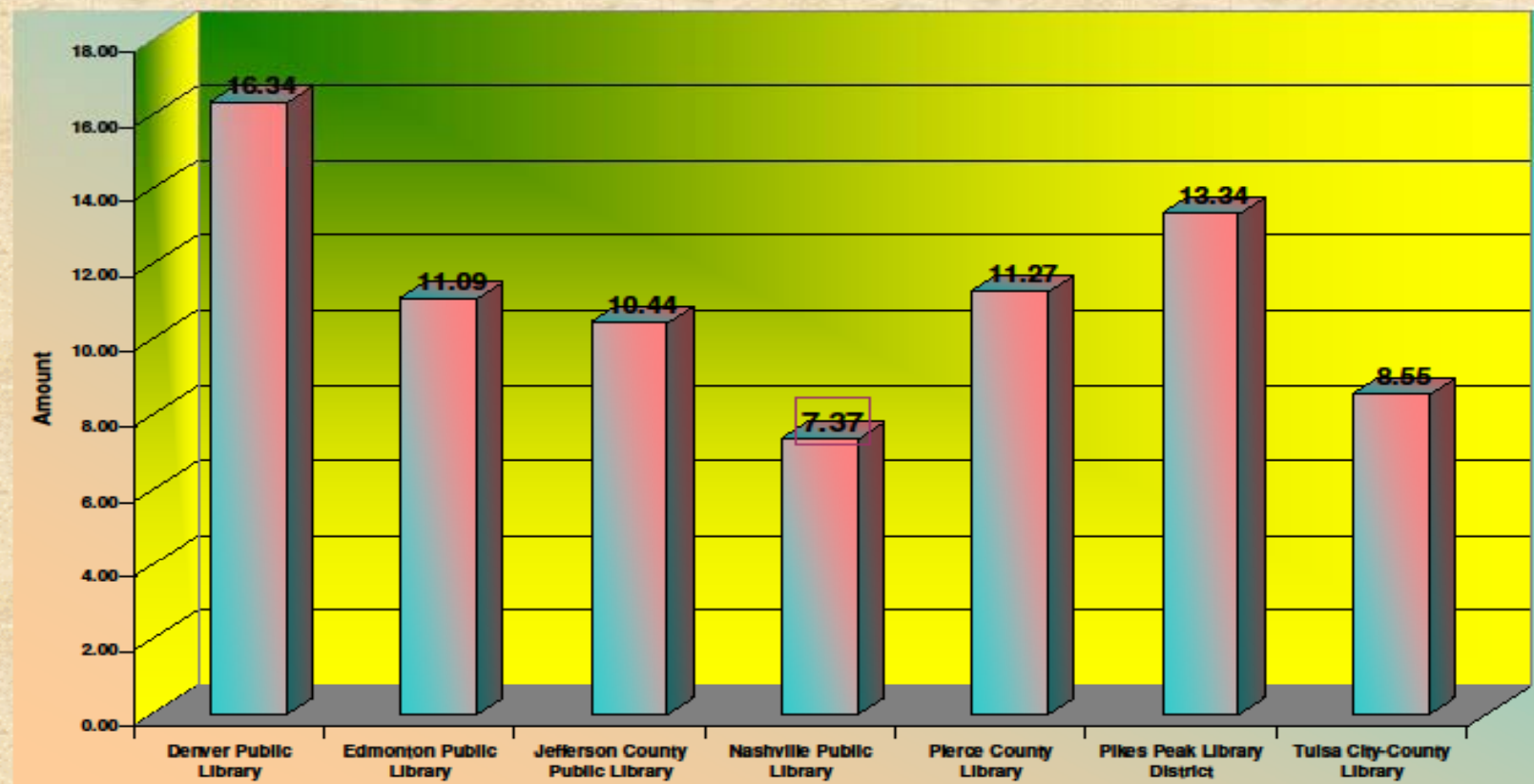
**Pikes Peak Library District  
Standards/Benchmarks Comparison  
Fiscal year 2008 Results**

Library	Ranking						
	Visits Per Capita	Staff per 1,000 served	Program Attendance 1,000 Served	Circulation Per Capita	Local Income Per Capita	Materials Expenditures Per Capita	Turnover Rate
Estes Valley Public Library	1	2	1	4	2	1	7
Douglas County Libraries	6	3	3	1	3	2	1
Arapahoe County Library	2	1	5	2	1	3	2
Denver Public Library	4	5	4	3	6	5	5
Boulder Public Library	3	4	2	6	4	6	6
High Plains Library	7	6	7	8	5	4	9
Pikes Peak Library District	5	8	8	5	10	9	3
Pueblo County Library	8	7	6	9	8	8	12
Jefferson County Library	9	10	9	7	7	7	4
Aurora Public Library	10	11	11	11	12	10	10
Rangeview Library District	12	12	12	12	9	11	8
Elbert County Library	11	9	10	10	11	12	11

**Registered Borrowers % Population**

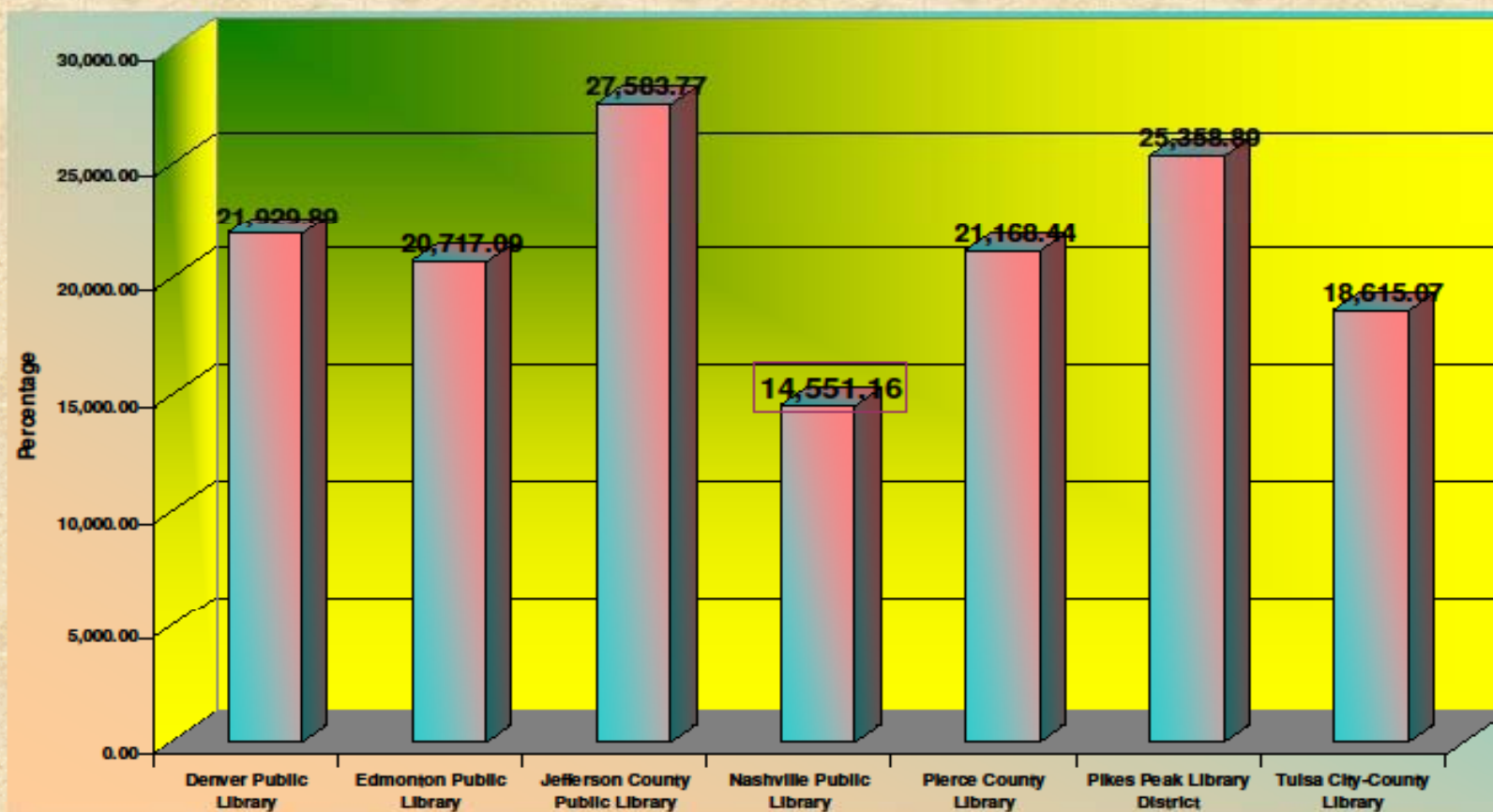


**Circulation Per Capita**

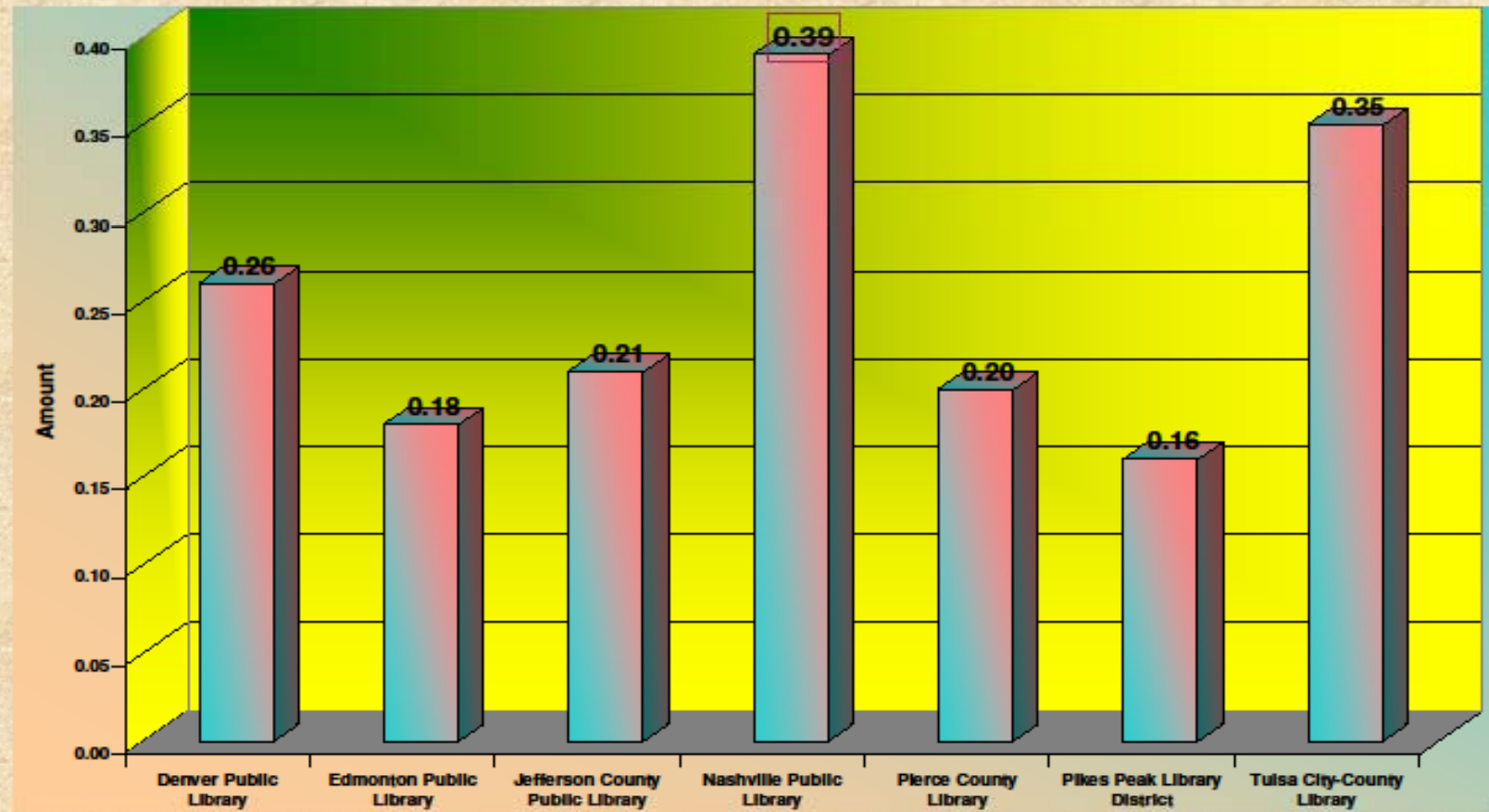




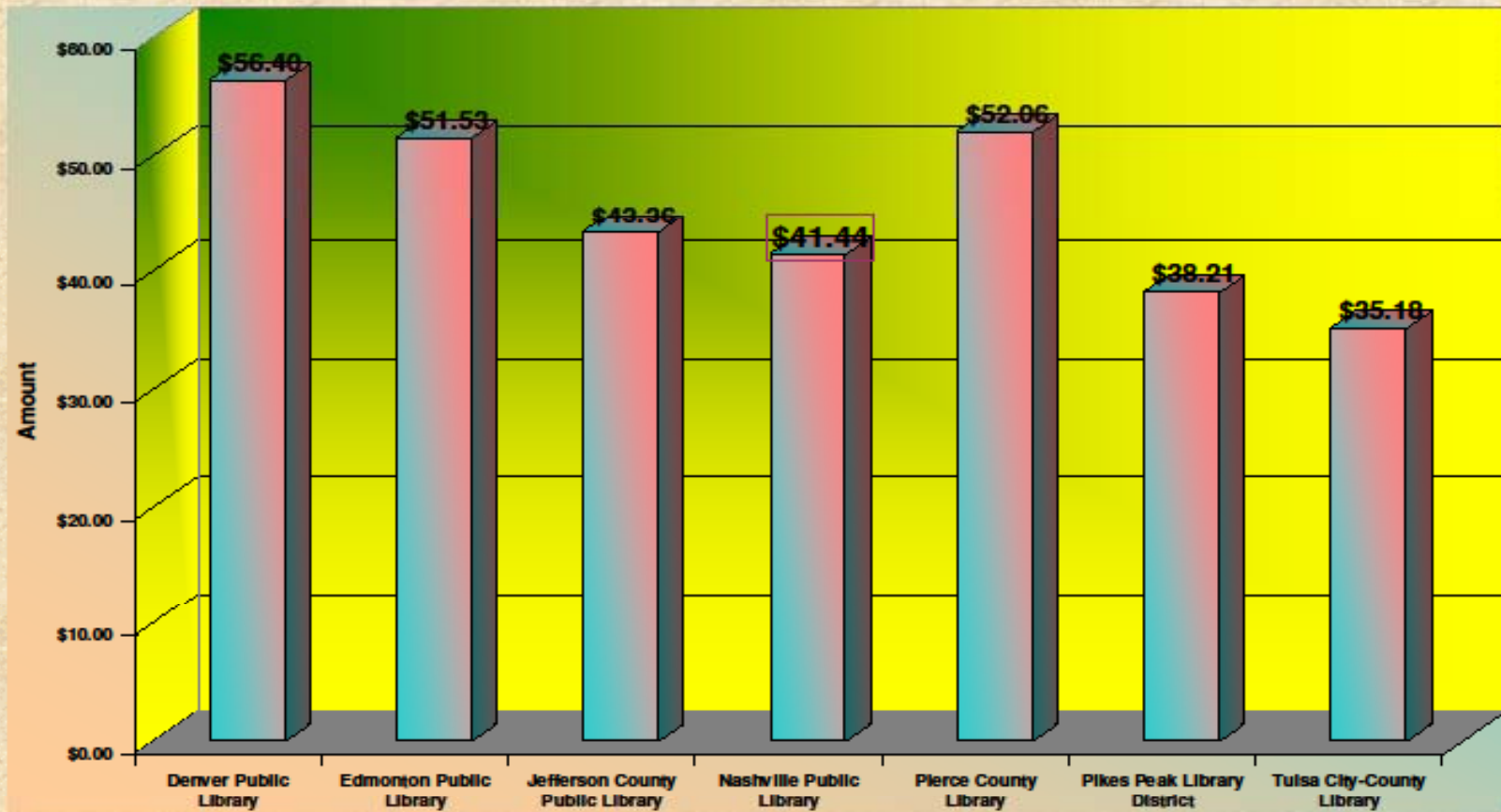
Circulation Per Staff FTE



**Collection Turnover**

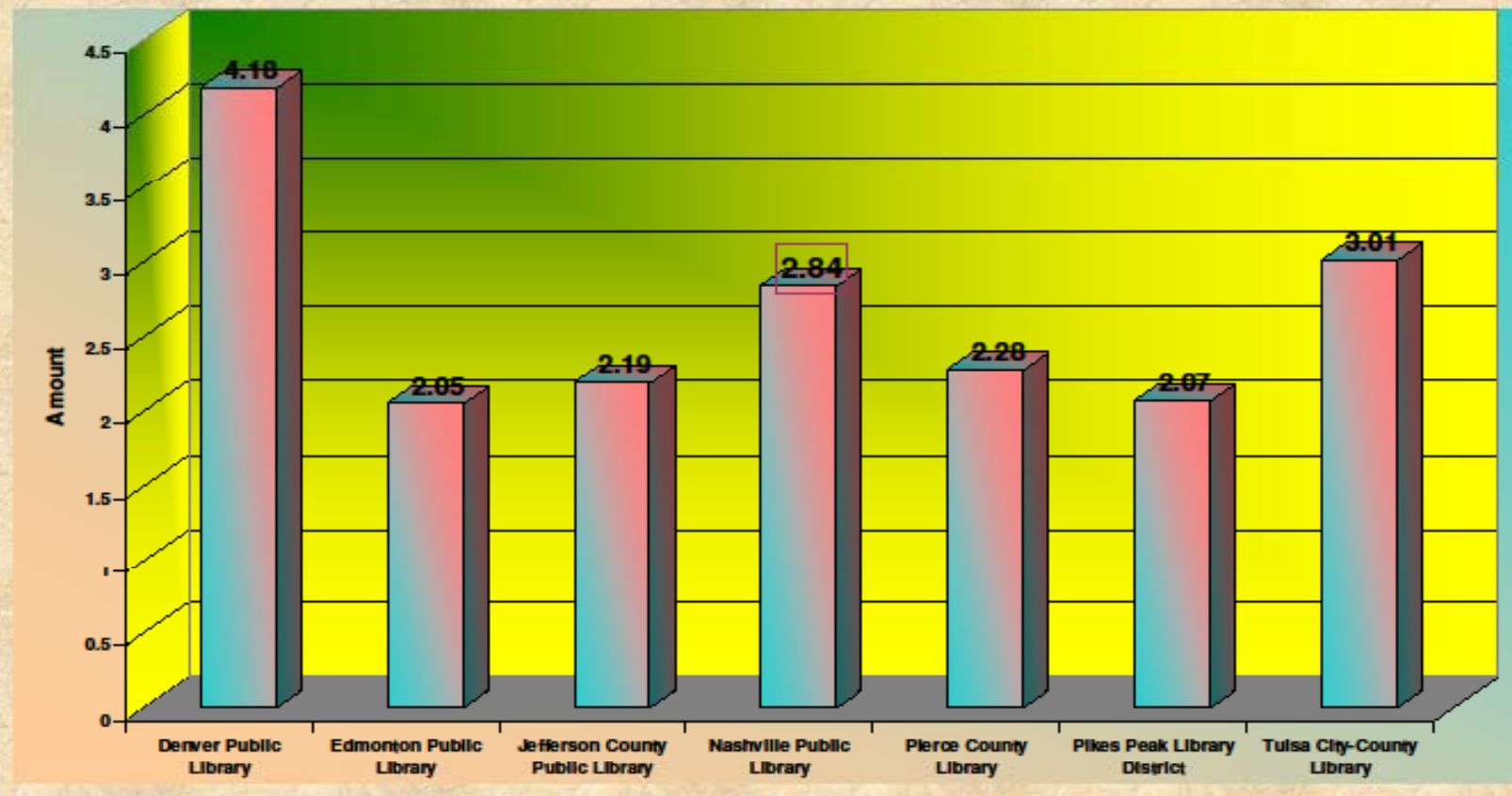


## Operating Expenditures Per Capita

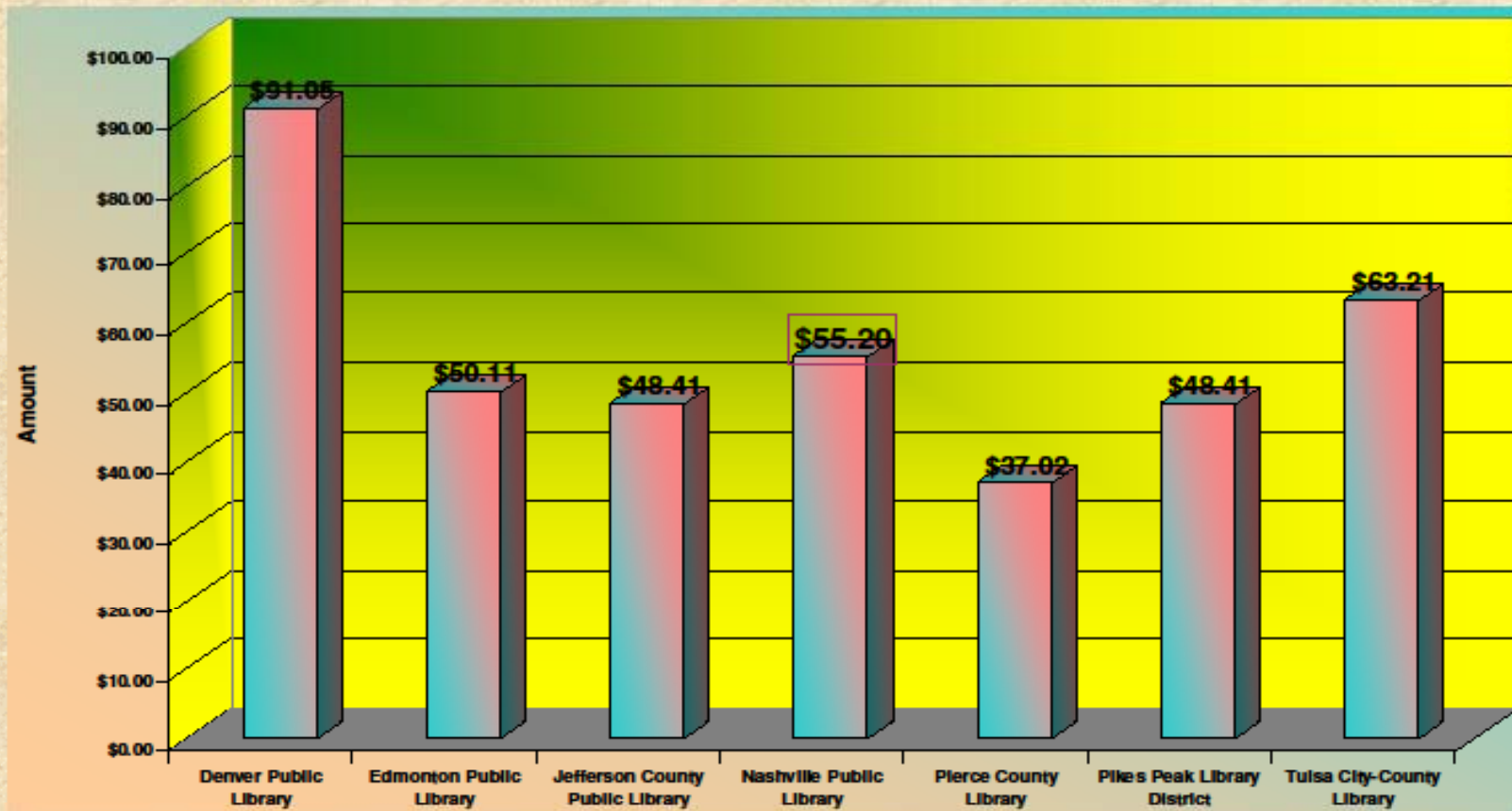




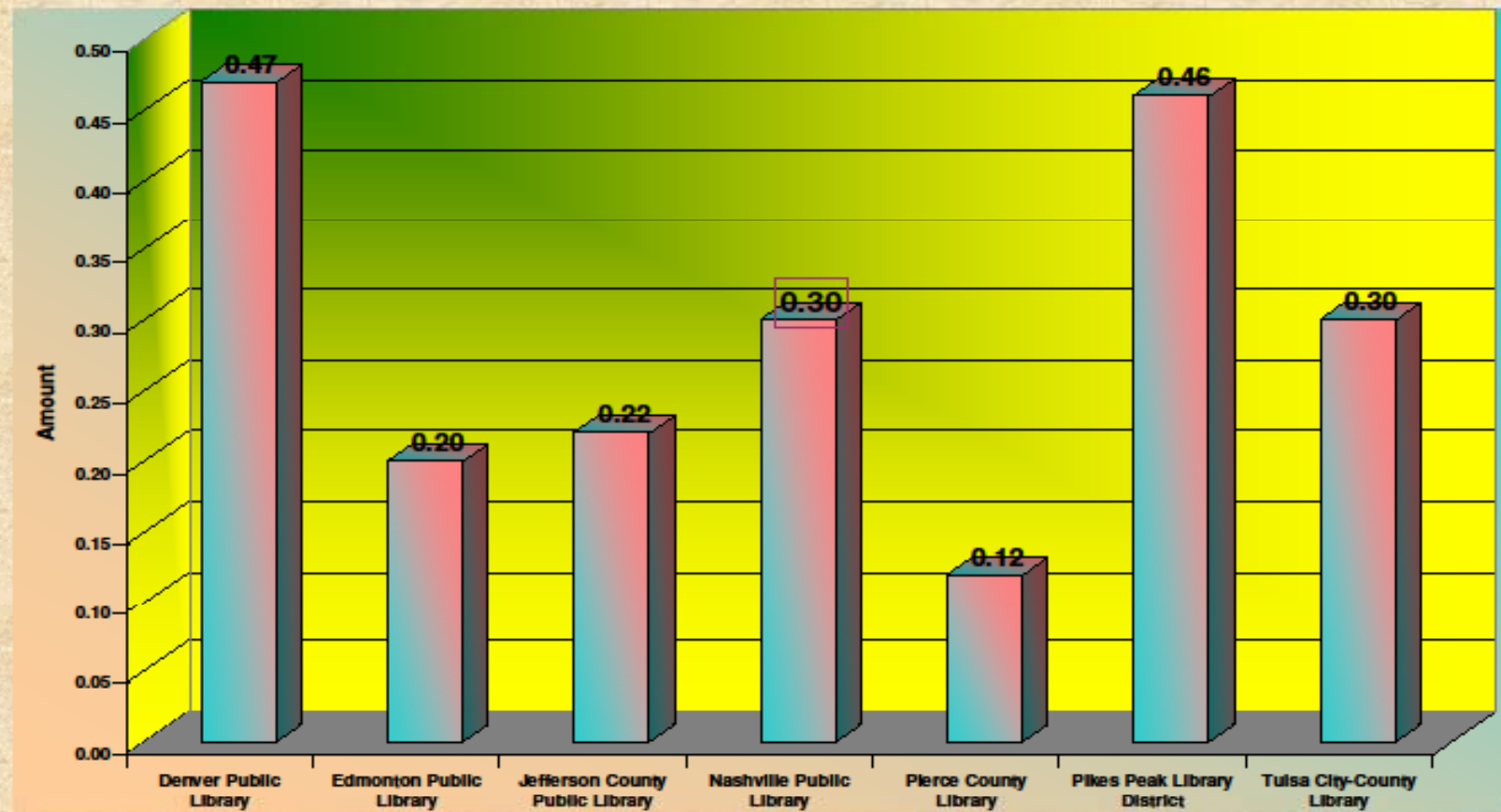
## Holdings Per Capita



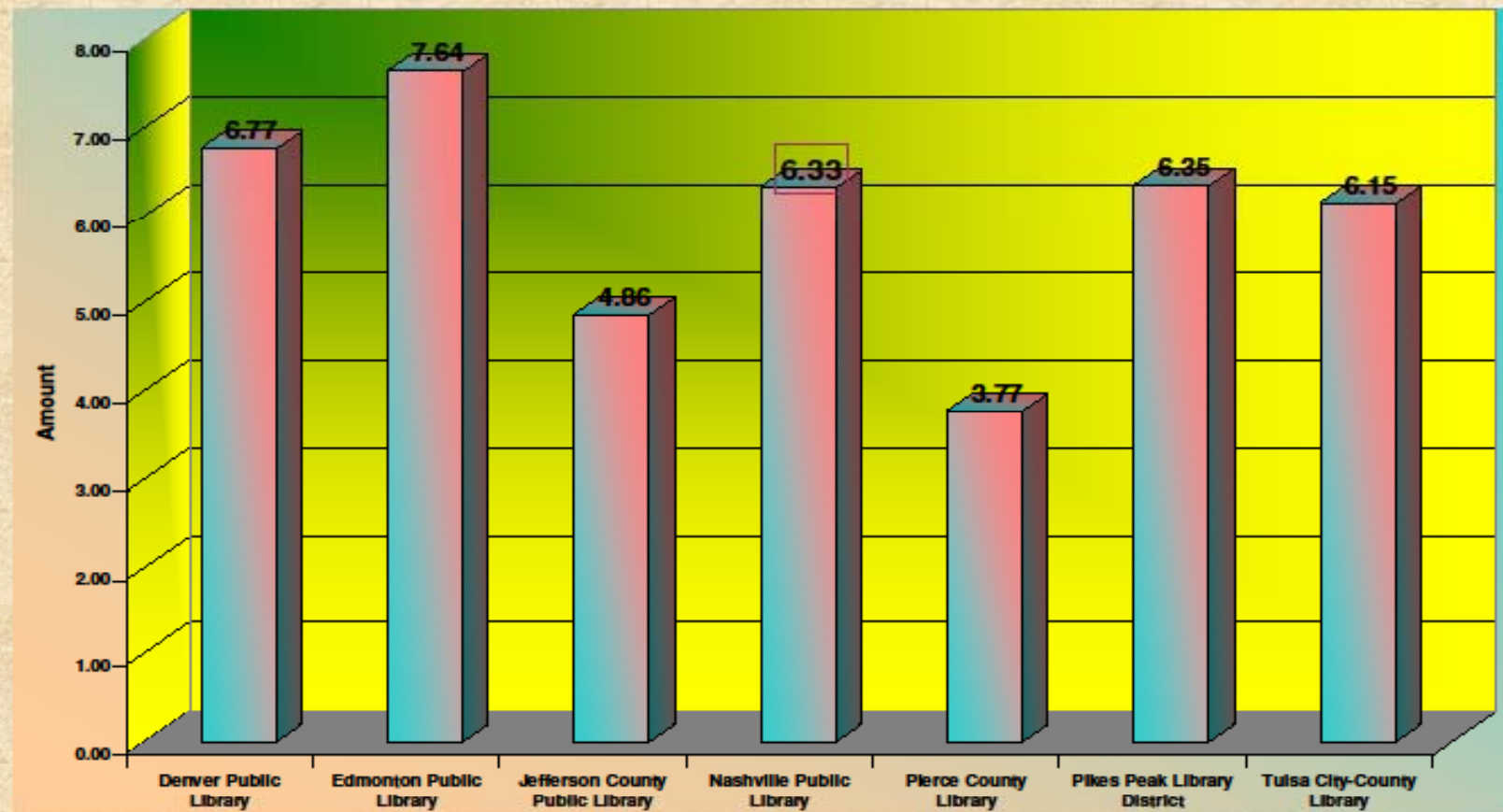
## Operating Income Per Capita



**Program Attendance Per Capita**



Visits Per Capita





<b>Libraries</b>	<b>Circulation Per Capita</b>
Median For 76-100% of Circulation Per Capita	16.3
Median For 51-75% of Circulation Per Capita	9.48
Median For 26-50% of Circulation Per Capita	6.08
Median For 1-25% of Circulation Per Capita	3.11
Denver Public Library	16.34
Edmonton Public Library	11.09
Jefferson County Public Library	10.44
Nashville Public Library	7.37
Pierce County Library	11.27
Pikes Peak Library District	13.34
Tulsa City-County Library	8.55

<b>Libraries</b>	<b>Operating Expenditures Per Capita</b>
Average For 76-100% of Operating Expenditures Per Capita	\$83.56
Average For 51-75% of Operating Expenditures Per Capita	\$43.71
Average For 26-50% of Operating Expenditures Per Capita	\$28.71
Average For 1-25% of Operating Expenditures Per Capita	\$15.43
Denver Public Library	\$56.40
Edmonton Public Library	\$51.53
Jefferson County Public Library	\$43.36
Nashville Public Library	\$41.44
Pierce County Library	\$52.06
Pikes Peak Library District	\$38.21
Tulsa City-County Library	\$35.18



<b>Libraries</b>	<b>Operating Income Per Capita</b>
Median For 76-100% of Operating Income Per Capita	\$76.01
Median For 51-75% of Operating Income Per Capita	\$44.86
Median For 26-50% of Operating Income Per Capita	\$30.33
Median For 1-25% of Operating Income Per Capita	\$16.85
Denver Public Library	\$57.29
Edmonton Public Library	\$52.44
Jefferson County Public Library	\$47.65
Nashville Public Library	\$42.69
Pierce County Library	\$50.97
Pikes Peak Library District	\$44.04
Tulsa City-County Library	\$44.76

Libraries	Total Library Square Footage per Capita
Median For 76-100% of Total Library Square Footage per Capita	1.31
Median For 51-75% of Total Library Square Footage per Capita	0.77
Median For 26-50% of Total Library Square Footage per Capita	0.52
Median For 1-25% of Total Library Square Footage per Capita	0.31
Denver Public Library	1.33
Edmonton Public Library	0.52
Jefferson County Public Library	-
Nashville Public Library	0.90
Pierce County Library	0.40
Pikes Peak Library District	0.43
Tulsa City-County Library	0.88



<b>Libraries</b>	<b>Holdings Per Capita</b>
Median For 76-100% of Holdings Per Capita	5.87
Median For 51-75% of Holdings Per Capita	3.61
Median For 26-50% of Holdings Per Capita	2.54
Median For 1-25% of Holdings Per Capita	1.64
Denver Public Library	4.18
Edmonton Public Library	2.05
Jefferson County Public Library	2.19
Nashville Public Library	2.84
Pierce County Library	2.28
Pikes Peak Library District	2.07
Tulsa City-County Library	3.01

<b>Libraries</b>	<b>Circulation Per Staff FTE</b>
Median For 1-25% of Circulation Per Staff FTE	7,394.23
Median For 26-50% of Circulation Per Staff FTE	11,979.38
Median For 51-75% of Circulation Per Staff FTE	16,942.66
Median For 76-100% of Circulation Per Staff FTE	24,235.89
Denver Public Library	21,929.89
Edmonton Public Library	20,717.09
Jefferson County Public Library	27,583.77
Nashville Public Library	14,551.16
Pierce County Library	21,168.44
Pikes Peak Library District	25,358.89
Tulsa City-County Library	18,615.07



<b>Libraries</b>	<b>Visits per Capita</b>
Average For 76-100% of Visits per Capita	10.8
Average For 51-75% of Visits per Capita	5.92
Average For 26-50% of Visits per Capita	4.21
Average For 1-25% of Visits per Capita	2.28
Denver Public Library	6.77
Edmonton Public Library	7.64
Jefferson County Public Library	4.86
Nashville Public Library	6.33
Pierce County Library	3.77
Pikes Peak Library District	6.35
Tulsa City-County Library	6.15

# **Statistical and Financial Benchmarks**

## ***INTERNAL BENCHMARKING***

- **Examples**
- **How to identify & collect statistics**
- **How to present information**
- **Audiences for information**
- **Resources**



# **Statistical and Financial Benchmarks**

## ***Examples – what to measure***

- ✓ **Used to compare selected performance measures from year to year**
  - ✓ **Circulation per capita**
  - ✓ **Program attendance per capita**
  - ✓ **Library visits per capita**

**Illustrative of how your customers are using your library from year to year –  
decision making based on usage patterns**

## Example: Library

### PERFORMANCE MEASURES

Work output statistics	2007	2008	2009		DISTRICT
Turn-over rate	7.73	8.69	9.39		6.71
Value of volunteer hours (@ 10.77/hr)	\$ 21,659	\$ 24,265	\$ 27,840		\$ 26,753
Cost per patron to use the library	\$ 2.41	\$ 2.46	\$ 2.51		\$ 4.29
Cost per capita for library services	\$ 35.20	\$ 32.47	\$ 31.40		\$ 46.80
Cost to circulate (check out) an item	\$ 0.34	\$ 0.29	\$ 0.19		\$ 0.33
Cost per person for a program	\$ 8.78	\$ 9.07	\$ 9.19		\$ 3.62
Cost for answering a reference question	\$ 1.40	\$ 1.43	\$ 1.84		\$ 2.38
Cost per attendee for computer class	\$ 1.45	\$ 1.24	\$ 13.37		\$ 9.91
Cost per meeting room attendee	\$ 3.23	\$ 2.72	\$ 3.57		\$ 3.57



# **Statistical and Financial Benchmarks**

## ***Examples (continued)***

- ✓ **Compare costs of selected measures across time**
  - ✓ **Cost to circulate an item per customer**
  - ✓ **Cost to provide a program per attendee**
  - ✓ **Cost to provide Internet access per capita**

**These measurements can help to determine how best to spend budget dollars; how growth is impacting your service efforts; where you need to adjust spending or marketing of programs, etc.**

## Example: Finance Department

### PERFORMANCE MEASURES

#### Work output statistics

2007

2008

2009

Number of invoices / total payments

11,630

12,001

12,361

Number of employee payroll records

105

107

112

Number of fixed assets maintained

2,000

1,500

1,275

#### Efficiency measures

Cost to process an invoice

\$ 2.35

\$ 2.41

\$ 2.49

Cost to maintain payroll per employee

\$ 72.44

\$ 38.22

\$ 72.71

Cost to manage timekeeping per employee

\$ 87.65

\$ 45.38

\$ 47.96

Cost to maintain fixed assets per asset

\$ 7.61

\$ 4.93

\$ 4.57



# **Statistical and Financial Benchmarks**

## ***How to identify & collect statistics***

- ✓ **State Library recommends collecting the following for trustees:**
  - ✓ **Circulation per capita**
  - ✓ **Staff per 1,000 served**
  - ✓ **Total operating expenditures per capita**
  - ✓ **Library visits per capita**
  - ✓ **Program attendees per 1,000 served**

**Why these? They best summarize the general health of a public library.**

# **Statistical and Financial Benchmarks**

## ***How to identify & collect statistics***

- ✓ **Costs per item/per capita/ per attendee**
- ✓ **Gather information from internal records**
- ✓ **Build spreadsheets & formulas to calculate/allocate costs**
- ✓ **Include direct & indirect costs and data**



# **Statistical and Financial Benchmarks**

## ***How to present information***

- ✓ **Separate report to supervisors, managers, trustees**
- ✓ **Planning document to accompany strategic plan and/or budget**
- ✓ **Incorporated within budget/strategic planning document**
  - ✓ **Required in GFOA Distinguished Budget awards program as integral piece of budget**

# Statistical and Financial Benchmarks

## *Audiences for information*

- ✓ **Governing body – Board of Trustees**
- ✓ **Management – planning tool**
- ✓ **Public, customers – accountability tool**
- ✓ **GFOA – Distinguished Budget program**



# **Statistical and Financial Benchmarks**

## ***Resources***

- ✓ **GFOA – Distinguished Budget program; Recommended Practices for performance measurement**
- ✓ **County/City web sites – Budgets often include performance measurement statistics**

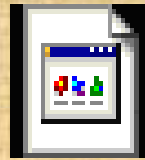
## **Library Return on Investment Calculator Peer Review**

<http://www.irs.org/public/roi/calculator.php>

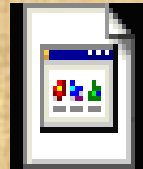
## **Individual Return on Investment Calculator**

<http://www.irs.org/public/roi/usercalculator.php>





Library Research Service Return on Investment Calculator.htm



Library Research Service Return on Investment Calculator.htm



# Appendix

## Resources

Library Research Service – [www.irs.org/public/trustees](http://www.irs.org/public/trustees)

GFOA – [www.gfoa.org](http://www.gfoa.org)

# Appendix

## COMMON ACRONYMS

CGFO – Certified Government Finance Officer

CGFOA – Colorado Government Finance Officers Association

CPA – Certified Public Accountant

GASB – Government Accounting Standards Board (*issues statements for implementation*)

GFOA – Government Finance Officers Association (*professional association – makes recommendation to GASB*)



# Appendix

## Presenter Bios

- **Chris Brogan** is the Chief Financial Officer for Pueblo City-County Library District (PCCLD), where she has been employed for just over a year after having spent over thirty years as the Director of Finance for Arapahoe Library District. She directs all of the budgeting, auditing, investing, and financial operations of PCCLD, and serves on the administrative team which collaborates on operational and strategic input to the Executive Director and the Board of Trustees. Chris also takes responsibility for managing the long-range financial plan for the District, and has provided financial workshops and training to a variety of audiences. Chris holds Bachelor of Science degrees in Accounting and Public Administration from Regis University. She is certified through the Colorado Government Finance Officers Association as a CGFO (Certified Government Finance Officer), is active in both the local and national Government Finance Officers Associations, and is a founding member of the Front Range Library Finance Officers group.
- **Michael Varnet, CPA** has been with the Pikes Peak Library District (El Paso County, Colorado) for 18 years. He has been the District's CFO throughout his tenure at PPLD. In addition, he has served as part of PPLD's Interim Leadership Team and he has served in the capacity of Interim Information Technology Officer and Interim Facilities Officer during his tenure. He has been a licensed Certified Public Accountant since 1981(Colorado, Utah and New Mexico). He holds a BA in Accountancy from the University of Illinois, and he is currently working on his Masters in Business Administration from the University of Colorado. He is also an active member of the Government Finance Officers Association. He is also a founding member of the Front Range Library Finance Officers group.