



## Audit of Library Facility Planning

March 26, 2020

Mark S. Swann, City Auditor

---

### Mayor

Eric Johnson

### Mayor Pro Tem

Adam Medrano

### Deputy Mayor Pro Tem

B. Adam McGough

### Council Members

Carolyn King Arnold

Tennell Atkins

Adam Bazaldua

Paula Blackmon

David Blewett

Jennifer S. Gates

Lee M. Kleinman

Cara Mendelsohn

Omar Narvaez

Jaime Resendez

Casey Thomas, II

Chad West



# Table of Contents

---

<b>Executive Summary</b> .....	<b>1</b>
<b>Audit Results:</b> .....	<b>2</b>
<b>Observation A:</b> Master Plan is Outdated .....	2
<b>Appendix A: Background and Methodology</b> .....	<b>11</b>
Background .....	11
Methodology .....	13
Major Contributors to the Report.....	13
<b>Appendix B: Management’s Response</b> .....	<b>14</b>

# Executive Summary

---

## Objective and Scope

The objective of this audit was to evaluate the Dallas Public Library's strategic and operational planning in an era when the public's demands of libraries have changed, including programs and materials. The scope of the audit was operations in Fiscal Years 2017 through 2019 and strategic planning since 1999.

## What We Recommend

To improve its strategic and operational planning, Dallas Public Library should:

- Revise or replace the Master Plan to reflect current needs, priorities, and trends.
- Develop a formal procedure to review and revise the Master Plan regularly and when conditions change.
- Monitor the implementation of the Master Plan and document decisions to change or not implement Master Plan recommendations.
- Revise performance measures to provide precise information regarding facility use.
- Conduct benchmarking of facility use with other large cities regularly or as conditions change.

## Background

Modern public libraries are changing rapidly to meet a variety of new customer demands and to respond to new technology. Dallas Public Library aims to provide "*limitless possibilities*" to enrich the lives of 1.3 million residents through the Central Library, 28 branch libraries, and website/online resources.

The Dallas City Council approved a ten-year Master Plan in April 2001, charting a course for improving Dallas Public Library's facilities. The City Council and voters approved a combined \$117 million in bond funds in 2003, 2006, and 2017 to implement the Master Plan.

## What We Found

The Master Plan is out of date and no longer reflects current facility priorities, in part because there is no process to update the Master Plan over time as priorities change and new needs and risks emerge.

Dallas Public Library needs better information to evaluate how well its facilities are performing and how it compares to peer cities.

Continued reliance on an outdated Master Plan and on inadequate performance measures and benchmarking can lead to uninformed decisions for using limited resources to improve library facilities.

## Audit Results:

---

### **Observation A:** Master Plan is Outdated

The Dallas Public Library's Master Plan, approved in April 2001, no longer reflects current needs. The Master Plan, approved by the City Council in 2001, recommended construction of new library branches and renovation of existing facilities to *"make them more attractive, accessible, and convenient to the public."* To this end, the City issued a combined \$101,725,000 for library projects in the 2003 and 2006 bond programs. However, following the 2007-2009 recession, the implementation of the Master Plan slowed until the 2017 bond program when the library projects received an additional \$15,589,000.

The Master Plan was intended to be completed in ten years. However, as of 2020, two branch library projects remain under construction (Forest Green and Vickery Meadow) and seven more await funding for completion (North Oak Cliff, Park Forest, Preston Royal, Lakewood, Martin Luther King, Renner Frankford, and Skyline).

As a result of the Master Plan no longer reflecting current needs, Library management created a separate document, the *"Needs Inventory"* (in use since 2016), to track emerging needs, such as renovations of the Kleberg Rylie, Mountain Creek, Oak Lawn, and Skillman-Southwestern branch libraries.

Reliance on out-of-date planning documents such as the *2001 Master Plan* can lead to uninformed decisions for using limited resources. Emerging risks and priorities not included on the Master Plan also may receive reduced consideration compared to those on the outdated Master Plan. [See Exhibit 1](#) on page 3.

**Exhibit 1:**

Branch Library Project Source and Status as of 2019

Branch Library	Source	Construction Funded	Expected Completion
Arcadia Park	2001 Master Plan	2003	Completed
Bachman Lake	2001 Master Plan	2003	Completed
Grauwylar Park	2001 Master Plan	2003	Completed
Hampton-Illinois	2001 Master Plan	2003	Completed
Lochwood	2001 Master Plan	2003	Completed
Pleasant Grove	2001 Master Plan	2003	Completed
Prairie Creek	2001 Master Plan	2003	Completed
Timberglen	2001 Master Plan	2003	Completed
White Rock Hills	2001 Master Plan	2006	Completed
Fretz Park	2001 Master Plan	2006	Completed
Polk-Wisdom	2001 Master Plan	2006	Completed
Highland Hills	2001 Master Plan	2006 Savings	Completed
Forest Green	2001 Master Plan	2017	2021
Vickery Meadow	2001 Master Plan	2017	2020
North Oak Cliff	2001 Master Plan	Postponed	Unknown
Park Forest	2001 Master Plan	Postponed	Unknown
Preston Royal	2001 Master Plan	Postponed	Unknown
Lakewood	2001 Master Plan	Postponed	Unknown
Martin Luther King	2001 Master Plan	Postponed	Unknown
Renner Frankford	2001 Master Plan	Postponed	Unknown
Skyline	2001 Master Plan	Postponed	Unknown
Kleberg Rylie	2016 Needs Inventory	No	Unknown
Mountain Creek	2016 Needs Inventory	No	Unknown
Oak Lawn	2016 Needs Inventory	No	Unknown
Skillman-Southwestern	2016 Needs Inventory	No	Unknown

**Source:** Dallas Public Library documents reviewed by the Office of the City Auditor.

**Note:** The source refers to the Dallas Public Library document identifying the project need. Construction Funded years refer to the bond program providing construction funding. Postponed projects are those the *2001 Master Plan* anticipated funding by 2008 that have not yet received funding.

There are several causes for the Master Plan being obsolete and no longer reflective of the current and emerging needs of the Dallas Library system:

1. No documented process to regularly review and update the Master Plan.

Dallas Public Library does not have a documented process for regularly updating Master Plan recommendations over time and as conditions change. Even though conditions changed significantly since 2001, including as a result of the 2007-2009 recession (see Exhibit 2); the emergence of other priorities such as the renovation of Kleberg Rylie, Mountain Creek, Oak Lawn, and Skillman-Southwestern branches and changes in the demand for the location and size of library branches; the library management did not update the Master Plan.

**Exhibit 2:**

Timeline for Master Plan – Branch Library Projects



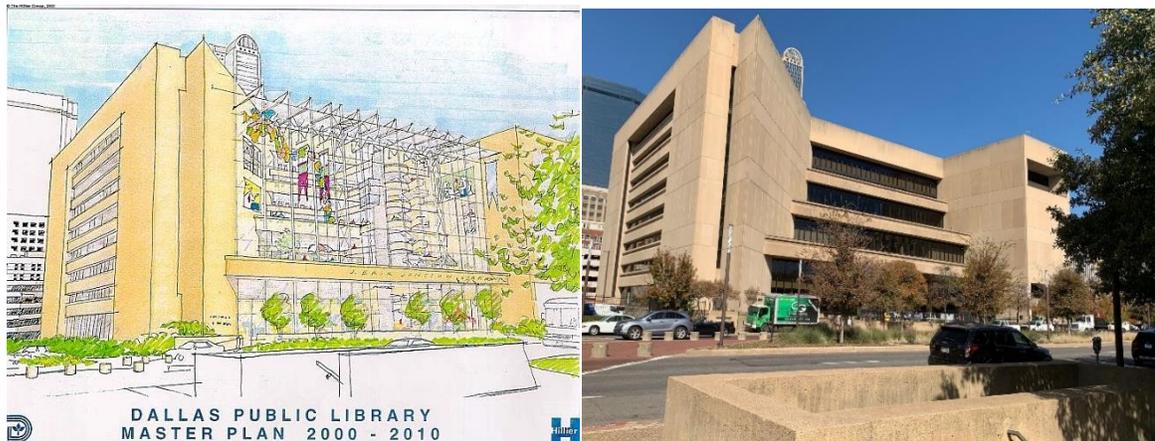
**Source:** Dallas Public Library documents reviewed by the Office of the City Auditor.

2. No documented process to monitor the implementation of the Master Plan and document deviations from the plan.

Dallas Public Library management did not monitor the implementation of the Master Plan over time and did not document decisions to deviate from recommendations, for example:

- The Master Plan recommended building or leasing two 4,000 square foot libraries in two communities with limited access to a branch library: Vickery Meadow and Spring Valley- Coit. Instead, an 18,000 square foot library is being built in Vickery Meadow and plans for the Spring Valley-Coit library were not pursued.
- The Master Plan recommended renovating the Preston Royal Library. Five years later, the plans had changed, and the City included funding in the 2006 bond program to buy land to replace the library. Then, in 2019, the decision was made to sell the acquired land and return to the Master Plan’s recommendation and renovate the library.
- The Master Plan envisioned building a six-story atrium on the side of the J. Erik Jonsson Central Library. Management later decided against the atrium. (See Exhibit 3 below).<sup>1</sup>

**Exhibit 3:**



---

<sup>1</sup> This illustration from the Master Plan published in 2001 shows a proposed atrium addition on the front of J. Erik Jonsson Central Library. The audit photo from November 2019 shows the J. Erik Jonsson Central Library. The atrium, which is no longer planned, was not constructed. Photo Sources: *2001 Dallas Public Library Master Plan website* screen capture – November 2019; *Office of the City Auditor photo* from November 2019.

### 3. Imprecise performance measures and limited benchmarking

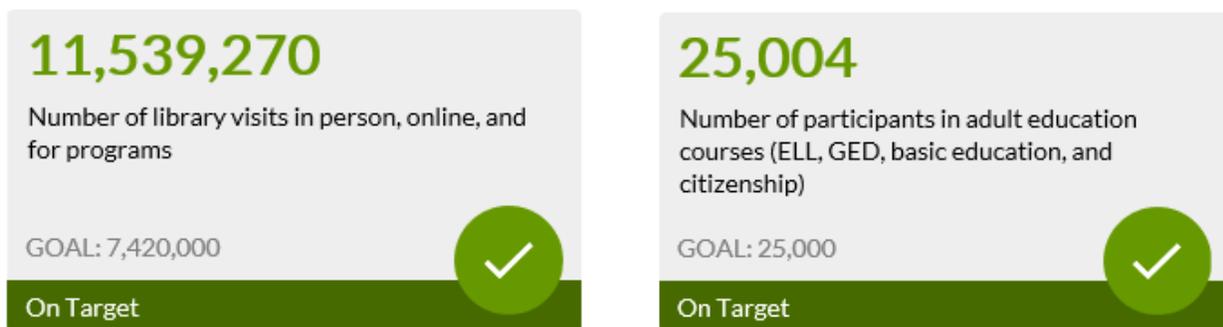
Dallas Public Library performance measures and limited documentation of benchmarking do not provide precise information regarding facility use, making it difficult to understand how facility use changes over time and how it compares with other large public libraries.

#### Dallas 365 Performance Measures

Dallas 365 is a City of Dallas website used to provide the public with monthly performance updates on 35 key performance measures, including two for Dallas Public Library. However, both of Dallas Public Library's Dallas 365 performance measures for Fiscal Year 2019 (see Exhibit 4) do not show a complete picture of library usage, and it is not clear they are consistent with similar metrics used by peer library systems.<sup>2</sup>

#### Exhibit 4:

#### Dallas Public Library Performance Measures



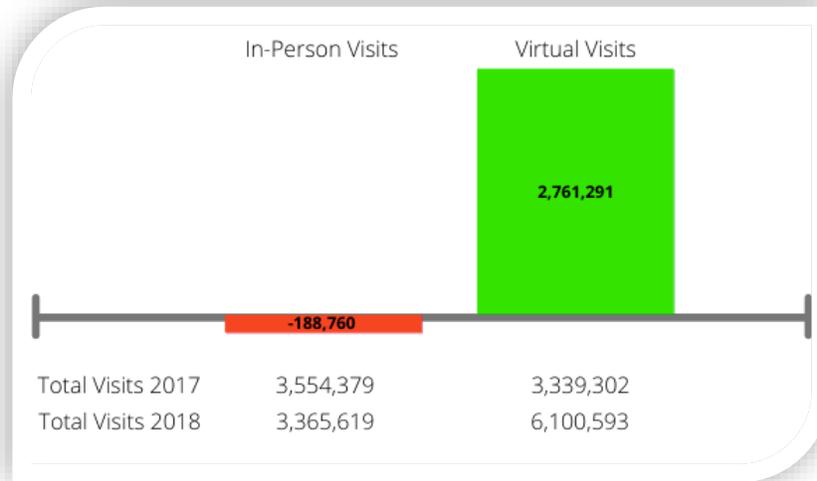
Source: City of Dallas website, November 2019

The “*Number of Library Visits*” performance measure incorporates in-person visits to library facilities and virtual user clicks and views on library websites, applications, and social media platforms such as Nextdoor, FaceBook, and Twitter. As social media engagement grew in Fiscal Year 2018 compared to the previous year, Dallas Public Library easily achieved its overall visitor goal even as physical visitors declined compared to the previous year. Online and social media visits surpass physical visits by nearly two to one. See Exhibit 5 on page 7.

<sup>2</sup> In addition to the Dallas 365 performance measures, Dallas Public Library tracks other performance measures on a monthly and annual basis. See Exhibit 10 on page 13 for an example of other Dallas Public Library performance measures.

**Exhibit 5:**

Dallas Public Library Visits Change from 2017 to 2018

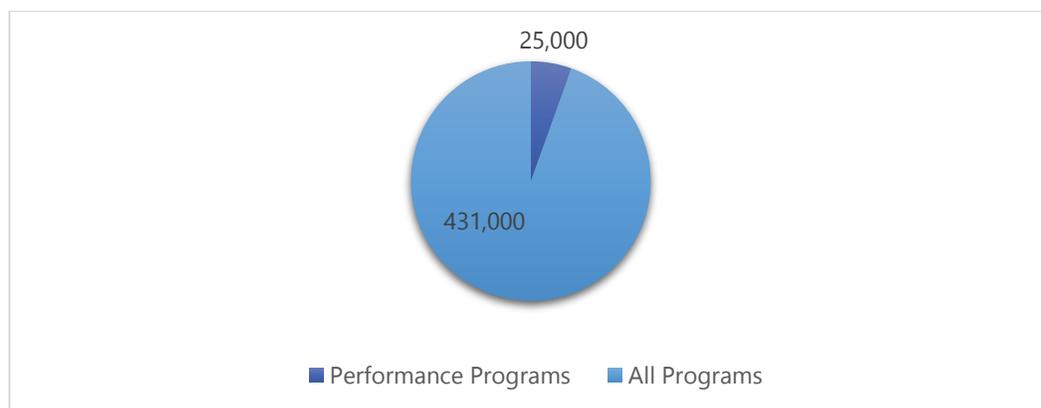


**Source:** Dallas Public Library documents reviewed by the Office of the City Auditor.

The “*Number of Participants in Adult Education Courses*” performance measure is focused on four programs that make up a small portion of the programs and participation at public libraries. The City set a goal of 25,000 visitors at programs for English language learners, General Educational Development training, basic education and citizenship. These programs require repeat attendance to be successful. Reporting a total number of repeat visits makes it difficult to tell how many individuals are attending. In Fiscal Year 2018, Dallas Public Library internally tracked 431,000 visits to all programs. By focusing on a small subset of about six percent of the program visits, it is difficult to tell how well the libraries are being used. Refer to Exhibit 6 below.

**Exhibit 6:**

Performance Measure Program Visits Are a Small Component of Library Program Visits



**Source:** Dallas Public Library documents reviewed by the Office of the City Auditor.

In addition, both measures in [Exhibit 4](#) are not used by other large library systems, making it difficult to tell how well Dallas compares to peer cities.

### Benchmarking with Peer Cities

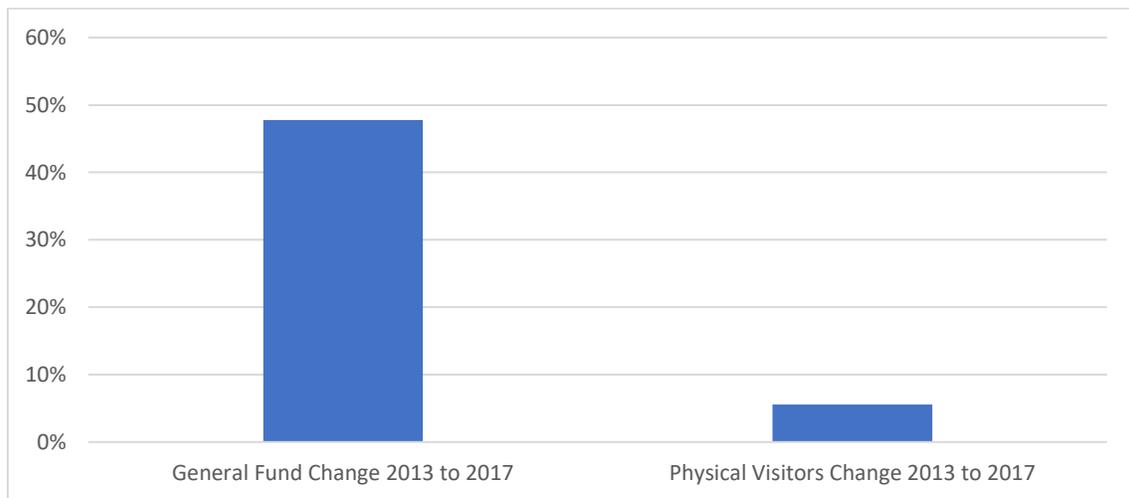
Dallas Public Library does not have a documented process to review how library facility use compares with other large public libraries. Dallas Public Library did not conduct facility-use benchmarking<sup>3</sup> in Fiscal Years 2017 through 2019. A federal agency, the Institute of Museum and Library Services, provides annual benchmarking information that can be used to assess library performance over time. Dallas Public Library participates in the submission of data to the Institute of Museum and Library Services annually. The agency's 2016 survey report published in May 2019, *Public Libraries in the United States, Fiscal Year 2016*, noted that visits per person declined every year between 2009 and 2016.

A review of a selection of indicators from the Institute of Museum and Library Services data for the last five years shows a decline in the physical library visits and raises questions about the Master Plan's strategy of building more libraries, for example:

- Library use declined seven percent in peer cities from 2013 to 2017. While Dallas experienced a six percent increase in visitors, it coincided with a 48 percent increase in library general fund expenditures. [Refer to Exhibit 7](#) below.

#### Exhibit 7:

Growth in General Fund Expenditure and Physical Visitors 2013-2017



**Source:** City of Dallas budget documents and Dallas Public Library physical visitor information reported to the Institute of Museum and Library Services from 2013 to 2017 reviewed by the Office of the City Auditor.

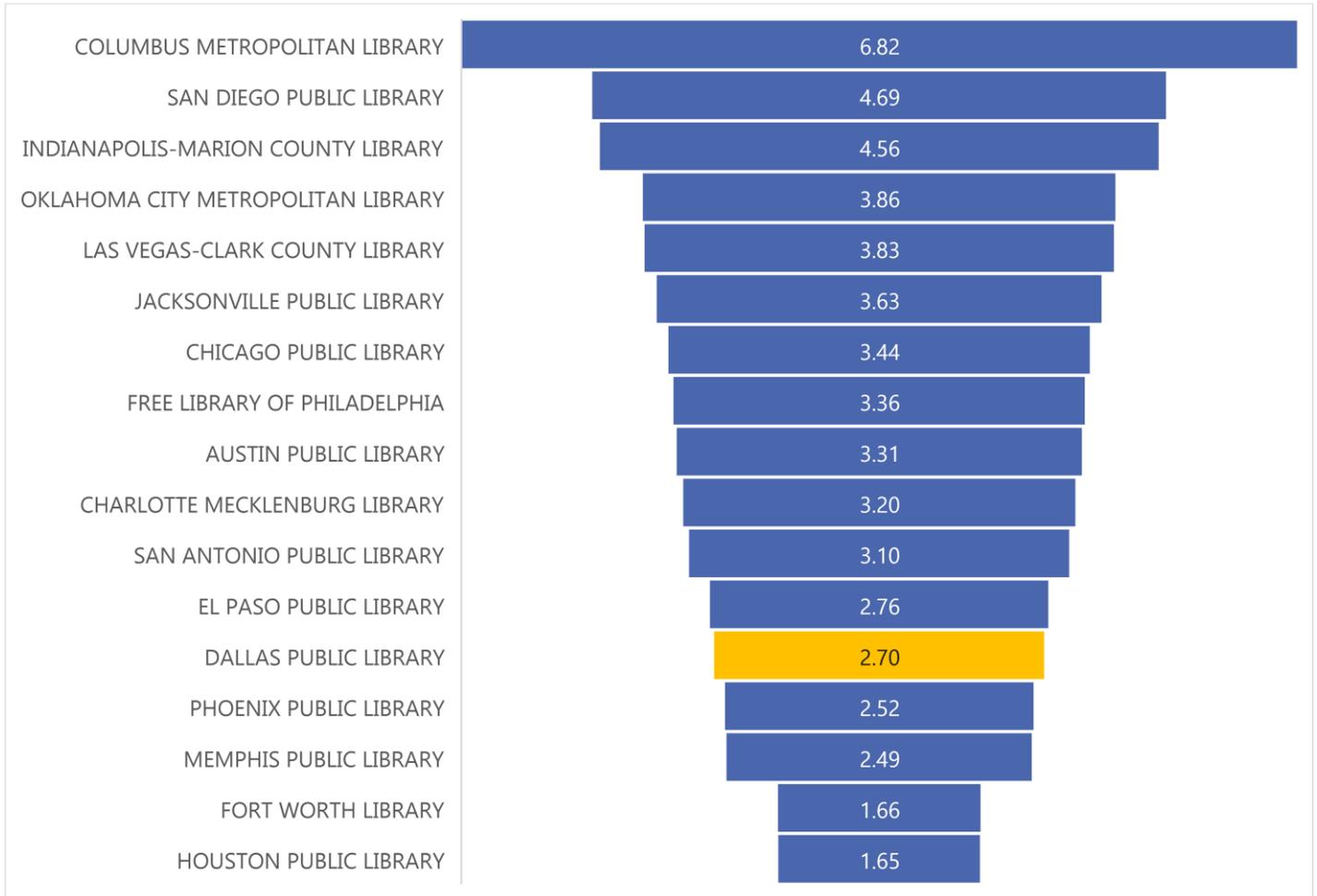
---

<sup>3</sup> Between 2017 and 2019, Dallas Public Library participated in technology benchmarking with other library systems through *Edge*, a technology assessment tool of the Urban Libraries Council. *Edge* reports provide valuable comparative information not directly focused on facility use.

- Dallas has among the lowest numbers of physical library visits per person out of 17 peer cities. See Exhibit 8 below.

**Exhibit 8:**

Library Visits Per Person in 2017



**Source:** Office of the City Auditor analysis of *Institute of Museum and Library Services* data from 2017.

## Criteria

- ❖ In *“Strategic Planning Best Practices,”* the Government Finance Officers Association recommends that all government entities have a strategic planning process that includes interim reviews of the strategic plan every one to three years and more comprehensive reviews every five to ten years, depending on how quickly conditions change.
- ❖ The *Dallas Public Library Master Plan 2000 – 2010* recommends responsiveness to change, noting, *“the library system must be carefully planned so that it will have the capability and flexibility to respond to the rapidly changing needs of its patrons and environment.”*
- ❖ *The Texas Performance Measure Management Guide* states successful agencies are able to use performance information to effectively and efficiently manage their operations.
- ❖ The *ICMA* (formerly the International City County Management Association) identifies benchmarking as an effective method for charting performance compared to others across the industry.
- ❖ Standards for Internal Control in the Federal Government (Green Book):
  - *Principle 16 – Perform Monitoring Activities: “Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.”*
  - *Principle 9 – Identify, Analyze, and Respond to Change: “Management should identify, analyze, and respond to significant changes that could impact the internal control system.”*

### Assessed Risk Rating:

High

We recommend the **Director of the Dallas Public Library:**

- A.1:** Revise or replace the Master Plan to reflect current needs, priorities, and trends.
- A.2:** Develop and implement a formal procedure to review and revise the Master Plan regularly and when conditions change.
- A.3:** Monitor the implementation of the Master Plan and document decisions to change or not implement Master Plan recommendations.
- A.4:** Revise performance measures to provide precise information regarding facility use.
- A.5:** Develop and implement a formal process to conduct benchmarking of facility use with other large cities on a regular basis or as conditions change.

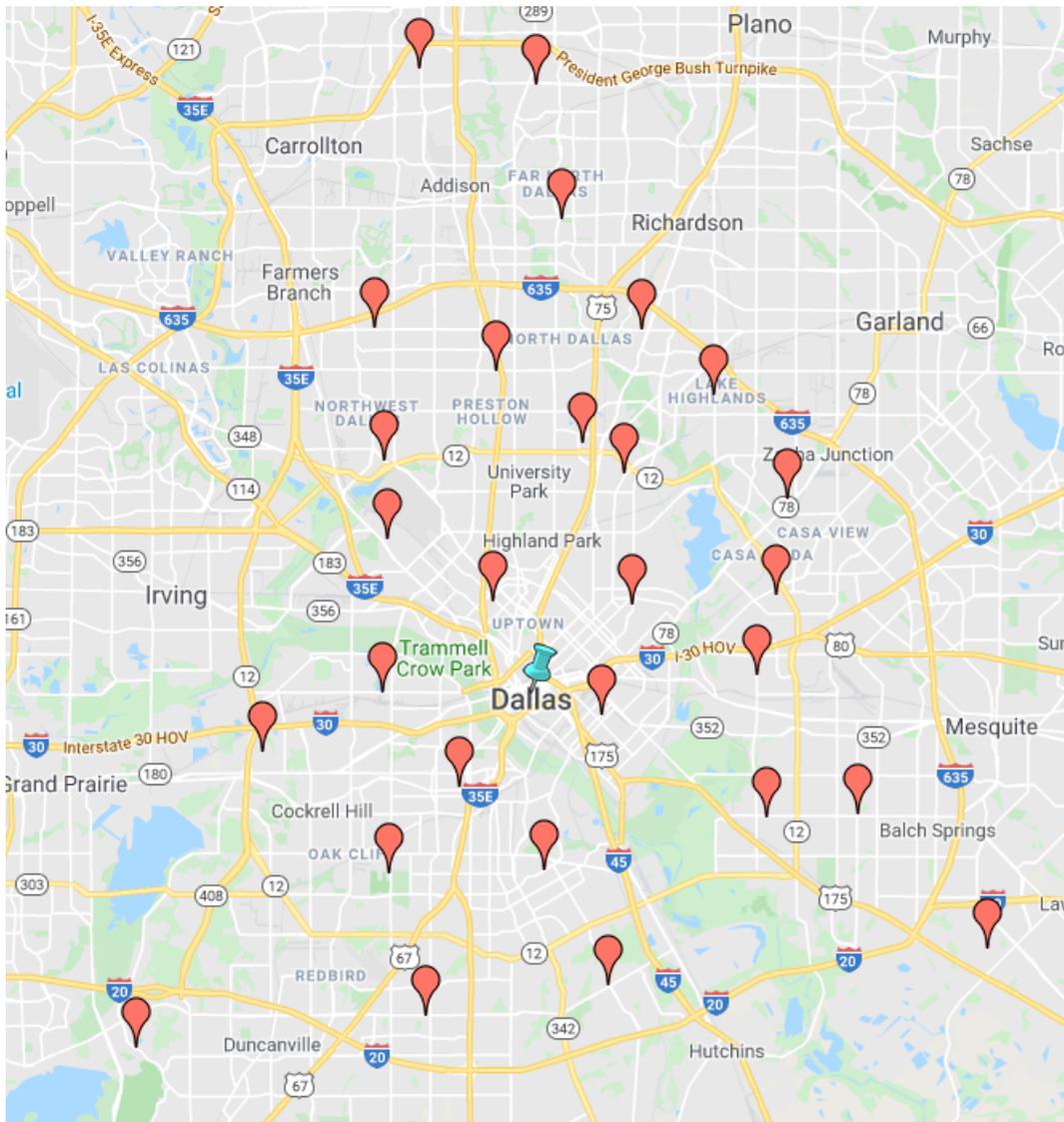
## Appendix A: Background and Methodology

### Background

The Dallas Public Library opened its first library in 1901 and its first branch library in 1914. Since then, Dallas Public Library has grown to operate 29 facilities, including: a central library in downtown Dallas, a children's library, and 27 branch libraries in the City of Dallas.

#### Exhibit 9:

Map of Dallas Public Library Locations



**Note:** The pin is the Central Library and the drops are the branch libraries.

**Source:** Dallas Public Library website November 2019

## Dallas Public Library Vision and Mission

Dallas Public Library's vision statement is "*Limitless possibilities start at Dallas Public Library.*" Its mission statement is "*The Dallas Public Library strengthens communities by connecting people, inspiring curiosity, and advancing lives.*"

Dallas Public Library has moved toward larger branch library facilities and more flexible spaces in existing facilities to host a variety of meetings. The 2018 update to the *2001 Master Plan* recommendations for branch libraries wrote, "*As a resource rich community center, public libraries provide meeting rooms to accommodate library sponsored programs, community meetings, workforce development, educational opportunities, etc.*"

## Changes in the Public Library Industry

The library industry is experiencing a surge in digital and online information resources and a move toward more community center operations at public libraries.

The Pew Charitable Trusts report *The Library in the City: Changing Demands and a Challenging Future* published in 2012 found libraries serving as multi-purpose community centers in the recession's aftermath.

A 2014 *Aspen Institute Dialogue on Public Libraries* report promoted a new vision for public libraries as a trusted community resource and essential platform for learning, creativity, and innovation in the community. The report noted a move away from measuring a library's success through its circulation numbers and instead on outcomes related to helping individuals and the community achieve their goals.

In addition, the public library industry now includes more examples of leases as a successful alternative to land acquisition and construction. Examples include the following:

- Orange County (Florida) Public Library has leased a 13,160 square foot location at a former bookstore in Orlando since 1998.
- Anne Arundel County (Maryland) Public Library is completing a 10-year lease for a 12,000 square foot location at an Annapolis mall. The library is also considering leasing options in a site study for the upcoming replacement of a 50-year-old branch library.

## Dallas Public Library Performance Measures

Two of the 35 performance measures on the City's Dallas 365 website are related to Dallas Public Library. In addition, Dallas Public Library monitors other performance measures. The Fiscal Year 2020 Budget included five performance measures Dallas Public Library is using for monitoring its performance. [See Exhibit 10](#) on page 13.

**Exhibit 10:**

Dallas Public Library Fiscal Year 2020 Budget Performance Measures

# LIBRARY

## PERFORMANCE MEASURES

Performance Measure	FY 2018-19 Budget	FY 2018-19 Forecast	FY 2019-20 Budget	FY 2020-21 Planned
Customers rating overall quality of service as “excellent” or “good” (internal survey)	98.90%	98.90%	98.90%	98.90%
Number of visitors in person, online, and for programs	7,420,000	10,615,481	7,531,299	7,644,264
Materials expenditure per capita	\$3.15	\$3.12	\$3.22	\$3.19
Percentage of library GED students who successfully pass all parts of the official GED subject tests and receive their GED certificate	42%	42%	42%	50%
Percentage of library ELL students who report feeling confident speaking English upon completing an ELL class	95%	96%	96%	96%

### Methodology

The audit methodology included: (1) interviewing personnel from Dallas Public Library and other city departments; (2) reviewing policies and procedures, the *Texas Local Government Code*, applicable Administrative Directives, and best practices; and, (3) performing various analyses, including benchmarking with other library systems.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

### Major Contributors to the Report

Frank Mayhew, CISA, CFE – Auditor  
Daniel Genz, CIA – Project Manager  
Anatoli Douditski, MPA, CIA, ACDA – Audit Manager

## Appendix B: Management's Response

---

### Memorandum



**DATE:** March 20, 2020

**TO:** Mark S. Swann, City Auditor

**SUBJECT:** Response to Audit of Library Facility Planning

This letter acknowledges the City Manager's Office received the *Audit of Library Facility Planning* and submitted responses to the recommendations in consultation with the Dallas Public Library.

We agree that decisions to adequately plan for improvements to Library facilities can be constrained by outdated data within the existing Library Master Plan, and further enhanced by data transparency of performance measures and documented benchmarking practices. It is also important to acknowledge and consider the commitments made to the community in the 2000-2010 Library Master Plan that was approved by the City Council on April 11, 2001.

The City has taken the following actions to help ensure the Dallas Public Library's facilities continue to serve the needs of the community needs:

- **November 26, 2013** – Master Plan modifications were submitted to Public Works in preparation for the execution of pending 2006 Bond funded capital projects
- **October 17, 2016** – Master Plan and Bond accomplishments update presented to the Arts, Culture, and Libraries Committee
- **June 4, 2018** – Master Plan modifications submitted to the Bond Program in preparation for the execution of 2017 Bond funded capital projects
- **February 27, 2020** – Current Needs Inventory submitted to Bond Program for review and update

The Dallas Public Library agrees to improve transparency and benchmarking practices by:

- Monitoring and documenting decisions to change or not implement Master Plan recommendations;
- Providing detailed library usage information as part of our published performance measures; and
- Benchmarking against peer cities and the library industry as a whole.

While we agree the 2000 – 2010 Master Plan should be revised or replaced, we are not able to agree to implement the recommendation as it requires funding that is not currently budgeted.

"Our Product is Service"  
Empathy | Ethics | Excellence | Equity

Sincerely,



T.C. Broadnax  
City Manager

C: Kimberly Bizer Tolbert, Chief of Staff  
M. Elizabeth Reich, Chief Financial Officer  
Joey Zapata, Assistant City Manager  
Jo Giudice, Director, Dallas Public Library

"Our Product is Service"  
Empathy | Ethics | Excellence | Equity

This page is intentionally blank

Assessed Risk Rating	Recommendation	Concurrence and Action Plan		Implementation Date	Follow-Up/ Maturity Date
High	We recommend the <b>Director of the Dallas Public Library</b> :				
	<p><b>A.1:</b> Revise or replace the Master Plan to reflect current needs, priorities, and trends.</p>	<p><b>Accept Risk:</b></p>	<p>The Dallas Public Library agrees it is important to revise or replace the 2000 - 2010 Master Plan. However, implementing the recommendation requires funding, either through the capital bond program or an operating budget enhancement, that is not currently budgeted.</p> <p>The Library is working with the Office of the Bond Program to ensure a current listing of Library facility priorities. The Library's list of facility priorities, known as a Needs Inventory, includes pending priorities from the 2000 - 2010 Master Plan as well as recently identified priorities.</p>	N/A	N/A
	<p><b>A.2:</b> Develop and implement a formal procedure to review and revise the Master Plan regularly and when conditions change.</p>	<p><b>Accept Risk:</b></p>	<p>The Dallas Public Library agrees it is important to periodically review and update the Master Plan. However, implementing the recommendation is dependent upon a revised or replaced Master Plan and requires funding that is not currently budgeted.</p>	N/A	N/A
	<p><b>A.3:</b> Monitor the implementation of the Master Plan and document decisions to change or not implement Master Plan recommendations.</p>	<p><b>Agree:</b></p>	<p>The Dallas Public Library will monitor the implementation of the 2000 - 2010 Master Plan and Needs Inventory.</p> <p>Further, the Library will document, as part of periodic management review meetings, decisions to revise the 2000 - 2010 Master Plan and Needs Inventory.</p>	12/31/2020	06/30/2021

Assessed Risk Rating	Recommendation	Concurrence and Action Plan	Implementation Date	Follow-Up/ Maturity Date
High	We recommend the <b>Director of the Dallas Public Library</b> :			
	<b>A.4:</b> Revise performance measures to provide precise information regarding facility use.	<b>Agree:</b>  The Dallas Public Library will continue to include in-person visits, online visits, and attendance at Library programs in our calculation of the "Library Visitors" performance measure.  However, to ensure transparency for the public, the Library will publish the detailed attendance by category.  In addition, the Library will continue to annually review performance measures and strive for measures that accurately reflect library usage.	12/31/2020	12/31/2021
	<b>A.5:</b> Develop and implement a formal process to conduct benchmarking of facility use with other large cities on a regular basis or as conditions change.	<b>Agree:</b>  The Dallas Public Library will formalize its facility usage benchmarking, as part of the bi-annual management review meetings.  The Library will also incorporate ongoing agenda topics related to facility usage in the management review meetings. The focus will be trends and innovations within the Library industry and at peer cities.	12/31/2020	12/31/2021