

BUDGETS

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**Fiscal Year Ending September 30, 2012**

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DATE: July 5, 2011

TO: Richard Maladecki, President  
Ted Maines, Vice President  
Sara Brady, Trustee  
Guy Houk, Trustee  
Lucas D. Boyce, Trustee

FROM: Mary Anne Hodel, Director/Chief Executive Officer

SUBJECT: Budgets for the Fiscal Year Ending September 30, 2012

## Director's Message

### *Better...."Bad News"*

Property values in the Library District have dropped another 3%, which equates to an \$870,000 loss of tax revenues. While this decrease is neither a surprise nor welcome, at least it is much lower than the double digit decreases we have experienced in the last two fiscal years. Cumulatively, property tax revenues have dropped almost \$9,000,000 from \$36,007,000 in FY 09 to \$27,028,000 next year. That's a 25% decline. As was the case with the current year's budget, the Operating Fund Budget for next year is noteworthy in that there are decreases in just about every account.

Given the reality of lower tax revenues, our mission once again was to lower costs for next year, minimize the impact on services to our customers, and avoid layoffs. We believe the FY 12 Operating Fund Budget accomplishes these goals. Largely, the needed savings were achieved through lower salaries due to fewer budgeted full time positions and the lower associated benefit costs. Although staff will once again not receive raises next year, not one Library employee has been laid off. Local governments across the country, including those in Central Florida, are struggling financially and measures such as layoffs, unpaid furloughs, and reductions in benefits are widespread. Our staff has risen to the occasion in very difficult times by continuing to provide excellent service.

Minimizing the impact of lower tax revenues on services we offer to the public continues to be a top priority. We are pleased to report that we are not anticipating any reductions in services next fiscal year and in fact, plan to increase spending in one critical area. Spending on materials (books, DVD's, CD's, databases, etc.) has been reduced from \$5,000,000 in FY 09 to \$4,250,000 in the current fiscal year. We plan to restore \$250,000 of these cuts next year to support the purchase of



new formats, particularly eBooks and other emerging formats, as we continue to support our traditional purchases of hard copy materials.

The proposed FY 12 Operating Fund Budget reflects a 2.5% reduction compared to the current year and is in compliance with the Budget Guidelines set forth by Orange County Mayor Jacobs.

While the economic environment continues to be very challenging, we are pleased to report that the Orange County Library System (OCLS) has been recognized for several awards recently.

### **ALA Names OCLS Library of the Future**

The American Library Association has named OCLS the 2011 winner of the ALA/Information Today, Inc. Library of the Future Award. This award is presented annually to a library that demonstrates innovative planning and development of patron training programs about information technology in a library setting. The winning initiative was Orange County's Technology and Education Center, offering 1,200 technology classes each month at 15 locations.

### **ALA Awards OCLS Office of Information Technology Policy Award**

The American Library Association's Office of Information Technology recognized OCLS's "Shake It App" for its forward embrace of technology to serve its users.

### **OCLS Honored as 2010 Florida Library of the Year**

The Orange County Library System was named the 2010 Florida Library of the Year by the Florida Library Association. This award is presented to a Florida library that has demonstrated outstanding service to the community it serves. The award honors libraries exhibiting creativity and/or innovation in programming, expansion and/or enhancement of services, and leadership in implementing programs that can be emulated by other libraries.

### **Right Service at the Right time recognized by FLA with Library Innovation Award and the Urban Libraries Council with a Top Innovator Award**

The Florida Library Association and the Urban Libraries Council honored the Orange County Library System's The Right Service at the Right Time with awards. The Right Service at the Right Time helps individuals negatively affected by the economic downturn navigate the labyrinth of public and nonprofit assistance. The award recognizes Florida libraries that have displayed innovative methods, projects, products, or organizational enhancements, such as using current and emerging technologies for library processes or information service delivery.

### **Disney Awards OCLS for Helping Kids Shine**

Disney Prize Patrol swept through the Orlando Public Library to award OCLS a \$20,000 grant for its Summer Reading Program. The award came through Disney's Helping Kids Shine grant program which assists organizations that build better futures for children through ongoing programming.

### Silver Brick Award

OCLS was bestowed a Silver Brick Award in the Special Event category for its annual Step Off, a competition that showcases the talents of area step teams. Stepping is a form of dance that combines rhythmic clapping and foot stomping. The award was given by the Downtown Orlando Partnership to honor projects that positively affect the Downtown Development District and contribute significantly to its quality of life - making Downtown Orlando a more exciting, interesting and desirable place to live, work and play.

## RECOMMENDATIONS

We recommend the Library Board of Trustees take the following action:

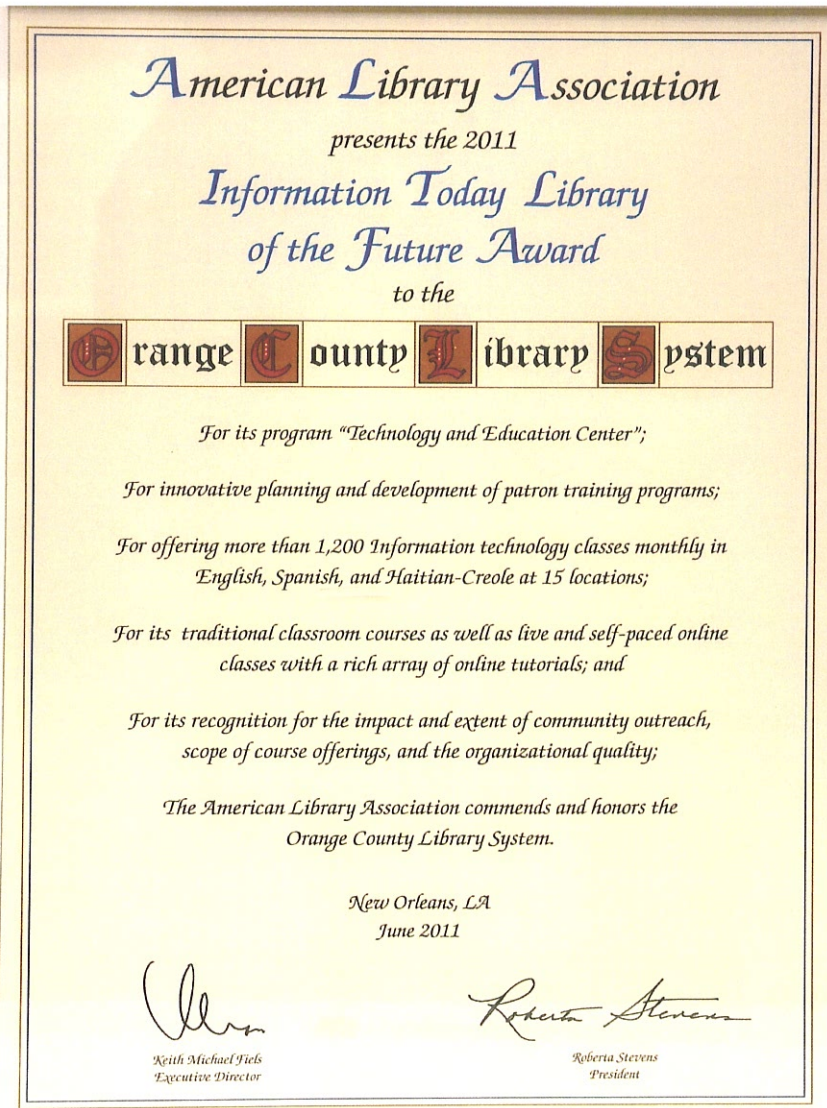
- Approve FY 12 Operating, Capital Projects, and Sinking Fund budgets.
- Recommend to the Governing Board that the Library District's millage rate be maintained at .3748 for FY 12.

cc: Teresa Jacobs, Library District Governing Board Mayor  
S. Scott Boyd  
Fred Brummer  
Lui Damiani  
Jennifer Thompson  
Ted Edwards  
Tiffany Moore Russell  
Deborah Girard

Randy Singh (Manager, Office of Management & Budget)  
Martha Haynie (Orange County Comptroller)



# Our Trophy Case Is Filling Up



American Library Association  
Library of the Future



American Library Association  
Office for Information Technology Policy Award



Florida Library Association  
Library of the Year Award

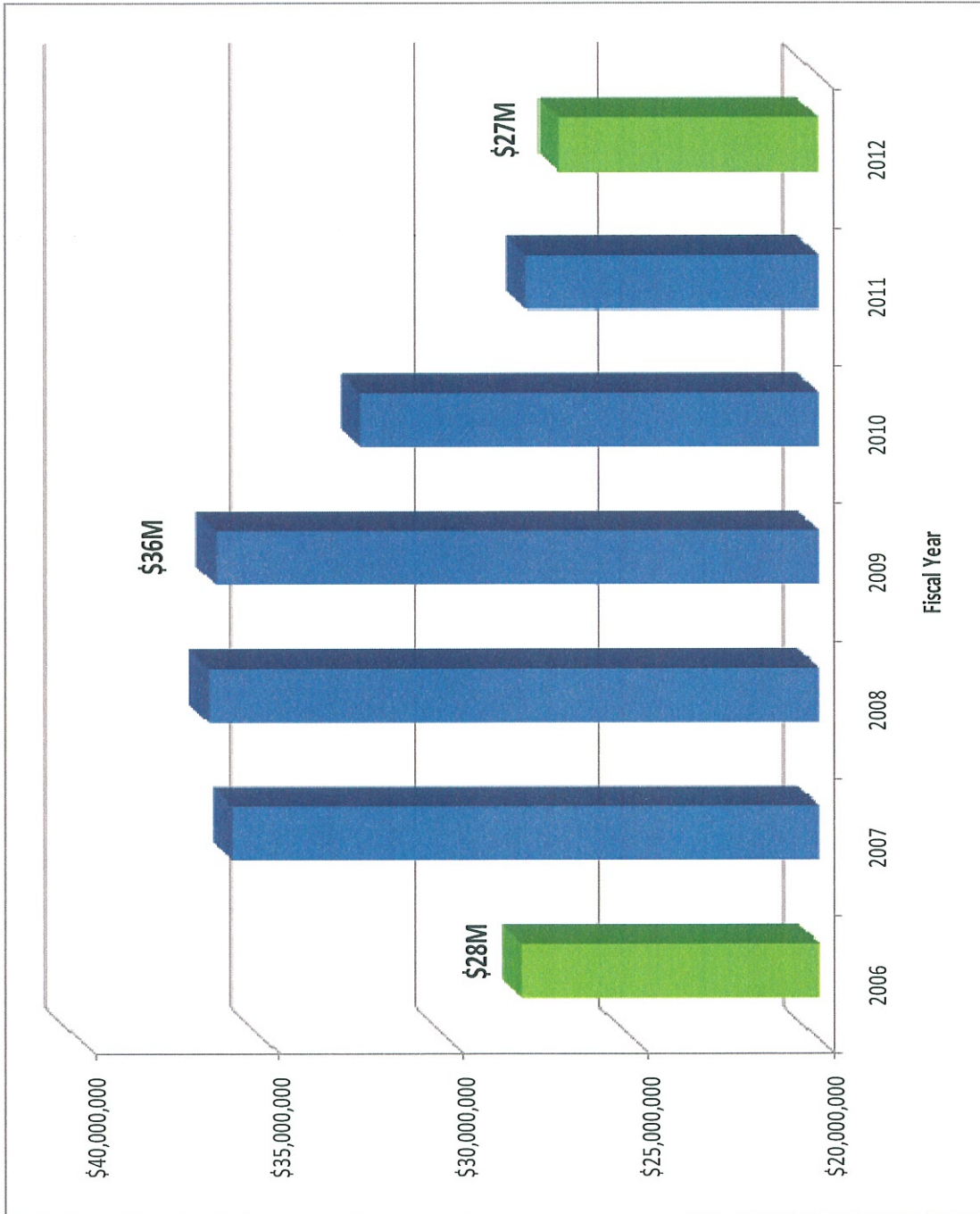


Disney Helping  
Kids Shine Award




Florida Library Association  
Library Innovation Award

# Property Tax Revenue Chart





# Tax Calculation Example

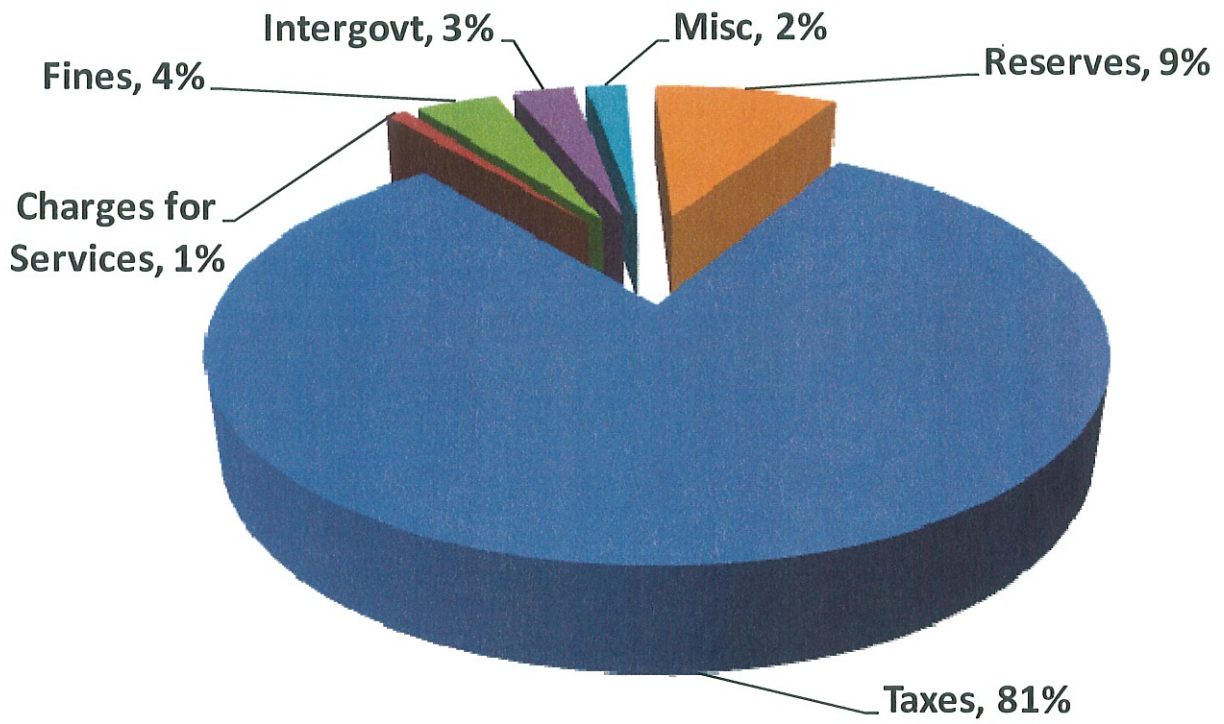
Assessed Value	\$150,000
Homestead Exemption	(\$50,000)
Taxable Value	<hr/> \$100,000
Times Millage Rate (per \$1,000 of Taxable Value)	.3748
Library Tax	

## **OPERATING FUND**

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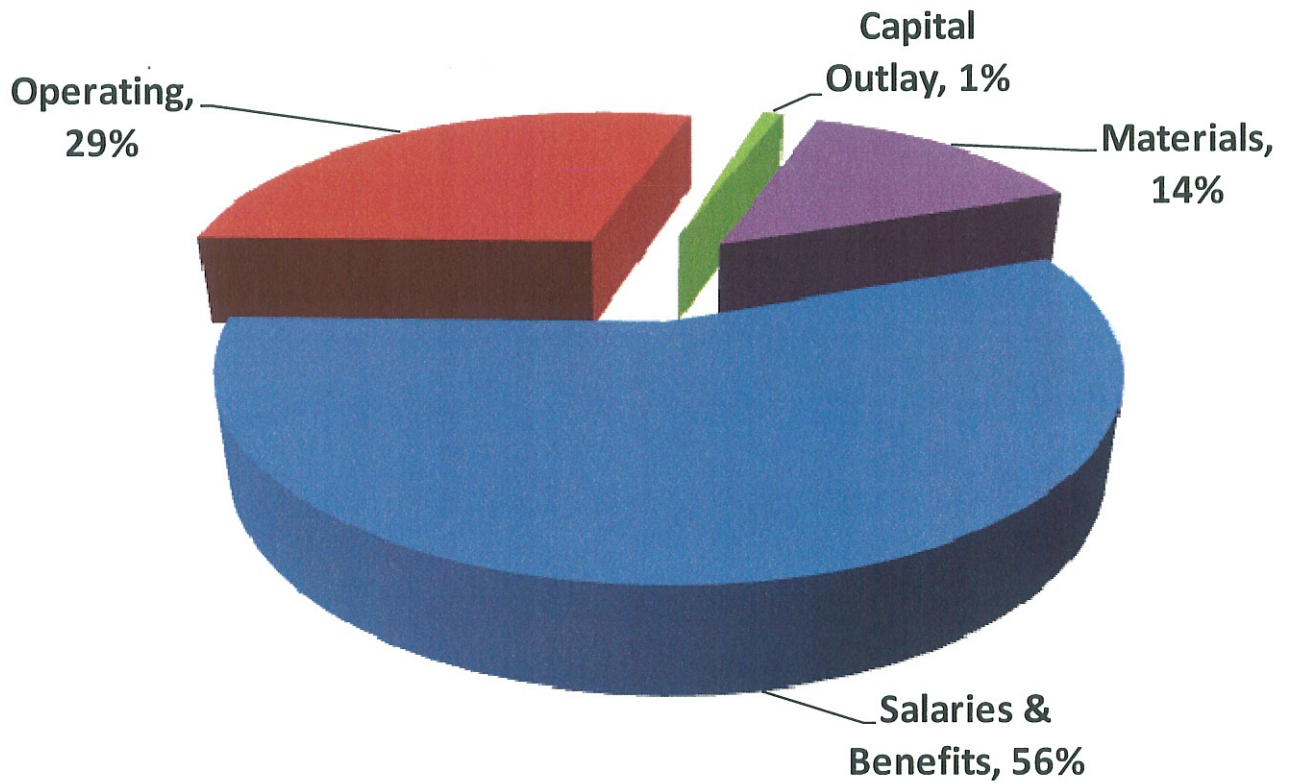
The Operating Fund is used to account for the revenues and expenditures applicable to the general operations of the District.

# Operating Fund Revenues





# Operating Fund Expenditures



# Operating Fund Budget

## Revenues

<b>REVENUES</b>	<b>FY 2011 BUDGET</b>	<b>INCREASE (DECREASE)</b>	<b>% CHANGE</b>	<b>FY 2012 BUDGET</b>
<b>AD VALOREM TAXES</b>	<b>27,898,040</b>	<b>(870,139)</b>	<b>-3.12%</b>	<b>27,027,901</b>
<b>INTERGOVERNMENTAL</b>				
State and Federal Grants	246,000	7,000		253,000
State Aid	750,000	-		750,000
	<b>996,000</b>	<b>7,000</b>	<b>0.7%</b>	<b>1,003,000</b>
<b>CHARGES FOR SERVICES</b>				
Fee Cards	14,000	-		14,000
PC Pass	14,000	(1,000)		13,000
PC Express	18,000	1,000		19,000
Classes	3,000	-		3,000
Meeting Rooms	35,000	-		35,000
Faxes	20,000	5,000		25,000
Orange Bag Sales	8,000	-		8,000
Ear Bud & Jump Drive Sales	7,000	-		7,000
Scanners	300	(100)		200
Booklets & Online Book Sales	400	-		400
Replace Library Cards		40,000		40,000
Copy and Vending	185,300	(300)		185,000
	<b>305,000</b>	<b>44,600</b>	<b>14.6%</b>	<b>349,600</b>
<b>FINES</b>				
Fines and Lost Materials	1,500,000	(50,000)	-3.3%	1,450,000
<b>MISCELLANEOUS</b>				
Investment Earnings	75,000	(40,000)		35,000
Rents	4,000	(1,500)		2,500
Contributions - FOL	64,000	(9,000)		55,000
Contributions - Other	25,000	-		25,000
Miscellaneous	50,000	(21,000)		29,000
	<b>218,000</b>	<b>(71,500)</b>	<b>-32.8%</b>	<b>146,500</b>
<b>TRANSFER FROM BRANCH DEBT SERVICE FUND</b>	10,000	(10,000)		-
<b>TRANSFER FROM PROPERTY APPRAISER</b>	29,000	500	1.7%	29,500
<b>TRANSFER FROM TAX COLLECTOR</b>	327,000	(16,000)	-4.9%	311,000
<b>RESERVES</b>	2,766,434	106,730	3.9%	2,873,164
<b>TOTAL REVENUES</b>	<b>34,049,474</b>	<b>(858,809)</b>	<b>-2.5%</b>	<b>33,190,665</b>

# Operating Fund Budget

## Expenditures

<b>EXPENDITURES</b>	<b>FY 2011 BUDGET</b>	<b>INCREASE (DECREASE)</b>	<b>% CHANGE</b>	<b>FY 2012 BUDGET</b>
<b>SALARIES &amp; BENEFITS</b>				
Salaries	12,933,938	(399,110)		12,534,827
Medicare Taxes	187,542	(5,787)		181,755
Defined Contribution Pension Plan	970,045	(29,933)		940,112
Defined Benefit Pension Plan	1,226,649	(176,648)		1,050,000
Money Purchase Pension Plan	362,266	(18,041)		344,225
Life and Health Insurance (Employees)	2,166,282	(156,475)		2,009,807
Retiree Health Care (OPEB)	1,469,302	(137,186)		1,332,117
Worker's Compensation	96,408	(15,260)		81,149
Unemployment Compensation	32,000	0		32,000
Parking and Bus Passes	185,042	(13,969)		171,073
	<b>19,629,474</b>	<b>(952,409)</b>	<b>-4.9%</b>	<b>18,677,065</b>
<b>OPERATING</b>				
Professional Services	300,000	(25,000)		275,000
Other Contractual Services	1,150,000	0		1,150,000
Other Contract. Serv.- Janitorial	320,000	(5,000)		315,000
Training and Travel	50,000	0		50,000
Telecommunication	320,000	30,000		350,000
Delivery and Postage	1,360,000	3,500		1,363,500
Utilities	1,200,000	(50,000)		1,150,000
Rentals and Leases	1,075,000	(20,000)		1,055,000
Insurance	285,000	(10,000)		275,000
Repairs and Maintenance	1,172,000	(72,000)		1,100,000
Repairs and Maint.-Hardware/Software	400,000	12,000		412,000
Copying/Printing	270,000	(18,000)		252,000
Property Appraiser's Fee	252,000	(15,000)		237,000
Tax Collector's Fee	564,000	(25,000)		539,000
Supplies	725,000	(75,000)		650,000
Supplies-Hardware/Software	300,000	0		300,000
Memberships	30,000	0		30,000
	<b>9,773,000</b>	<b>(269,500)</b>	<b>-2.8%</b>	<b>9,503,500</b>
<b>CAPITAL OUTLAY</b>				
Building and Improvements	40,000	10,000		50,000
Equipment and Furniture	40,000	110,000		150,000
Hardware/Software	175,000	0		175,000
	<b>255,000</b>	<b>120,000</b>	<b>47.1%</b>	<b>375,000</b>
<b>LIBRARY MATERIALS</b>				
Materials - CD Grant	135,000	(3,000)		132,000
Materials - Restricted Contributions	7,000	(3,900)		3,100
Materials - Other	4,250,000	250,000		4,500,000
	<b>4,392,000</b>	<b>243,100</b>	<b>5.5%</b>	<b>4,635,100</b>
<b>TOTAL EXPENDITURES</b>	<b>34,049,474</b>	<b>(858,809)</b>	<b>-2.5%</b>	<b>33,190,665</b>



# Operating Fund Revenue

## Highlights

### **Ad Valorem Taxes (\$27,027,901)**

Based on information provided by the Property Appraiser's Office, property values are down 3.1%. With this decrease and no change in the millage rate of .3748, tax revenues will be down the same 3.1%, or \$870,000.

### **State & Federal Grants (\$253,000)**

As part of the \$500,000 Congressionally Directed Grant obtained through Congressman Grayson's office, we will receive \$178,000 next fiscal year from the Institute of Museums and Library Services for our Soy Culto program. These funds will provide additional books and media for the Hispanic community around the South Creek and Southeast Branches. FY 12 is the final year of funding for this grant.

In addition, we have been awarded a \$75,000 Library Services and Technology Act Grant for the Right Services at the Right Time project. RSRT is a web-based search engine that helps match people in need with appropriate services. Next year we will be expanding the statewide reach of the program by working with other Florida libraries to list service providers in their counties. We will be using grant funding to enhance the software to provide for geo-location to suggest service providers closest to customer seeking service. A mobile interface will also be developed by outside consultants.

### **State Aid (\$750,000)**

While the amount in the budget is only an estimate, the receipt of this Aid for another year was a pleasant surprise from the recent Legislative Session given the State's budget situation.

### **Fines & Lost Materials (\$1,450,000)**

This revenue source has been declining in recent years and we expect this trend will continue next year. Next year's preliminary budget reflects a \$50,000 reduction.

### **Investment Earnings (\$35,000)**

Although it didn't seem they could go much lower, average investment returns have continued to decline as have our revenues. This account has been reduced by \$40,000.

**Reserves (\$2,873,164)**

In order to fund the proposed budget, approximately \$2,873,000 of our reserves has been included. Even if we use all of this, our reserves will still be healthy for the subsequent fiscal year.

*The above accounts represent 98% of the total Operating Fund revenues budgeted.*

# Operating Fund Expenditure Highlights

## Salaries (\$12,534,827)

- FY 12 budget includes 217 full time and 141 part time positions, which represents a reduction of 17 full time and an increase of 4 part time positions.
- Due primarily to the lower number of budgeted full time positions, salaries have been reduced \$399,000.
- Consistent with Orange County Budget Guidelines from Mayor Jacobs, staff will not receive raises. This is the third year in a row that both Orange County and Library employees have gone without raises.

## Defined Contribution Pension Plan (\$940,112)

Library employees have not participated in Social Security since shortly after the District was formed in September 1980. Instead, a defined contribution pension plan was established for all staff. The Plan requires that the Library contribute an amount equal to 7.5% of each employee's bi-weekly gross salary. Vesting is immediate and benefits are payable in a lump sum at termination/retirement. The \$30,000 decline in this account is due to lower budgeted salaries.

## Defined Benefit Pension Plan (\$1,050,000)

This Plan, which also is entirely funded by the Library, is a traditional retirement plan covering full time employees hired prior to January 1, 2007. The normal retirement benefit (2% of employee's final average earnings multiplied by years of service) is calculated at age 65. Employees who are vested and have at least 10 years of service may retire as early as 55 at a reduced benefit: 5% reduction for each year prior to age 65.

Contributions to the Plan are actuarially determined at the beginning of each calendar year. The \$177,000 decrease in projected contributions for next fiscal year is largely due to the increase in the value of the Plan's investments.

## Money Purchase Pension Plan (\$344,224)

Effective January 1, 2007, new full time hires no longer participate in the Defined Benefit Pension Plan but instead are enrolled in this Plan. The Plan requires that the Library contribute an amount equal to 9% of each employee's bi-weekly gross salary. The vesting period is one year and benefits are payable in a variety of forms, including lump sum and installments. The \$18,000 decline is due to lower budgeted salaries.



## **Life and Health Insurance (\$2,009,807)**

The Library pays the entire cost of single coverage for each full time employee, currently \$7,975 per year, and the employee is responsible for the cost of any dependent coverage. Next year's budget includes a 15% increase over the current premiums. The main reason for the \$156,000 decrease is the reduction in budgeted full time positions. In addition to health and dental insurance coverage, the Library provides full time employees with life and long term disability insurance coverage.

## **Retiree Health Care (\$1,332,117)**

The accounting standard, GASB # 45, requires all local governments to reflect the true cost of retiree healthcare during the employee's tenure rather than the "Pay as You Go" system that was common up until a few years ago. Thanks to the Library Board's support, a trust fund was established in 2007 and the Library has since been funding this benefit in a fashion similar to a pension. Contributions to the Plan are actuarially determined. The draft report for the January 1, 2011 actuarial valuation was used to determine the funding level for next fiscal year. The \$137,000 decline in the contribution level is primarily due to the increase in the value of the Plan's investments as well as the conversion from a more expensive Medicare Advantage Plan to a Medicare Supplement Plan for some of the retirees.

## **Parking and Bus Passes (\$171,073)**

For Main Library employees, the Library pays for 115 parking spaces in the City of Orlando garage across from the Main Library. The Library also offers LYNX bus passes in lieu of parking at the employee's choice. Currently, 29 employees use the bus passes. The reduction in staffing levels has resulted in the need to lease fewer parking spaces and thus, the reason for the \$14,000 decline in this account.

*Overall, salaries and benefits for next fiscal year are down 4.9%*



## Professional Services (\$275,000)

Examples of services charged to this account include the following:

- ✓ Actuaries (pension, self funding health insurance, retiree health care)
- ✓ Architects & engineers
- ✓ Auditors
- ✓ Doctors (pre-employment physicals)
- ✓ Attorneys
- ✓ Insurance brokers
- ✓ Benefits and compensation consultants

The budget for this account was reduced by \$25,000.

## Other Contractual Services (\$1,150,000)

Examples of services charged to this account include the following:

- ✓ Off duty police officer coverage (Main Library, South Trail, Hiawassee, and Washington Park Branches)
- ✓ Collection agency (collection services and renewal notices)
- ✓ Marketing & programming
- ✓ Branch deliveries
- ✓ Customer service shopper
- ✓ Bank & debit/credit card charges
- ✓ Advertising for legal notices
- ✓ LYRASIS (provider of bibliographic information for cataloging)
- ✓ Armor car pickup service for all locations

There was no change in the budget for this account.

## Other Contractual Services – Janitorial (\$315,000)

At the Main Library, the custodians are Library employees but in the branches, we contract with a private vendor, D&A Building Services, Inc., for janitorial and pressure cleaning services. We also have contracts with vendors to clean the carpets in the branches, and clean the windows in all of our facilities. Due to lower than projected costs of the branch janitorial contract, the budget for this account was reduced by \$5,000.

## **Training and Travel (\$50,000)**

Charges to this account include:

- ✓ Mileage, parking, and tolls reimbursements to staff
- ✓ Group training
- ✓ Seminars and conferences for individual staff

Other than travel funded by grants, out of state travel for professional conferences has largely been eliminated. The majority of the \$50,000 budget relates to reimbursing staff for mileage, parking, and tolls. There was no change in the budget for this account.

## **Telecommunication (\$350,000)**

Telecommunication services including Internet connections, Wide Area Network (WAN), long distance, and local service are all charged to this account. The \$30,000 increase is due to increasing the WAN from 30 Mbps to 75Mbps in all locations.

## **Delivery and Postage (\$1,363,500)**

The following are charged to this account:

- ✓ Payments to a vendor, Priority Express Parcel (PEP), for deliveries to patrons for our MAYL program
- ✓ Payments to the Post Office for deliveries to patrons for our MAYL program in areas of the District which are not served by PEP
- ✓ Payments to the Post Office for general mail service
- ✓ Federal Express charges

There were no increases in the cost of MAYL program. The \$3,500 increase for this account is due to postage costs which are funded out of the Right Service at the Right Time Grant.

## **Utilities (\$1,150,000)**

Included in this account are charges for water, sewer, trash, and electricity for all of our facilities. Utility rates have not risen as quickly as originally projected and thus, the reason for the \$50,000 reduction in this account. The other good news is since the chillers were replaced at the Main Library in June 2009, our power consumption in that building has been reduced as the new chillers are more efficient.

## Rentals and Leases (\$1,055,000)

This account reflects the leasing costs of the South Trail, Edgewater, Hiawassee, Southeast, Southwest, Herndon, and Eatonville Branches. We also lease Washington Park and Windermere but there are no lease charges for those facilities. Given the possibility of relocating the South Trail branch, the FY 11 budget included a three month overlap in the event we end up paying rent on both the existing South Trail Branch location and the new location. This overlap has been removed from the budget for next year and thus, the main reason for the \$20,000 reduction.

## Insurance (\$275,000)

Insurance coverage charged to this account includes the following:

- ✓ General liability
- ✓ Property
- ✓ Umbrella
- ✓ Public officials
- ✓ Flood
- ✓ Employment practices
- ✓ Fiduciary (pensions)

Due to a couple of quiet years in terms of hurricanes, rates have remained stable and thus, this account has been reduced by \$10,000.

## Repairs and Maintenance (\$1,100,000)

The Library System consists of the Main Library, 14 branches and the Chickasaw location for a total of almost 470,000 square feet. Although Chickasaw is not open to the public, the building still requires maintenance. Repairs and routine maintenance include the following services for all locations:

- ✓ Plumbers
- ✓ Electricians
- ✓ Locksmiths
- ✓ Heating, ventilating, and air conditioning
- ✓ Elevators
- ✓ Painters
- ✓ Data & telecommunication wiring
- ✓ Handyman
- ✓ Landscaping
- ✓ Roofers
- ✓ Fire alarms, sprinkler systems
- ✓ Building security and camera systems
- ✓ 3M self check systems



The cost to maintain our facilities and equipment is a function of our size, the nature of our facilities, and the equipment like self check that we have been adding in recent years. Our facilities and equipment are well maintained and our goal is to keep them in that condition. Over the last two fiscal years, actual repairs and maintenance costs have been just under \$1,100,000 so the budget was reduced by \$72,000 to reflect this reality.

## **Repairs and Maintenance-Hardware/Software (\$412,000)**

Examples of items charged to this account include service contracts, application service provider fees wherein the vendor supplies the hardware and software and we access the software through a web interface, and repairs for the following:

- ✓ Library automation system
- ✓ Antivirus software
- ✓ Phone system
- ✓ Internet filtering software
- ✓ Employee evaluation software
- ✓ Technology backbone (routers, switches, and firewall)
- ✓ Accounting, payroll, and financial software
- ✓ Vocera (hands free communication system)
- ✓ Citrix software (allows for centralized upgrading of commonly used applications like Microsoft Word)
- ✓ Envisionware (Electronic access & assignment of public computers through scanning of Library card)
- ✓ Applicant tracking

The \$12,000 increase is primarily due to the anticipated cost increase of the Library automation system.

## **Copying/Printing (\$252,000)**

We contract with a vendor, EGP, to provide copy machines throughout the system. We pay EGP 1 cent for each copy made and they are responsible for providing the machines, service, and supplies excluding the paper. Our contract with EGP also provides for leased printers for the Computer Resource Center at Main and all branch locations, both public and staff. The leased printers provide both black and white and color prints. We pay EGP 1 cent for each black and white print, 9 cents for each color print. In addition to the per copy charges, we currently pay EGP a monthly lease charge for 3 printers used in the branches.

In addition to the contract with EGP, large print jobs sent to external printers are charged to this account. One of the larger ongoing external print jobs is the creation of the booklets which are distributed to participants in the classes taught throughout the system. In recent months we have been experimenting with a new printing vendor for these booklets as the new vendor provides good quality at a lower price. We anticipate making the change to the new vendor for the class booklets which is the main reason for the \$18,000 reduction in this account.

## Property Appraiser's Fee (\$237,000)

The Orange County Property Appraiser determines the value of property for each taxing agency in the County for ad valorem tax purposes. In exchange for providing this service, each taxing agency is charged for a portion of the Appraiser's budget. The Property Appraiser's estimate of our portion of this charge is \$237,000 next fiscal year.

## Tax Collector's Fee (\$539,000)

The Orange County Tax Collector collects taxes from property owners in the County and distributes them to the appropriate taxing agencies. The Collector's fee is 2% of the taxes collected which equates to about \$539,000 next fiscal year. Given the lower tax revenues, the budget for this account has been reduced by \$25,000.

## Supplies (\$650,000)

Most supplies used throughout the system are charged to this account including the following:

- ✓ KWIK cases to protect CD's and DVD's
- ✓ RFID tags for self check locations
- ✓ Paper
- ✓ Janitorial supplies for the Main Library
- ✓ Furniture and equipment items with unit costs less than \$1,000
- ✓ Office supplies

The Library utilizes a direct purchase system through Office Depot for office supplies. Rather than maintain a central inventory, each manager orders supplies online from a standardized list and Office Depot delivers them directly to the Main Library and the branches. The online ordering system has proven to be an efficient way to purchase and deliver office supplies throughout the System without the cost of keeping large inventories of supplies on hand.

The \$75,000 reduction in this account is a reflection of reduced spending across the board, including smaller purchases of KWIK cases and RFID tags.

## Supplies-Hardware/Software (\$300,000)

The proposed \$300,000 budget consists of the following:

- ✓ Replace out of warranty desktops (\$250,000)
- ✓ Replace broken printers, barcode scanners, & monitors (\$50,000)

There is no change in the budget for this account.

*Overall, Operating Expenditures for next fiscal year are down 2.8%*



### **Building and Improvements (\$50,000)**

While no specific projects have been identified, a minimal amount of \$50,000 has been included in the budget for unanticipated projects which invariably come up every year.

### **Equipment and Furniture (\$150,000)**

The Library’s current phone system was purchased in 1999. Since that time various improvements in voice communication have occurred. We will be evaluating new technologies and functionalities to modernize our current system in order to improve communications with our customers and increase efficiency. In addition to the \$100,000 to replace or upgrade the phone system, \$50,000 for unanticipated projects has been included in next year’s budget.

### **Hardware/Software (\$175,000)**

The proposed \$175,000 budget consists of the following:

- ✓ Replace out of warranty laptops and desktops \$56,000
- ✓ Implement Storage Attached Network \$50,000
- ✓ Upgrade email server \$32,000
- ✓ Replace out of warranty servers \$27,000
- ✓ Purchase and install additional network switches \$10,000

As we continue to create content and conduct business, our needs for fast reliable data storage increase. We will be implementing a Storage Attached Network to provide this increased data storage and faster backup. This \$50,000 project will help us to continue providing a robust, secure computer environment.

We need to upgrade our existing Exchange 2007 email server to provide for better message archiving and improve performance and will be reviewing Google Apps for Government along with Microsoft Exchange 2010. \$32,000 has been included in next year’s budget for this project.

### **Library Materials - CD Grant (\$132,000)**

Of the \$178,000 awarded from the Congressionally Directed Grant next fiscal year, \$132,000 will be used to purchase Spanish books and media for the Southeast and South Creek Branches.

### **Library Materials - Other (\$4,500,000)**

As a cost savings measure, in recent years the materials budget has been reduced from \$5,000,000 in FY 09 to \$4,250,000 in the current fiscal year. We plan to restore \$250,000 of those cuts next year to support the purchase of new formats as we continue to support our traditional purchases of hard copy materials.

*The FY12 budget reflects a 2.5% decrease compared to the current year budget.*

# **CAPITAL PROJECTS FUNDS**

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Capital projects funds are used to account for resources designated to construct or acquire capital assets and major improvements. The District has two capital projects funds.

## **Capital Projects Fund**

This fund is used to account for the revenues and expenditures related to the acquisition of land, construction, opening day collections, and furniture and equipment for new branch facilities. No purchases or projects are planned for next fiscal year. Only the estimated investment earnings are reflected in the budget.

## **Sinking Fund**

The purpose of this fund is to provide funding for significant future building improvements and technology purchases. No purchases or projects are planned for next fiscal year. Only the estimated investment earnings are reflected in the budget.



# Capital Projects Fund

<b>REVENUES</b>	FY 2011 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2012 BUDGET
Investment Earnings	20,000	(10,000)		10,000
Reserves	980,000	(980,000)		-
<b>TOTAL REVENUES</b>	<b>1,000,000</b>	<b>(990,000)</b>	<b>-99.0%</b>	<b>10,000</b>

<b>EXPENDITURES</b>	FY 2011 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2012 BUDGET
<u>FUTURE BRANCHES</u>				
Land	1,000,000	(1,000,000)		-
<u>RESERVES</u>				
Reserves	-	10,000		10,000
<b>TOTAL EXPENDITURES</b>	<b>1,000,000</b>	<b>(990,000)</b>	<b>-99.0%</b>	<b>10,000</b>

# Sinking Fund

<b>REVENUES</b>	FY 2011 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2012 BUDGET
Investment Earnings	2,000	(1,100)		900
<b>TOTAL REVENUES</b>	<b>2,000</b>	<b>(1,100)</b>	<b>-55.0%</b>	<b>900</b>

<b>EXPENDITURES</b>	FY 2011 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2012 BUDGET
Reserves - Building and Improvements	1,100	(605)		495
Reserves - Technology	900	(495)		405
<b>TOTAL EXPENDITURES</b>	<b>2,000</b>	<b>(1,100)</b>	<b>-55.0%</b>	<b>900</b>

