

ORANGE COUNTY LIBRARY DISTRICT

BUDGETS

Fiscal Year Ending September 30, 2020

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Director's Message



DATE: June 26, 2019

TO: Lisa Franchina, President
Marucci Guzmán, Vice President
Ted Maines, Trustee
Richard Maladecki, Trustee
Nicole Benjamin, Trustee

FROM: Mary Anne Hodel, Director/Chief Executive Officer

SUBJECT: Budgets for the Fiscal Year Ending September 30, 2020

Adding to quality of life by creating a learning environment and experiences that foster personal growth and development.

This mission statement was created as part of the process to develop the Library's strategic plan. This process also resulted in the formulation of our values:

- Promote learning to improve the lives of those in the community.
- Empower and foster creativity and collaboration.
- Deliver outstanding service to external and internal customers.
- Demonstrate respect, integrity, and excellence.

One of the key focal points of the strategic plan is to improve the customer experience, establishing the Library as a friendly, welcoming and community centric service, thus our tag line Learn. Grow. Connect. was adopted in 2019. While we strongly believe that our staff provide excellent service once engaged, we recognize the need to reach out to our customers and proactively engage them. The Library will continue to place a heavy emphasis on providing excellent customer service and the continuation of transforming from a standard book repository to an educational/learning center for all ages and demographics in the upcoming fiscal year.

Budget Presentation of Reserves:

The Operating Fund budget for fiscal year 2019-20 reflects a 10.1% increase compared to the current year budget. While the majority of this increase is due to additional tax revenues, the other major contributing factor of the increase is related to the increase in reserves. The increase in reserves is due to FY 2018-19 actual revenues coming in higher than budget and actual expenditure coming in lower than budget. The reduced expenditures were mainly due to timing of several capital projects that are rolled into FY 2019-20 and the South Creek expansion being put on hold. The majority of the reserves were put into the Capital Project Fund for future branch development, and \$500,000 was set aside in the Sinking/R&RR Fund to be used to fund capital maintenance items such as HVAC and roof replacements as our infrastructure ages and any emergency repairs due to natural disaster or catastrophic failure. Over the next several years the Library will continue to set aside these repair funds as we update our 3, 5 and 10 year capital maintenance program. It should be noted that while the budgets reflect significant increases due to the change in presentation of reserves, there is not a corresponding increase in actual spending.

Ad Valorem Tax Revenues and Millage Rate:

The Library is primarily funded through property tax revenues. In June 2007, the Florida Legislature passed legislation, which resulted in a 13% reduction in the Library's millage rate for fiscal year 2008. The Library's millage dropped from .4325 for fiscal 2007 to .3748 for fiscal 2008. The Library has not increased its millage rate since that time and for fiscal year 2019-20, staff are recommending that the millage be maintained once again at .3748. Based on the increase in property values, this millage will generate \$4,115,000 in additional tax revenues for a total of \$48,020,000.

Transfer to Capital Projects Fund:

Included in the Library's Operating Fund budget is a Transfer to the Capital Projects Fund. The purpose of this Transfer is to increase the pot of dollars designated for future branch development. Previously, the money in the Capital Projects Fund was used to both purchase and remodel what is now the Chickasaw Branch, which opened as the 15th branch location in July 2015.

For next year's budget, we have included \$4,000,000 as a Transfer to the Capital Projects Fund, which is an increase of \$700,000 over the current year's budget. Given the dramatic growth in the Horizon West and Lake Nona areas, we are working with several parties for partnerships to build branches in those areas of the County. These projects are several years away before starting construction and the Library is seeking lease opportunities as an interim measure. We will continue to monitor growth and evaluate the need for future library needs throughout the County.

Transfer to Sinking/R&RR Fund:

Included in the Library's Operating Fund budget is a Transfer to the Sinking/Renewal & Replacement Reserve (R&RR) Fund. Previously, a Board member recommended that we annually set aside funds for future capital maintenance repairs/replacements to both our facilities and technology. For example, the roof at the Main Library will need to be replaced in the next few years and this cost easily will exceed \$1,000,000. We set up a "Sinking Fund" to fund these capital maintenance repairs/replacements and began to fund it annually. We had funded it annually for just a few years but stopped once property values plummeted in 2008 and we were forced to reduce our budget. Given the increase in property values over the last several years and our aging infrastructure, we believe the time is right to resume setting aside money annually for this Sinking Fund. Rather than funding for both facilities and technology, we believe the need is greater for facilities and don't anticipate significant technology purchases down the road. Any technology purchases should be

accommodated through our annual budgeting process. Included in next year's budget is \$500,000 for a transfer to the Sinking Fund.

Branch Projects:

Many of our leased facilities, including the Southwest, Southeast, and South Trail Branches, are popular with our customers and are heavily used. The location of these branches works very well for us and as a result, each has been in the same location for at least twenty years. While we have updated things like carpeting and painting, the heavily used restrooms are worn and outdated. \$450,000 has been included in FY 2019-20 budget to remodel the restrooms in these three branches.

Funding has been included for engineering studies for projects such as Children's Department Renovation, the Lake Eola Meeting Room Feasibility Study, and HVAC and Building Automation systems upgrades as some of the systems are at the end of their useful life. The majority of the physical work will follow in future fiscal years. The Library is conducting an overall assessment of its assets and is developing a 3, 5 and 10 year capital maintenance plan for future funding purposes.

Accomplishments

The Library has been awarded the following recognitions and held significant events over the last twelve months:

Beanstack's Winter Reading Challenge Winner:

In March, Orange County Library System was recognized as one of the national winners of Beanstack's second annual Winter Reading Challenge. The program, sponsored by Shark Tank's Mark Cuban, challenged Beanstack users to meet a collective goal of reading at least 5 million minutes and 75,000 books in January. In total, Beanstack users actually read 13,000,000 minutes and 153,000 books. Library customers read 2,154% over our goals by completing 45,091 minutes and logging 2,315 books. Winners were determined based upon a few key factors including Outreach, Active Participation, Absolute Numbers and Community Sharing.

Betty Davis Miller Youth Services Awards from the Florida Library Association:

Youth Services won the Betty Davis Miller Youth Services Award- To recognize outstanding programs of direct service to youth. Two awards are presented annually: one for children's services (ages 12 and under) and one for teen/young adult services (ages 13 - 18).

Community Relations Graphics Department won the Hermes Awards:

Hermes Awards are an international competition for creative professionals involved in the concept, writing and design of traditional materials, marketing and communication programs and emerging technologies.

- Platinum for the 2018 Annual Report
- Gold For 2018 Booktoberfest Print Media
- Gold for January Books and Beyond
- Gold for Find the Right Book Electronic Media

1st Annual Melrose Film Festival:

The film festival was on Saturday September 15th where we rolled out the red carpet for filmmakers and enthusiasts in the Melrose Center. They joined us for a day of film screenings panel discussions and Q&A sessions. We showed short films, animated shorts and music videos selected from among the from close to 3,000 entrants, staff ultimately selected 58 films to screen during the seven-hour festival. 327 attendees' submissions were received.

Opened Fairview Shores Branch June 8, 2019:

The Orange County Library System opened its Fairview Shores Branch in the Adanson Marketplace, a shopping center on Lee Road on Saturday, June 8, 2019. Fairview Shores is the new home of the Edgewater Branch, which closed its doors on May 18, 2019. The library's new home will allow it to offer more opportunities to partner with businesses and organizations in the community while continuing to offer more after-school activities and programming for all ages.

Programs and Classes Presented:

As the Orange County Library System continues to transform and enhance its reputation as an educational/learning center, we have presented the following programs and classes between June 2018 and May 2019.

21,000 live attendees and 5,300 via computer labs ESOL Classes Delivered
100,000 Breakspot Meals Delivered to Children
61,000 live attendees and 30,000 hours online of Technology Classes Delivered
286,000 attendees participated in our kids and adult program offerings
2,500 hours of studio time booked in Melrose Center
1,800 hours of simulation book in Melrose Center
2,200 patrons seen by our social worker

RECOMMENDATIONS

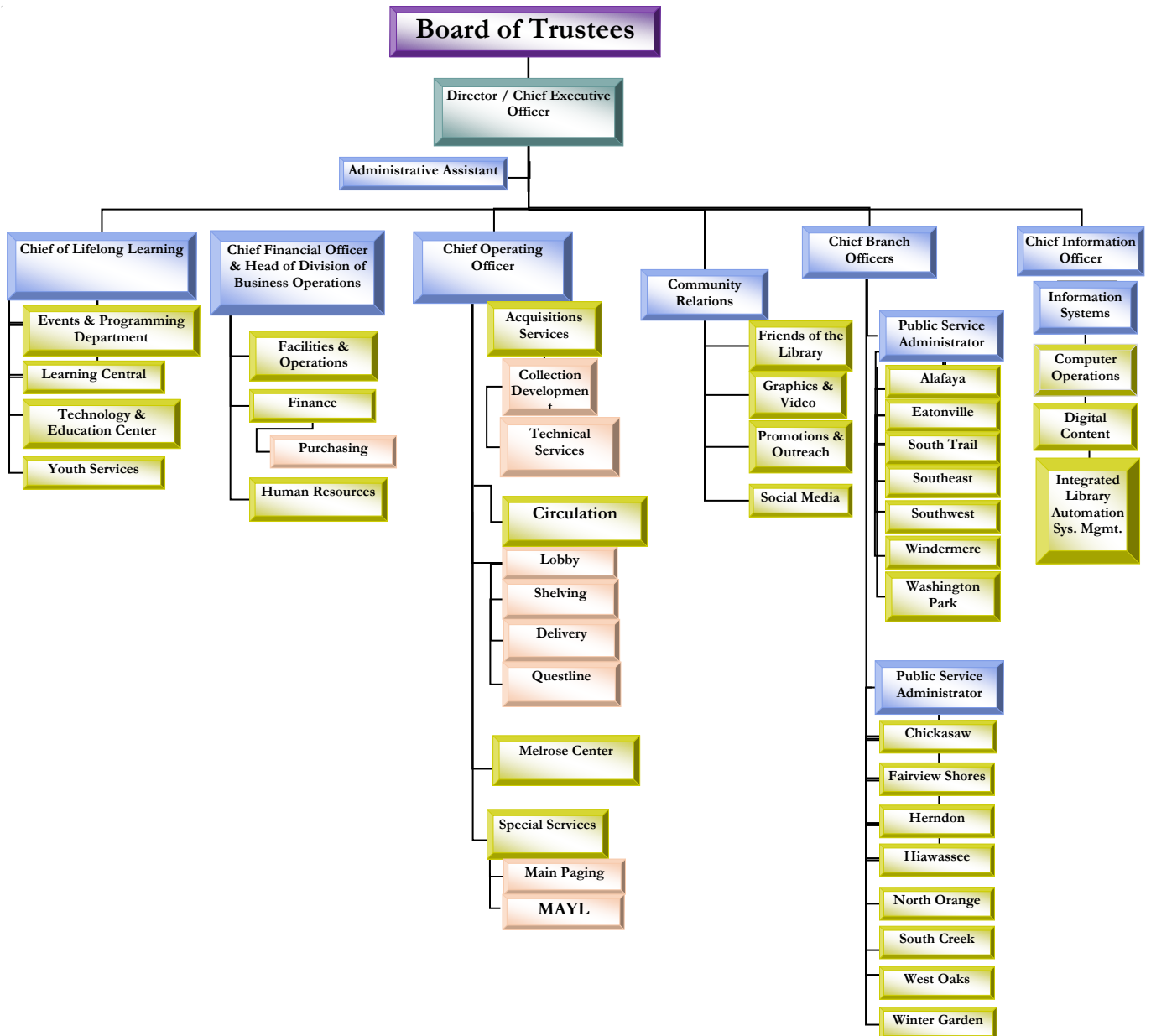
Staff recommends the Library Board of Trustees take the following actions:

- Approve FY 2019-20 Operating, Capital Projects, Sinking/R&RR and Permanent Fund budgets.
- Recommend to the Governing Board that the Library District's millage rate be maintained at **.3748** for FY 2019-20.

c: Jerry L. Demings, Library District Governing Board Mayor
Betsy VanderLey, Orange County Commissioner District 1
Christine Moore, Orange County Commissioner District 2
Mayra Uribe, Orange County Commissioner District 3
Maribel Gomez Cordero, Orange County Commissioner District 4
Emily Bonilla, Orange County Commissioner District 5
Victoria Siplin, Orange County Commissioner District 6
Ana Palenzuela, Human Resources Director, City of Orlando

Kurt Petersen, Manager, Office of Management & Budget
Phil Diamond, Orange County Comptroller

Orange County Library District Organizational Chart



Orange County Library District Board of Trustees



Left to Right: Nicole Benjamin (City Appointee); Richard Maladecki (County Appointee); President Lisa Franchina (County Appointee); Ted Maines (City Appointee) & Vice President Marucci Guzmán (County Appointee)

Orange County Library District Governing Board



Left to Right: City of Orlando HR Director Ana Palenzuela; Orange County Mayor Jerry Demings; Orange County Commissioners Emily Bonilla; Maribel Gomez Cordero; Christine Moore; Victoria Siplin; Mayra Uribe & Betsy VanderLey

Accomplishments

- **800 Meet ups**
- **2,500 Hours of studio bookings**
- **1,800 Hours of simulations**
- **1,000 Attendees in the Makerspace Lab**



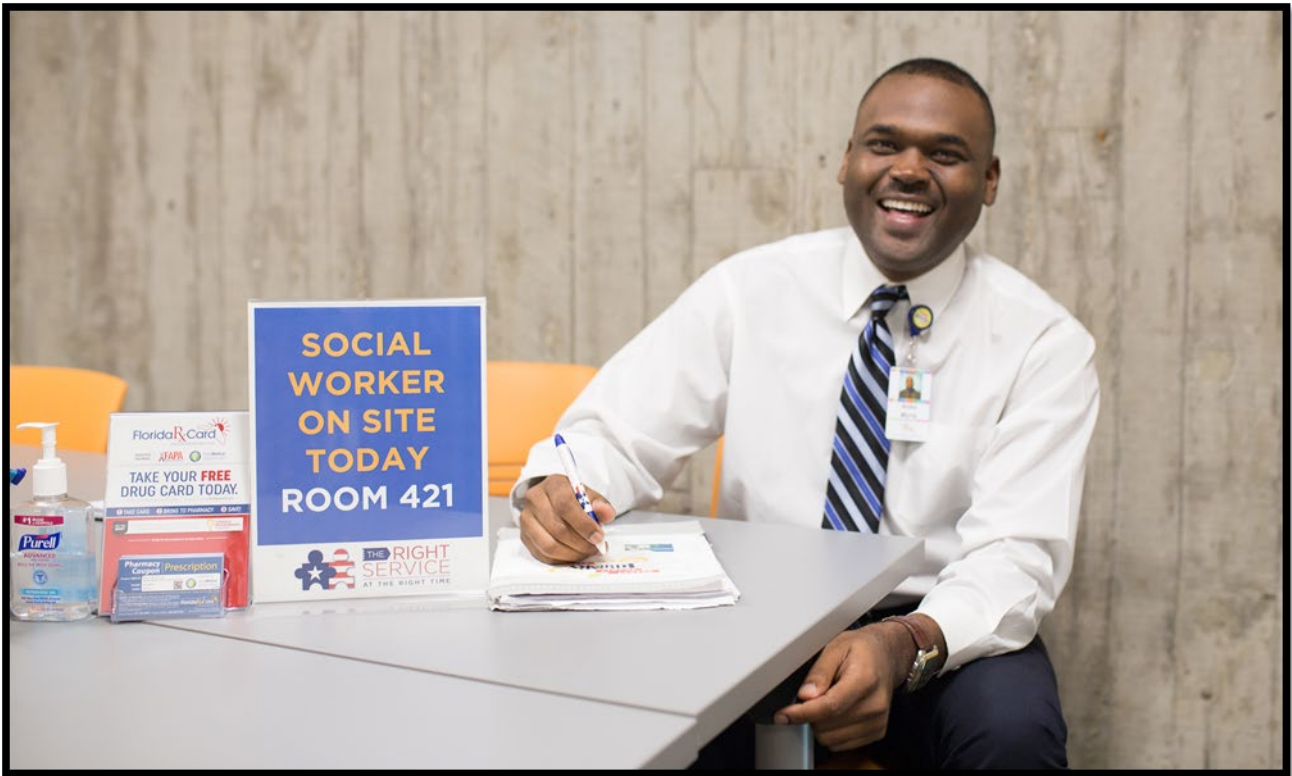
Accomplishments

- **Career Online High School has 39 currently enrolled. There have been 92 grads since 2015.**
- **The English language learning classes (ESOL) had over 21,000 attendees. The Open Language Labs had a total attendance of 5,300.**
- **The Library provided tech classes to over 61,000 attendees live and 30,000 hours online.**



Accomplishments

The Social worker onsite assisted over 2,200 patrons



Accomplishments

- **Provided kids & adults programs to over 286,000 attendees**
- **Delivered over 500,000 items through our Books by MAYL program**
- **The Summer Breakspot program has served over 88,000 meals since 2015. This year they will expect to serve its 100,000th meal.**



Accomplishments

Something For Everyone !



Tax Calculation Example

Assessed Value	\$250,000
Homestead Exemption	(\$50,000)
Taxable Value	<hr/> \$200,000
Millage Rate (per \$1,000 of Taxable Value)	.3748
Library Tax	\$75

Operating Fund Revenues



Taxes
78%

Reserves
16%

Intergovernmental
3%

Fines
1%

Charges for
Services / Misc
2%

Operating Fund Expenditures



Salaries and Benefits
43%

Reserves
18%

Operating
19%

Materials
8%

Capital
Outlay
12%

Operating Fund Budget

Revenues

REVENUES	FY 2019 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2020 BUDGET
AD VALOREM TAXES	43,905,000	4,115,000	9.4%	48,020,000
INTERGOVERNMENTAL				
State and Federal Grants	-	50,000		50,000
State Aid	982,000	(152,000)		830,000
County Grants	-	500,000		500,000
	982,000	398,000	40.5%	1,380,000
CHARGES FOR SERVICES				
Fee Cards	18,000	-		18,000
PC Pass	5,000	(3,000)		2,000
PC Express	10,000	(6,000)		4,000
Classes	6,000	-		6,000
Meeting Rooms	62,000	(7,000)		55,000
Faxes	72,000	(17,000)		55,000
Scans	35,000	(5,000)		30,000
Ear Buds & Jump Drive Sales	6,000	-		6,000
Reference Charges	1,000	(1,000)		-
Bag Sales	5,000	(1,500)		3,500
Replace Library Cards	42,000	(12,000)		30,000
Copy and Vending	230,000	(5,000)		225,000
Special Events	1,000	(1,000)		-
Other	-	2,500		2,500
	493,000	(56,000)	-11.4%	437,000
FINES				
Fines and Lost Materials	600,000	-	0.0%	600,000
MISCELLANEOUS				
Investment Earnings	200,000	150,000		350,000
Contributions - FOL	61,000	(1,000)		60,000
Contributions - Other	20,000	-		20,000
Internet Rebate	79,000	1,000		80,000
Grants and Awards	20,000	20,000		40,000
Sale of Surplus Property	-	2,000		2,000
Miscellaneous	50,000	20,000		70,000
	430,000	192,000	44.7%	622,000
TRANSFER FROM PROPERTY APPRAISER	10,000	2,000	20.0%	12,000
TRANSFER FROM TAX COLLECTOR	400,000	-	0.0%	400,000
RESERVES	9,244,000	1,006,000	10.9%	10,250,000
TOTAL REVENUES	56,064,000	5,657,000	10.1%	61,721,000

Operating Fund Budget

Expenditures

EXPENDITURES	FY 2019 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2020 BUDGET
SALARIES & BENEFITS				
Salaries	17,762,000	841,000		18,603,000
Medicare Taxes	258,000	18,000		276,000
Defined Contribution Pension Plan	1,333,000	49,000		1,382,000
Defined Benefit Pension Plan	700,000	150,000		850,000
Money Purchase Pension Plan	839,000	100,000		939,000
Life and Health Insurance (Employees)	3,127,000	199,000		3,326,000
Retiree Health Care (OPEB)	540,000	184,000		724,000
Worker's Compensation	115,000	10,000		125,000
Unemployment Compensation	20,000	(6,000)		14,000
Parking and Bus Passes	225,000	(4,000)		221,000
	24,919,000	1,541,000	6.2%	26,460,000
OPERATING				
Professional Services	240,000	(4,000)		236,000
Other Contractual Services	1,775,000	206,000		1,981,000
Other Contract. Serv.- Janitorial	340,000	9,000		349,000
Training and Travel	75,000	40,000		115,000
Telecommunication	300,000	-		300,000
Delivery and Postage	1,086,000	49,000		1,135,000
Utilities	950,000	21,000		971,000
Rentals and Leases	1,323,000	153,000		1,476,000
Insurance	330,000	16,000		346,000
Repairs and Maintenance	1,150,000	102,000		1,252,000
Repairs & Maint - Hardware/Software	880,000	70,000		950,000
Copying/Printing	255,000	7,000		262,000
Property Appraiser's Fee	325,000	70,000		395,000
Tax Collector's Fee	890,000	71,000		961,000
Supplies	550,000	244,000		794,000
Supplies-Hardware/Software	350,000	125,000		475,000
Memberships	20,000	-		20,000
	10,839,000	1,179,000	10.9%	12,018,000
CAPITAL OUTLAY				
Building and Improvements	2,875,000	(552,000)		2,323,000
Equipment and Furniture	150,000	(7,000)		143,000
Hardware/Software	550,000	120,000		670,000
	3,575,000	(439,000)	-12.3%	3,136,000
LIBRARY MATERIALS				
Materials - Restricted Contributions	10,000	-		10,000
Materials - Other	4,500,000	180,000		4,680,000
	4,510,000	180,000	4.0%	4,690,000
TRANSFER TO CAPITAL PROJECTS FUND	3,300,000	700,000	21.2%	4,000,000
TRANSFER TO SINKING/EARR FUND	-	500,000	-	500,000
RESERVES	8,921,000	1,996,000	22.4%	10,917,000
TOTAL EXPENDITURES	56,064,000	5,657,000	10.1%	61,721,000

Operating Fund Revenue Highlights

Ad Valorem Taxes (\$48,020,000)

Based on the information provided by the Property Appraiser's Office, property values are up **9.4%**. With this increase and no change in the millage rate of .3748, tax revenues are up **\$4,115,000**.

State Aid (\$830,000)

As has been our practice, the amount included in next year's budget reflects the funding level received for the current fiscal year.

County Grants (\$500,000)

The \$500,000 budget for this account represents the Orange County Citizens' Review Panel Grant.

Fines & Lost Materials (\$600,000)

There is no change in the budget for this account.

Investment Earnings (\$350,000)

Rates have been rising and that is reflected in higher investment earnings. The budget for this account was increased by \$150,000 based on FY 2018-19 estimated Investment Earnings.

Internet Rebate (\$80,000)

The Universal Service Schools and Libraries Program, which is a Federal program commonly known as "E-Rate," provides rebates up to 80% of qualified telecommunication and Internet access charges to assist schools and libraries in the United States to obtain affordable telecommunications and Internet access. The Library has received rebates on Internet and Metro-Ethernet network services. The budget for next year reflects a slight increase over FY 2018-19 budget. This revenue stream varies year by year based on which E-Rate eligible services the Library acquires during the year.

Reserves (\$10,250,000)

This is the amount of Reserves that are eligible for spending.

Operating Fund Expenditure Highlights

Salaries & Benefits

Salaries (\$18,603,000)

- ✓ The FY 2019-20 budget includes 277 full time and 168 part time positions, which represents an increase of 10 full time and a decrease of 4 part time positions. These staffing numbers reflect 11 positions (5 full time and 6 part time) for a leased Horizon West location for 6 months.
- ✓ The FY 2019-20 Budget Guidelines from Mayor Demings includes a 4% salary increase for County staff. Accordingly, Library staff will receive a 4% increase in October 2019. The Library provides a merit component to high performers through additional vacation or part time leave and staff have the option of cashing out this leave at the time of their annual performance evaluation. Additionally, the Library is increasing non-exempt staff minimum pay by \$0.50 per hour to stay competitive with the local job market and to stem turnover.
- ✓ \$170,000 of the budget is related to the required expenditures of the Orange County Citizens' Review Panel Grant.

Defined Contribution Pension Plan (\$1,382,000)

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 7.5% of each employee's bi-weekly salary. Vesting is immediate and benefits are payable in a lump sum at termination/retirement. The \$49,000 increase in this account is due to higher budgeted salaries based on additional staff and 4% salary increase.

Defined Benefit Pension Plan (\$850,000)

This Plan is a traditional retirement plan covering full time employees hired prior to January 1, 2007. The normal retirement benefit (2% of an employee's final five (5) average earnings multiplied by years of service minus one year) 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. As of January 1, 2019, 76 active employees were participants in this Plan.

Contributions to the Plan are actuarially determined at the beginning of each calendar year. The \$150,000 increase in projected contributions for next fiscal year is largely due to the loss on investments in 2018. Note, as of April, 2019 the loss on investment had been recouped. This Plan was closed to new employees starting in January 2007.

Money Purchase Pension Plan (\$939,000)

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 9% of each employee's bi-weekly salary. The vesting period is one year and benefits are payable in a variety of forms, including lump sum and installments. The \$100,000 increase is due to higher budgeted salaries, additional staff and to the fact that every new full-time hire is enrolled in this Plan.

Life and Health Insurance (\$3,326,000)

The Library pays the medical and dental premiums for each full time employee and the employee is responsible for the cost of any dependent coverage: spouse, children, or family. In accordance with the Affordable Care Act (ACA), the Library also provides separate health care coverage to part time employees who are paid, on average, 30 hours or more per week. An increase in the projected number of part time employees eligible for the coverage from 46 to 68 combined with a 5% projected increase in premiums are the reason for the \$199,000 increase.

Retiree Health Care (\$724,000)

Local governments are required 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 2007. 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 previous retiree health care benefit only covered full time employees hired before January 1, 2007. In April, 2019, the Board approved a new, limited benefit for employees hired after that date. The \$184,000 increase for this account, reflects the cost of this new benefit, as well as a loss on investments in 2018.

Parking and Bus Passes (\$221,000)

For Main Library employees, the Library leases approximately 151 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. Branches have free parking. The budget for this account reflects a nominal decrease of \$4,000.

Overall, salaries and benefits for next fiscal year are up \$1,541,000 or 6.2%.

Operating

Professional Services (\$236,000)

Examples of services charged to this account include the following:

- ✓ Actuaries (pension, health insurance, retiree health care)
- ✓ Auditors
- ✓ Attorneys (general counsel, labor, construction, pension)
- ✓ Insurance broker
- ✓ Compensation consultant

There is a nominal \$4,000 decrease in the budget for this account.

Other Contractual Services (\$1,981,000)

Services charged to this account include the following:

- ✓ Off duty police officer coverage (Main Library, South Trail, Hiawassee, Washington Park, and Herndon Branches)
- ✓ Collection agency (collection services and renewal notices)
- ✓ Marketing
- ✓ Programming
- ✓ Branch deliveries
- ✓ Social worker services
- ✓ Debit/credit card charges
- ✓ Advertising for legal notices
- ✓ OCLC (provider of bibliographic information for cataloging)
- ✓ Armored car pickup service for all locations
- ✓ Moving services
- ✓ Pre-employment background checks
- ✓ Exterminating services
- ✓ Digitization services
- ✓ General consulting services
- ✓ Lake Eola Meeting Room feasibility study
- ✓ Services associated with the Orange County Citizens' Review Panel (CRP) Grant

The \$206,000 increase in the budget is primarily due to the planned feasibility study, the required programming costs related to the County's Citizen Review Panel Grant, increased costs for police officer coverage, branch deliveries and debit/credit card charges.

Other Contractual Services – Janitorial (\$349,000)

At the Main Library, the custodians are Library employees, but in the branches, we contract with a private vendor, Florida Cleaning System, for janitorial cleaning services. The Library also has contracts with vendors to pressure clean exteriors of the branches, clean the carpets in the branches, and clean the windows in all of our facilities. The \$9,000 increase in the budget for this account is due to anticipated cost increase for exterior and carpet cleaning services.

Training and Travel (\$115,000)

Charges to this account include:

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

The \$40,000 increase in the budget for this account is related to required costs associated with the County's Citizen Review Panel Grant and additional professional development of the Library staff, including required Continuing Professional Education (CPE) credits to maintain their certifications.

Telecommunication (\$300,000)

Telecommunication services including Internet connections, Metro-Ethernet branch connections, and Voice-Over Internet Protocol are charged to this account. There is no change in the budget for this account.

Delivery and Postage (\$1,135,000)

The following are charged to this account:

- ✓ Payments to the 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

The budget for this account was increased \$49,000 to reflect the actual amount being paid to Priority Express Parcel.

Utilities (\$971,000)

Included in this account are charges for water, sewer, trash, and electricity for all of our facilities. The Library has and will continue to implement energy saving changes such as LED lighting, programmable thermostats, motion activated lights in offices, etc. The \$21,000 increase is based on an anticipated rate increase from Duke energy.

Rentals and Leases (\$1,476,000)

This account reflects the leasing costs of the South Trail, Fairview Shores, Hiawassee, Southeast, Southwest, Herndon, and Eatonville Branches. We also lease Washington Park and Windermere, but there are no lease charges for those facilities. Next year's budget reflects a \$153,000 increase as we have included additional funds for a new leased facility in Horizon West, based on current market conditions in that area, and the higher rent for Fairview Shores.

Insurance (\$346,000)

Insurance coverage charged to this account includes the following:

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

Periodically, we have our facilities appraised to make sure the insured values approximate market value. The \$16,000 increase in this account is based on estimates provided by our insurance broker.

Repairs and Maintenance (\$1,252,000)

The Library System consists of the Main Library and 15 branches for a total of approximately 460,000 square feet. Repairs and routine maintenance include the following services:

- ✓ Plumbers
- ✓ Electricians
- ✓ Locksmiths
- ✓ Heating, ventilating, and air conditioning
- ✓ Elevators
- ✓ Painters
- ✓ 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 partly a function of our size. Additionally, our facilities and equipment are well maintained and our goal is to keep them in that condition. The \$102,000 increase in the budget for this account is due to anticipated repairs to aging HVAC systems, camera replacements and enhanced landscaping at branches.

Repairs and Maintenance – Hardware/Software (\$950,000)

Examples of items charged to this account include maintenance contracts, application service contracts wherein the vendor supplies the hardware and software, and technology repairs for the following:

- ✓ Library automation system
- ✓ Antivirus software
- ✓ Internet filtering software
- ✓ Employee evaluation software
- ✓ Technology backbone (routers, switches, and firewall)
- ✓ Accounting, payroll, and time and attendance software
- ✓ Vocera (hands free communication system)
- ✓ Citrix software (allows for centralized upgrading of commonly used applications like Microsoft Word)
- ✓ PC reservation, printing, scanning, copying, and faxing
- ✓ Applicant tracking
- ✓ Adobe Cloud Connect

The Library pays maintenance and service contracts for over 50 software applications. The budget for this account was increased by \$70,000 to reflect our increasing use of technology, all of which needs to be supported and maintained.

Copying/Printing (\$262,000)

The Library contracts with a vendor, EGP, to provide printers and “all in one” machines (fax, scan, print, copy) throughout the system. We pay EGP for each copy made and they are responsible for providing the machines, service, and supplies excluding the paper. The cost to the Library is 1 cent for each black and white print and 7.5 cents for each color print.

Large print jobs sent to external printers are charged to this account. This account has a nominal increase of \$7,000.

Property Appraiser’s Fee (\$395,000)

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 office could not give us the amount of the charge for next fiscal year, so we have estimated it at \$395,000, an increase of \$70,000.

Tax Collector’s Fee (\$961,000)

The Orange County Tax Collector collects taxes from property owners in the County and distributes the tax revenues to the appropriate taxing agencies. The Collector’s fee is 2% of the taxes collected. Due to an increase in property tax revenues, the budget for this account is increasing \$71,000.

Supplies (\$794,000)

Examples of supplies used throughout the system and charged to this account including the following:

- ✓ Office supplies
- ✓ Janitorial supplies
- ✓ Paper
- ✓ RFID tags for self check locations
- ✓ Program Supplies
- ✓ Furniture and equipment items with unit costs less than \$1,000
- ✓ Supplies associated with the Orange County Citizens' Review Panel (CRP) Grant

The \$244,000 increase in this account is due mainly to replacing staff chairs throughout the branches that have reached the end of their useful life and can no longer be cleaned. It also includes various supplies that are needed for the Citizens' Review Panel (CRP) Grant. Additionally, we have provided funds for replacement of microscopes and sewing machines for our science and sewing classes.

Supplies – Hardware/Software (\$475,000)

This account includes technology items with a unit cost of less than \$1,000, which are considered supplies. The proposed budget consists of the following:

✓ Replace PC's out of warranty	\$250,000
✓ Outreach computers related to the CRP grant	125,000
✓ Replace printers, barcode scanners, & monitors	50,000
✓ Purchase tablets, software, and other supplies	30,000
✓ Other	20,000

Overall, operating expenditures for next fiscal year are up \$1,179,000 or 10.9%.

Capital Outlay

Building and Improvements (\$2,323,000)

The proposed budget includes the following:

✓ Remodel South Trail, Southwest, Southeast Branches Restrooms	\$450,000
✓ Replace Main Library generator & fuel tank	450,000
✓ Refresh South Trail, Southwest, Southeast & Alafaya Paint, Carpet etc.	400,000
✓ Horizon West build out estimate	250,000
✓ Update cameras to IP and install additional cameras in Branches	150,000
✓ Update Main Library and Branch HVAC controls	135,000
✓ Update Melrose Center Stage Lighting and AV Equipment	125,000
✓ Replace Lights to LEDs, Reseal Parking Lots, Paint Chickasaw Exterior	100,000
✓ Children Department Remodel Design	100,000
✓ Circulation Desk Replacement As Needed	100,000
✓ Other	63,000

Equipment and Furniture (\$143,000)

The following are included in the budget for this account:

✓ Furniture and Fixtures at Branches	\$75,000
✓ Furniture and Fixtures at Main	25,000
✓ Other projects	43,000

Hardware/Software (\$670,000)

This account includes technology items with a unit cost of more than \$1,000. The proposed budget includes the following:

✓ Servers/cloud storage	\$250,000
✓ Self Check Out Upgrade	100,000
✓ Laptops	75,000
✓ Digital content enhancement	50,000
✓ Integrated library system enhancements	50,000
✓ Mobil Check Out	25,000
✓ Melrose Center iMac and Windows computers	25,000
✓ E- Book lending	25,000
✓ Video equipment	15,000
✓ Other projects	55,000

Overall, capital outlay expenditures for next fiscal year are down \$439,000 or 12.3%.

Library Materials – Other (\$4,680,000)

The budget for this account covers the purchase of all materials, whether electronic or physical. There is a \$180,000 increase to reflect the higher cost of some electronic material.

Transfer to Capital Projects Fund (\$4,000,000)

To support future branch development, \$4,000,000 is being transferred to the Capital Projects Fund. The budget for this account has been increased by \$700,000.

Transfer to Sinking / R&RR Fund (\$500,000)

Previously, a Board member recommended that we annually set aside funds for futures repairs/replacements to both our facilities and technology. For example, the roof at the Main Library will need to be replaced in the near future and this cost easily will exceed \$1,000,000. We set up a “Sinking Fund” to fund these repairs/replacements and began to fund it annually. We had funded it annually for just a few years but stopped once property values plummeted in 2008 and we were forced to reduce our budget. Given the increase in property values over the last several years, we believe the time is right to resume setting aside money annually for this Sinking Fund. Rather than funding for both facilities and technology, we believe the need is greater for facilities and don’t anticipate significant technology purchases down the road. Any technology purchases should be accommodated through our annual budgeting process. Included in next year’s budget is \$500,000 for a transfer to the Sinking Fund.

The FY 2019-20 budget reflects a \$5,657,000 increase, or 10.1%, compared to the current year budget.

Capital Projects Fund

REVENUES	FY 2019 BUDGET	INCREASE (DECREASE)	FY 2020 BUDGET
Investment Earnings	32,000	68,000	100,000
Transfer from Operating Fund	3,300,000	700,000	4,000,000
Reserves	5,333,000	4,175,000	9,508,000
TOTAL REVENUES	8,665,000	4,943,000	13,608,000

EXPENDITURES	FY 2019 BUDGET	INCREASE (DECREASE)	FY 2020 BUDGET
New Branch	250,000	125,000	375,000
Reserves	8,415,000	4,818,000	13,233,000
TOTAL EXPENDITURES	8,665,000	4,943,000	13,608,000

Sinking/R&RR Fund

REVENUES	<u>FY 2019 BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>FY 2020 BUDGET</u>
Investment Earnings	5,000	3,000	8,000
Transfer from Operating Fund	-	500,000	500,000
Reserves	502,000	266,000	768,000
TOTAL REVENUES	<u>507,000</u>	<u>769,000</u>	<u>1,276,000</u>

EXPENDITURES	<u>FY 2019 BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>FY 2020 BUDGET</u>
Reserves - Building and Improvements	279,000	769,000	1,048,000
Reserves - Technology	228,000	-	228,000
TOTAL EXPENDITURES	<u>507,000</u>	<u>769,000</u>	<u>1,276,000</u>

Permanent Fund

REVENUES	<u>FY 2019 BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>FY 2020 BUDGET</u>
Reserves		-	
Investment Earnings	25,000	-	25,000
Reserves	133,000	51,000	184,000
TOTAL REVENUES	<u>158,000</u>	<u>51,000</u>	<u>209,000</u>

EXPENDITURES	<u>FY 2019 BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>FY 2020 BUDGET</u>
Equipment	50,000	-	50,000
Reserves	108,000	51,000	159,000
TOTAL EXPENDITURES	<u>158,000</u>	<u>51,000</u>	<u>209,000</u>