

ORANGE COUNTY LIBRARY DISTRICT

BUDGETS

Fiscal Year Ending September 30, 2022

101 E. Central Blvd. • Orlando, FL 32801
Phone 407-835.7628

Table of Contents

| BUDGET IN BRIEF | PAGE |
|---|-------------|
| Director's Message | 1 |
| Organizational Chart | 7 |
| Orange County Library District Board of Trustees | 8 |
| Orange County Library District Governing Board | 9 |
| Accomplishments | 10 |
| Tax Calculation Example | 11 |
| | |
| OPERATING FUND | |
| Revenues Dollar Chart | 12 |
| Expenditures Dollar Chart | 13 |
| Revenues Budget | 14 |
| Expenditures Budget | 15 |
| Highlights | 16 |
| | |
| OTHER FUNDS | |
| Capital Projects Fund Budget | 26 |
| Sinking/EARR Fund Budget | 27 |
| Permanent Fund Budget | 28 |

Director's Message



DATE: June 25, 2021

TO: Crockett Bohannon, President
Nicole Benjamin, Vice President
Danielle Levien, Trustee
Richard Maladecki, Trustee
Lizannette Tam, Trustee

FROM: Mary Anne Hodel, Director/Chief Executive Officer

SUBJECT: Budgets for the Fiscal Year Ending September 30, 2022

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 connect with 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 2021-22 reflects a 20.0% increase compared to the current year budget. While the majority of this increase is due to additional tax revenues, the other contributing factor of the increase is related to the increase in reserves as well as increased operating revenues as we fully reopen after the COVID Pandemic. The increase in reserves is due to FY 2019-20 and FY 2020-21 actual expenditures coming in lower than budget. The reduced expenditures were mainly due to reduced staffing and operational cost resulting from the Covid-19 closure. We were able to fully fund the Capital Project Fund for future branch development, and the Sinking/EARR Fund to be used to cash fund any emergency repairs due to natural disasters or catastrophic failure. Over the next several years, the Library will continue to set aside emergency repair funds to target approximately 4% of the Library's property plant and equipment value.

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 2021-22, staff are recommending that the millage be maintained once again at .3748. Based on the increase in property values, this millage will generate \$1,500,000 in additional tax revenues for a total of \$54,000,000.

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 the same amount in 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 create branches in those areas of the County. These projects are several years away before starting construction and the Library is seeking options, such as leasing or book drop 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/EARR Fund:

Included in the Library's Operating Fund budget is a Transfer to the Sinking/EARR 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 a 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, 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 can be accommodated through our annual budgeting process. Included in next year's budget is \$500,000 for a transfer to the Sinking Fund.

The Permanent Fund:

The Permanent Fund was established due to the generous donation by Mr. Ken Melrose to fund the Melrose Center in honor of his mother, Dorothy. Mr. Melrose donated \$2 million over the years, of which \$1 million was for the construction and creation of the Melrose Center and the other \$1 million to be used for operating the Melrose Center. The intent of the second million is that the principal stays intact and any interest earned will be used for upgrading and operating the Melrose Center.

Branch Projects:

Many of our facilities, including the Hiawassee and South Creek 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 next year's budget to remodel the restrooms, in these two branches.

Funding is included to replace the roof at North Orange which has reached the end of its useful life, and to update the Melrose Center to enhance its offerings to the patrons.

Funding has been included for engineering studies for projects such as roofing system analysis, and various Mechanical, Plumbing and Electrical (MEP) systems upgrades (as some of the systems are at the end of their useful life.) The majority of the 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 was the first Public Library in the State to reopen in May 2020 after the Covid-10 shutdown. Tampa Hillsborough opened in November 2020 and Alexandria, Virginia Public Library opened in March 2021!

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

Lifetime Achievement:

“Mary Anne Hodel’s vision for Orange County Library System has been based upon service and inspiration. In the nearly 20 years she has been at the helm of this system, she has introduced massive advances in technology, made investments in programs that support the community, and steered the library through a global pandemic. Her work has raised the bar for modern libraries and drew national attention to the value they bring to those they serve.”

Florida Library of the Year:

“Although the pandemic forced them to change the way they do business, Orange County Library System did not allow it to stop them from serving the community. As soon as they were forced to close their doors to comply with the statewide stay-at-home order, staff worked from home converting hundreds of in-person classes, events and programs to a virtual format. They also started making plans for how they could safely reopen their facilities for essential services when the time was right. By June 1, all of their locations reopened with care for limited in-person service, even while many libraries around the nation remained closed.”

Maria Chavez Hernandez “Libraries Change Peoples’ Lives”:

“Orange County Library System (OCLS) has done a phenomenal job creating opportunities for English Learners and underserved populations by providing resources and funding as well as allowing creative ways to serve the needs of the ESL population. OCLS has the community's best interest at heart and is willing to go above and beyond to serve. OCLS has made the needs of English Learners and underserved communities a top priority and has included them in their Annual Strategic Plan year after year to ensure that they, as an organization, serve them well.”

Betty Davis Miller Award for Youth Services- Children:

“In the year 2020-2021, Orange County Library System (OCLS) revolutionized library programming for schools by creating free virtual field trips for students. This program invited 1,350 kindergarten and first-grade teachers in Orange County to participate. Student participation increased by 380% with a projected audience of 3,217 students. Field trip bookings increased by 220% and the participation of Title I schools grew by 200%. Virtual programming expands accessibility, diversity, equity, and inclusivity for students, staff, and schools. The promotion of reading, literacy, and library use are demonstrated in every field trip through a story time, song, mini-lesson, and craft. This program can be easily replicated with two staff members and cost-effective supplies in any library location.”

RUSA- Excellence in Reference and Adult Library Services:

The West Oaks Branch and Genealogy Center has been awarded the Excellence in Reference and Adult Library Services award for its Genealogy offerings to customers. Presented by the Reference and User Services Association (RUSA), a division of the American Library Association, this award recognizes libraries for developing imaginative and unique resources to meet patrons’ reference needs. The Library received a \$1,500 monetary prize to help support future genealogy services.

Top Workplaces USA 2021 January 2021:

Top Workplaces included Orange County Library System in their 2021 list of Top Workplaces in the USA. This award celebrates nationally recognized companies that make the world a better place to work together by prioritizing a people-centered culture and giving.

Orlando Sentinel's Top Work Places 2020 November 2020:

The Orange County Library System has been named one of the Orlando Sentinel's Top Work Places 2020 in the Top Midsized Companies category for a third time. The Orlando Sentinel surveyed 94 Central Florida companies, combining a total of 10,000 employees. Out of the 94, 77 companies, including OCLS, were chosen for the list. The library placed 10th in the Top Midsized Companies category, which included companies with 150 to 499 employees.

OCLS Receives OCLC Community Engagement Award July 2020:

Orange County Library System was one of three public library systems to receive the Community Engagement Award from global library cooperative, OCLC. The award - which is given annually to community projects of significant innovation and impact - was issued to OCLS in recognition of the Orlando Children's Business Fair. In addition to the award, OCLS will receive \$5,000 to further the engagement and impact of the Orlando Children's Business Fair and the Library's BizKids initiative that introduces young people to classes and events with a focus on promoting entrepreneurship and skills such as planning, marketing and financing.

Orlando Business Journal's 2021 Healthiest Employers:

Wellness is an important part of the culture at OCLS, and we are proud to be included on the Orlando Business Journal's 2021 list of Central Florida's Healthiest Employers.

American Heart Association 2020 Workplace Health Achievement – Silver Recognition:

The Orange County Library System is proud to have Silver recognition in the American Heart Workplace Health Achievement Index. The American Heart Association has defined best practices for employers to use to build a culture of health for their employees in the workplace. The American Heart Association's Workplace Health Achievement Index measures the extent to which the company has implemented those workplace health best practices. Companies recognized at the Silver level have achieved an Index score of 130 - 174 out of a maximum 217 points.

Best Workplaces for Commuters 2021:

The Orange County Library System is pleased to be recognized as one of the Best Workplaces for Commuters. Of the nation's employers, we're in the top 1 percent who provide outstanding commuter benefits.

Grants Received:

- Window World of Central Florida - \$50,000 to support FY 2020-21 Summer Reading Program
- LSTA Grant - \$59,345 for Right Service Right Time
- NEA Big Read- \$15,000 for Big Read initiative
- Florida Humanities- \$15,000 to support English for Families state expansion
- Orlando Mayor's Matching Grant- \$8,000 to support sewing and author series.
- CARES Act Grant- \$64,689 was funded under the provisions of the DLIS Florida CARES act from the Institute of Museum and Library Services. Florida's DLIS Florida CARES Act program is administered by the Department of State's Division of Library and Information Services
- Duke Energy Foundation Grant- \$5,000 to support Summer Reading Program at targeted branches.
- Proliteracy & Lacombe - Write Her Future- \$3,000 to acquire Voxy EnGen, an ESOL online learning platform.
- Viva Florida Landscape Demonstration Garden- \$3,000 to support Florida native wildflower and plant garden and programs at the West Oaks Branch.
- Florida Humanities- \$2,500 to support the Prime Time Family Reading Time series virtually at two locations.

Kindergarten Readiness:

- Countdown to Kindergarten series was presented twice with a total of 769 in total attendance at the 12 sessions.
- Every Child Ready to Read Workshops offered each month have empowered 113 caregivers to engage with their children in early literacy practices.

School Partnership Program:

- In the 2020/2021 school year, staff hosted 53 virtual field trips for 40 Orange County schools, including 17 Title I low-income schools, and reached a total of 4,126 students.
- A digital full-access library card drive brought in 717 student library card registrations from 62 participating schools.
- The virtual library card, which provides access to e-books and databases and is available to all Orange County Public School students, teachers, and administrators, had 13,365 unique users.

Summer Reading Program:

The Library hosted over 83,750 attendees to their 2020 Summer Reading Program with 10,200 adults attending 528 events; 47,200 children attending 1,252 events and 1,500 customers attending technology classes. In addition to live virtual events, 289 self-directed options were made available to customers including on-demand videos and activities kits that they could pick up and take home, which over 24,900 people utilized.

Language Learning:

For the period, June 1, 2020 thru May 31, 2021 the Library offered customers 1,522 virtual language learning classes. During these classes 30,845 students were primarily taught English as a Second Language or Spanish.

Citizenship Inspired:

The Library offered 186 sessions of Citizenship Inspired between June 1, 2020 and May 31, 2021 and helped 2,289 customers prepare for the U.S. Naturalization (Citizenship) Test and Interview.

Circulation:

For the period, June 1, 2020, and May 31, 2021, the Library circulated over 6.1 million items, of which 589,000 items were delivered via Books By MAYL and over 2.6 million items were provided digitally. Also, learning and research resources were accessed over 1.7 million times.

The Library has 357,000 active cards with 14,858 new cards issued in the last year of which 12,095 of the new cards being issued online. Additionally, there are over 300,000 virtual library cards issued to students and teachers at the Orange County Public Schools, and several charter and private schools in Orange County.

Melrose Center:

The Melrose Center, the Library's popular technology, innovation, and creativity center, was severely impacted by the pandemic. The Center was closed from late March 2020 until April 1, 2021. Two editing bays and ten creative workstation computers are currently available. The plan is to open the FabLab, simulator lab, and the audio, photo, and video studios on July 1st.

The 2020 *Melrose Film Festival* ran online from September 18-27, 2020, with a virtual attendance (based on views) of 1,137. The festival featured 75 shorts representing 26 countries, presented in six one-hour programs edited and posted to YouTube by the Video team. Awards were given for Animated Shorts, Documentaries, Micro Shorts, Music Videos, Short Films, and Audience Choice

Melrose in the Mix is a live recording series staged in the Melrose Center audio studio at the Orlando Public Library. Musicians ranging from local luminaries to touring acts perform and record before in studio intimate audiences. Performers also sit for a brief interview, sharing their influences, inspirations, musical memories, and a little backstory about the songs they create. The Library was notified on May 7th that WUCF-TV wants to air a third season of *Melrose in the Mix* in 2022. Jennifer Cook, Senior Director of Content & Engagement, stated, "We are thrilled with the show and will continue to air it as long as you continue to provide it

During the Covid-19 Closure the Melrose Center staff turned their focus to the FabLab capabilities and produced over 800 face shields for local medical facilities.

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 2020 and May 2021.

- Biz Kids Club- 329 unduplicated children participated in over 3,350 BizKids Club service hours, funded by Orange County Citizen Review Panel.
- 453,426 Overall attendance to events, classes and programs
- 23,227 Breakspot Meals Served (Over 140,000 meals served since the program started in 2015)
- 206 Genealogy classes offered with 4,350 in attendance
- 1,423 patrons received assistance form the Library’s Social Worker
- 51,000 Social Media Followers
- 169 volunteers provided 19,500 volunteer hours

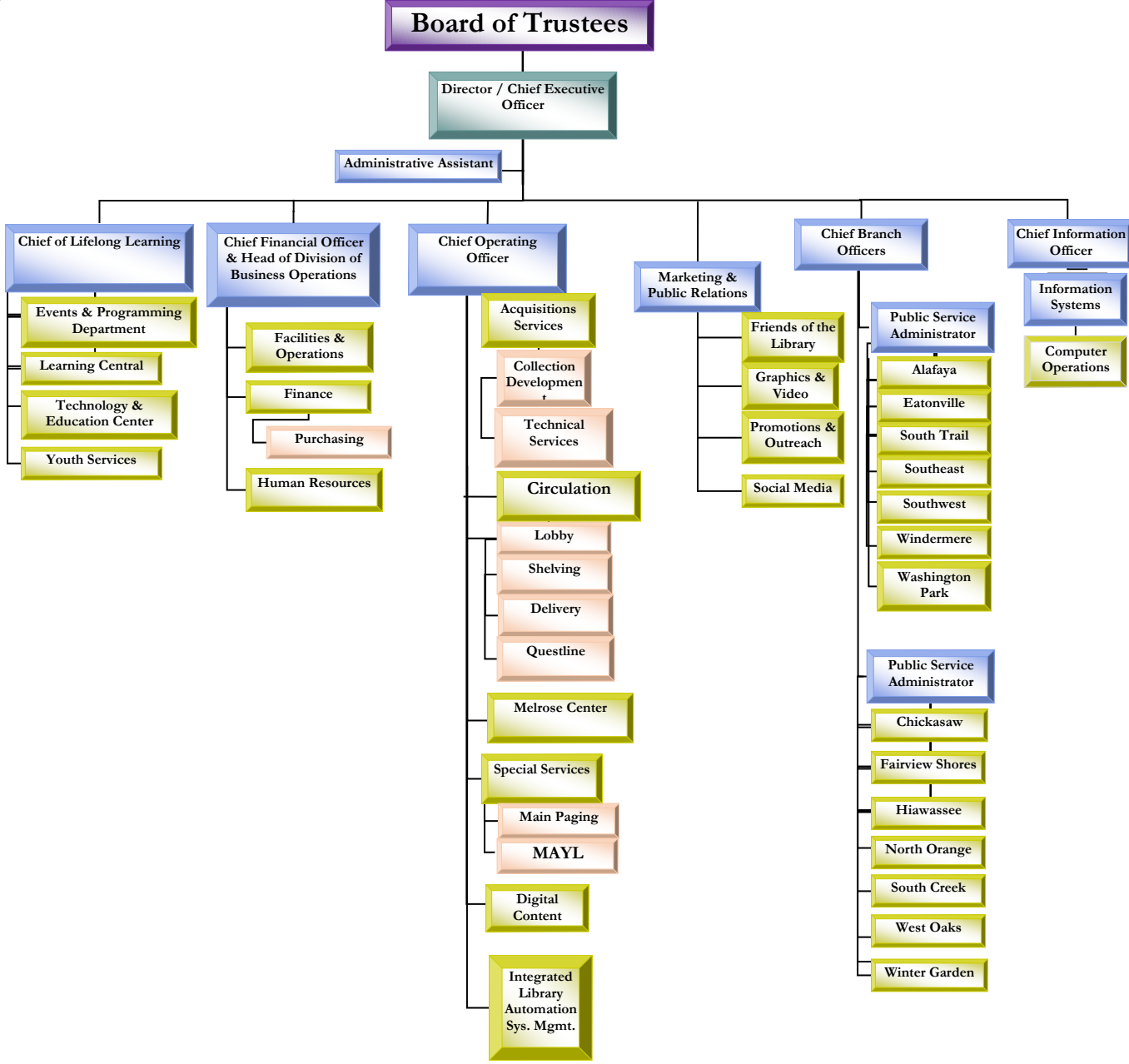
RECOMMENDATIONS

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

- Approve FY 2021-22 Operating, Capital Projects, Sinking/EARR and Permanent Fund budgets.
- Recommend to the Governing Board that the Library District’s millage rate be maintained at **.3748** for FY 2021-22.

c: Jerry L. Demings, Library District Governing Board Mayor
Nicole Wilson, 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



**Crockett Bohannon,
President
County Appointee**



**Nicole Benjamin,
Vice President
City Appointee**



**Richard Maladecki,
Trustee
County Appointee**

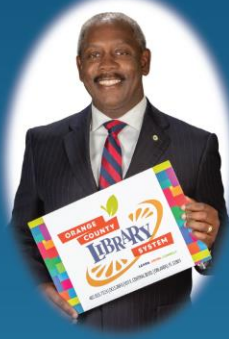


**Danielle Levian,
Trustee
City Appointee**



**Lizannette Tam
Trustee
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 & Nicole Wilson

Accomplishments



Tax Calculation Example

| | |
|--|---|
| Assessed Value | \$225,000 |
| Homestead Exemption | (\$50,000) |
| Taxable Value | <hr/> \$175,000 |
| Millage Rate (per \$1,000 of Taxable Value) | .3748 |
| Library Tax |  |

Operating Fund Revenues



| | | | | | | | | | |
|-------|-----|----------|-----|-------------------|----|-------|-----|-----------------------------|----|
| Taxes | 69% | Reserves | 28% | Intergovernmental | 2% | Fines | <1% | Charges for Services / Misc | 1% |
|-------|-----|----------|-----|-------------------|----|-------|-----|-----------------------------|----|

Operating Fund Expenditures



Salaries and Benefits
35%

Reserves
33%

Operating
17%

Materials
6%

Capital
Outlay
9%

Operating Fund Budget - Revenues

| | <u>FY 20-21</u> <u>BUDGET</u> | <u>Increase</u> <u>(Decrease)</u> | <u>% Change</u> | <u>FY 21-22 Req</u> <u>Budget</u> |
|------------------------------------|----------------------------------|--------------------------------------|---------------------|--------------------------------------|
| AD VALOREM TAXES | \$52,500,000 | \$1,500,000 | 2.9% | \$54,000,000 |
| INTERGOVERNMENTAL | | | | |
| State and Federal Grants | \$58,000 | \$27,000 | 46.6% | \$85,000 |
| State Aid | 630,000 | <u>(30,000)</u> | -4.8% | 600,000 |
| County Grants | <u>150,000</u> | <u>(50,000)</u> | -33.3% | <u>100,000</u> |
| Total Intergovernmental | 838,000 | (53,000) | -6.3% | 785,000 |
| CHARGES FOR SERVICES | | | | |
| Fee Cards | \$9,000 | \$14,000 | 155.6% | \$23,000 |
| PC Pass | 2,000 | 0 | 0.0% | 2,000 |
| PC Express | 3,000 | 200 | 6.7% | 3,200 |
| Classes | 3,000 | 2,000 | 66.7% | 5,000 |
| Copy & Prints | 150,000 | 20,000 | 13.3% | 170,000 |
| Meeting Rooms | 35,000 | 5,000 | 14.3% | 40,000 |
| Faxes | 30,000 | 20,000 | 66.7% | 50,000 |
| Scans | 20,000 | 5,000 | 25.0% | 25,000 |
| Ear Buds /Jump Drive/Masks | 3,000 | 700 | 23.3% | 3,700 |
| Bag Sales | 2,000 | 500 | 25.0% | 2,500 |
| Passport Facility & Photo Fees | 6,500 | 0 | 0.0% | 6,500 |
| Library Card Replacement | 10,000 | 1,000 | 10.0% | 11,000 |
| Other | <u>2,000</u> | <u>(1,400)</u> | <u>-70.0%</u> | <u>600</u> |
| Total Charges For Services | \$275,500 | \$67,000 | 24.3% | \$342,500 |
| FINES & LOST MATERIALS | \$100,000 | \$340,000 | 340.0% | \$440,000 |
| MISCELLANEOUS | | | | |
| Investment Earnings | \$225,000 | <u>(\$100,000)</u> | -44.4% | \$125,000 |
| Sales of Surplus Property | 2,000 | 8,000 | 400.0% | 10,000 |
| Contributions - Friends of Library | 45,000 | 5,000 | 11.1% | 50,000 |
| Contributions - Others | 5,000 | 5,000 | 100.0% | 10,000 |
| Miscellaneous | 50,000 | 0 | 0.0% | 50,000 |
| Internet Rebate | 75,000 | 0 | 0.0% | 75,000 |
| Grants & Awards | <u>20,000</u> | <u>30,000</u> | <u>150.0%</u> | <u>50,000</u> |
| Total Miscellaneous | \$422,000 | (\$52,000) | -12.3% | \$370,000 |
| TRANSFER FM PROP APPRAISER | \$12,000 | \$8,000 | 66.7% | \$20,000 |
| TRANSFER FM TAX COLLECTOR | 400,000 | 0 | 0.0% | 400,000 |
| Total Transfers | \$412,000 | \$8,000 | 1.9% | \$420,000 |
| Reserves/Fund Balance | \$10,470,000 | \$11,219,000 | 107.2% | \$21,689,000 |
| TOTAL REVENUES | <u>\$65,017,500</u> | <u>\$13,029,000</u> | <u>20.0%</u> | <u>\$78,046,500</u> |

Operating Fund Budget Expenditures

| | <u>FY 20-21</u> <u>BUDGET</u> | <u>Increase</u> <u>(Decrease)</u> | <u>% Change</u> | <u>FY 21-22 Req</u> <u>Budget</u> |
|--|----------------------------------|--------------------------------------|-----------------|--------------------------------------|
| <u>SALARIES & BENEFITS:</u> | | | | |
| Salaries | \$18,647,000 | \$744,000 | 4.0% | \$19,391,000 |
| Medicare Taxes | 271,000 | 10,000 | 3.7% | 281,000 |
| Defined Contribution Pension Plan | 1,399,000 | 56,000 | 4.0% | 1,455,000 |
| Defined Benefit Pension Plan | 1,829,000 | (629,000) | -34.4% | 1,200,000 |
| Money Purchase Pension Plan | 970,000 | 81,000 | 8.4% | 1,051,000 |
| Life & Health Insurance (Employees) | 3,808,000 | (487,000) | -12.8% | 3,321,000 |
| Retiree Health Care (OPEB) | 786,000 | (286,000) | -36.4% | 500,000 |
| Worker's Compensation | 147,000 | (37,000) | -25.2% | 110,000 |
| Unemployment Compensation | 50,000 | (30,000) | -60.0% | 20,000 |
| Parking & Bus Passes | <u>222,000</u> | <u>(22,000)</u> | <u>-9.9%</u> | <u>200,000</u> |
| Total Salaries & Benefits | \$28,129,000 | (\$600,000) | -2.1% | \$27,529,000 |
| <u>OPERATING:</u> | | | | |
| Professional Services | \$225,000 | \$25,000 | 11.1% | \$250,000 |
| Other Contractual Services | 2,013,000 | (213,000) | -10.6% | 1,800,000 |
| Other Contract. Serv.- Janitorial | 345,000 | 18,000 | 5.2% | 363,000 |
| Training & Travel | 124,000 | (34,000) | -27.4% | 90,000 |
| Telecommunication | 295,000 | (45,000) | -15.3% | 250,000 |
| Delivery & Postage | 1,185,000 | 131,000 | 11.1% | 1,316,000 |
| Utilities | 960,000 | (30,000) | -3.1% | 930,000 |
| Rentals & Leases | 1,305,000 | (86,000) | -6.6% | 1,219,000 |
| Insurance | 400,000 | 60,000 | 15.0% | 460,000 |
| Repair & Maintenance | 1,370,000 | 10,000 | 0.7% | 1,380,000 |
| Repair & Maint. - Hardware/Software | 1,280,000 | 255,000 | 19.9% | 1,535,000 |
| Copying/Printing | 262,000 | 41,500 | 15.8% | 303,500 |
| Promotional Activities | 0 | 350,000 | 100% | 350,000 |
| Property Appraiser's Fee | 425,000 | 0 | 0.0% | 425,000 |
| Tax Collector's Fee | 1,038,500 | 41,500 | 4.0% | 1,080,000 |
| Supplies | 825,000 | 25,000 | 3.0% | 850,000 |
| Supplies-Hardware/Software | 350,000 | 0 | 0.0% | 350,000 |
| Memberships | <u>20,000</u> | <u>(3,000)</u> | <u>-15.0%</u> | <u>17,000</u> |
| Total Operating | \$12,422,500 | \$546,000 | 4.4% | \$12,968,500 |
| <u>CAPITAL OUTLAY:</u> | | | | |
| Building & Improvements | \$1,700,000 | \$50,000 | 2.9% | \$1,750,000 |
| Equipment & Furniture | 300,000 | 0 | 0.0% | 300,000 |
| Hardware/Software | <u>520,000</u> | <u>(20,000)</u> | <u>-3.8%</u> | <u>500,000</u> |
| Total Capital Outlay | \$2,520,000 | \$30,000 | 1.2% | \$2,550,000 |
| <u>LIBRARY MATERIALS:</u> | | | | |
| Materials - Rest. Contributions | \$10,000 | \$4,000 | 40.0% | \$14,000 |
| Materials - Other | <u>4,850,000</u> | <u>(300,000)</u> | <u>-6.2%</u> | <u>4,550,000</u> |
| Total Materials | \$4,860,000 | (\$296,000) | -6.1% | \$4,564,000 |
| TRANSFER TO CAPITAL PROJECTS | \$4,000,000 | \$0 | 0.0% | \$4,000,000 |
| TRANSFER TO SINKING/EARR FUND | <u>250,000</u> | <u>250,000</u> | <u>100.0%</u> | <u>500,000</u> |
| Total Transfers | \$4,250,000 | \$250,000 | 5.9% | \$4,500,000 |
| Sub-Total Expenditures | \$52,181,500 | (\$70,000) | -0.1% | \$52,111,500 |
| Reserves | \$12,836,000 | \$13,099,000 | 102.0% | \$25,935,000 |
| Total Expenditures | \$65,017,500 | \$13,029,000 | 20.0% | \$78,046,500 |

Operating Fund

Revenue Highlights

Ad Valorem Taxes (\$54,000,000)

Based on the information provided by the Property Appraiser's Office, property values are up **3.0%**. With this increase and no change in the millage rate of .3748, tax revenues are up **\$1,500,000**.

State Aid (\$600,000)

Our practice is to use the previous year's actual receipts as the next year's budget. However, given the current State Budgeting process, they have indicated a reduction in State Aid for FY 2021-22. Thus we are being ultra conservative in the FY 2021-22 estimate for this account.

Charges For Services (\$342,500)

The \$67,000 increase is based on an average of the last 5 fiscal years, due to the uncertain lingering effects of Covid-19 onto FY 2021-22 revenues.

Fines & Lost Materials (\$440,000)

The \$340,000 increase is based on FY 2020-21 estimates and the uncertain lingering effects of Covid-19 onto FY 2021-22 revenues.

Investment Earnings (\$125,000)

Rates have been dropping and becoming more volatile and that is reflected in the lower investment earnings estimate. The budget for this account was reduced by \$100,000, based on FY 2020-21 estimated Investment Earnings.

Internet Rebate (\$75,000)

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 is the same as FY 2020-21 budget. This revenue stream varies year by year, based on which E-Rate eligible services the Library acquires during the year.

Reserves (\$21,689,000)

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

Operating Fund

Expenditure Highlights

Salaries & Benefits

Salaries (\$19,391,000)

- ✓ The FY 2021-22 budget includes 272 full time and 157 part time positions. No new positions are being requested for FY 2021-22.
- ✓ The FY 2021-22 Budget Guidelines from Mayor Demings includes a 3.5% salary increase for County staff, with the exception of staff earning below \$15.00 per hour. The Library has followed Mayor Demings Budget Guidelines, along with an additional 0.5% to facilitate the Library's transition to the \$15 per hour Florida Minimum Wage by September 2026. The Library provides a merit component to high performers through incentives such as additional paid time off or part time leave and staff have the option of cashing out this leave at the time of their annual performance evaluation.
- ✓ The salaries include the salary for the new CEO/Director and approximately one (1) month overlap with the current CEO/Director.

Defined Contribution Pension Plan (\$1,455,000)

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 \$56,000 increase in this account is due to projected salaries.

Defined Benefit Pension Plan (\$1,200,000)

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) year 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, 2021, 63 active employees were participants in this Plan.

Contributions to the Plan are actuarially determined at the beginning of each calendar year. The \$629,000 decrease in projected contributions for next fiscal year is largely due to the anticipated investments valuation as of December 31, 2021. This Plan was closed to new employees starting in January 2007.

Money Purchase Pension Plan (\$1,051,000)

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 after retiring or departure. The \$81,000 increase is due to higher budgeted salaries.

Life and Health Insurance (\$3,321,000)

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. The projected decrease of \$487,000 is a combination of the projected number of full and part time employees eligible for the coverage.

Retiree Health Care (\$500,000)

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 \$286,000 decrease for this account, is primarily based on the actuarial report.

Parking and Bus Passes (\$200,000)

For Main Library employees, the Library leases approximately 150 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 decrease of \$22,000 due to lower anticipated garage parking rates than prior year.

Overall, salaries and benefits for next fiscal year are down \$600,000 or -2.1%.

Operating

Professional Services (\$250,000)

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
- ✓ Architect and engineering services

There is a nominal \$25,000 increase in the budget for this account.

Other Contractual Services (\$1,800,000)

Services charged to this account include the following:

- ✓ Off duty police officer coverage (Main Library, South Trail, Hiawassee, Washington Park Branches)
- ✓ Collection agency (collection services and renewal notices)
- ✓ Programming
- ✓ Branch deliveries
- ✓ Debit/credit card charges
- ✓ Advertising for legal notices
- ✓ OCLC (provider of bibliographic information for catalog)
- ✓ Armored car pickup service for all locations
- ✓ Moving services (eg: clearing areas for elections and refreshes)
- ✓ Pre-employment background checks
- ✓ Exterminating services
- ✓ Digitization services
- ✓ General consulting services

The \$213,000 decrease in the budget is primarily due to the reclassification of marketing expenses to its own budgeted accounting line named *Promotional Activities*, and off duty police officers no longer needed at the closed Herndon branch.

Other Contractual Services – Janitorial (\$363,000)

At the Main Library, the custodians are Library employees but in the branches we contract with a private vendor, 3-H Services, 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 \$18,000 increase in the budget for this account is due to anticipated cost increase due to the increase in minimum wage effective 10-1-2021.

Training and Travel (\$90,000)

Charges to this account include:

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

The \$34,000 decrease in the budget for this account is related to the use of virtual meetings and webinars vs attending conferences in person.

Telecommunication (\$250,000)

Telecommunication services including Internet connections, Metro-Ethernet branch connections, and Voice-Over Internet Protocol are charged to this account. The \$45,000 decrease is due to change in service providers.

Delivery and Postage (\$1,316,000)

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 \$131,000 primarily as the result of adding book return boxes in the Lake Nona and Horizon West areas and expanding the MAYL delivery area. In addition, it reflects the estimated amount being paid to Priority Express Parcel and the increased use of USPS for material delivery due to Covid-19.

Utilities (\$930,000)

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, programable thermostats, motion activated lights in offices, etc. The \$30,000 decrease is based upon updated operating hours and energy savings from installing LED lighting in several branches in FY 2020-21.

Rentals and Leases (\$1,219,000)

This account reflects the leasing costs of the South Trail, Fairview Shores, Hiawassee, Southeast, Southwest, and Eatonville Branches. We also lease Washington Park and Windermere, but there are no lease charges for those facilities. The \$86,000 decrease is primarily due to no longer needing a leased location for Horizon West.

Insurance (\$460,000)

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 \$60,000 increase in this account is based on estimates provided by our insurance broker.

Repairs and Maintenance (\$1,380,000)

The Library System consists of the Main Library and 14 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 out 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 \$10,000 increase in the budget for this account is due to anticipated repairs to aging HVAC systems, camera replacements and overall costs increases.

Repairs and Maintenance – Hardware/Software (\$1,535,000)

Examples of items charged to this account include IT-related subscriptions, licenses, 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
- ✓ Sierra ILS Software (Contract ends August 2022)
- ✓ Wise ILS Software (Service starts Spring 2022)
- ✓ Analytics Software
- ✓ Zoom Software

The Library pays maintenance and service contracts for over 50 software applications. The budget for this account increased by \$255,000 and is primarily due to the initial payment on the WISE ILS software in the amount of \$285,000.

Copying/Printing (\$303,500)

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. The \$41,500 increase is due to the planned return of the Library’s monthly newsletter, which was temporarily stopped due to COVID 19.

Promotional Activities (\$350,000)

This is a new accounting line required by the State of Florida’s *Department of Financial Services*. The costs in this line were previously recorded under *Other Contractual Services* and primarily include television, social media, print and radio advertisements.

Property Appraiser's Fee (\$425,000)

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 \$425,000, the same as in FY 2020-21.

Tax Collector's Fee (\$1,080,000)

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 has historically been 2% of the taxes collected. Due to an increase in property tax revenues, the budget for this account is increasing \$41,500.

Supplies (\$850,000)

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
- ✓ Face masks, gloves, and other staff PPE

The \$25,000 increase in this account is due mainly to program supplies and PPE and cleaning items for staff due to the Covid-19.

Supplies – Hardware/Software (\$350,000)

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 |
| ✓ Replace printers, barcode scanners, & monitors | 50,000 |
| ✓ Purchase tablets, software, and other supplies | 30,000 |
| ✓ Other | 20,000 |

The funding for this account is the same as in FY 2020-21.

Overall, operating expenditures for next fiscal year are up \$546,000 or 4.4%.

Capital Outlay

Building and Improvements (\$1,750,000)

The proposed budget includes the following:

| | |
|---|-----------|
| ✓ Remodel Hiawassee and South Creek Branches Restrooms | \$450,000 |
| ✓ Refresh Hiawassee and South Creek: Paint Carpet etc. | 400,000 |
| ✓ North Orange Roof Replacement | 300,000 |
| ✓ Camera Upgrades | 200,000 |
| ✓ Update Melrose Center Stage Lighting and AV Equipment | 200,000 |
| ✓ Coffe Ceiling Replacement Design | 100,000 |
| ✓ Update Main Library and Branch HVAC controls | 100,000 |

Equipment and Furniture (\$300,000)

The following are included in the budget for this account:

| | |
|--------------------------------------|-----------|
| ✓ Furniture and Fixtures at Branches | \$125,000 |
| ✓ Furniture and Fixtures at Main | 75,000 |
| ✓ Other projects | 100,000 |

Hardware/Software (\$500,000)

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

| | |
|---|-----------|
| ✓ Servers/cloud storage | \$200,000 |
| ✓ 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 | 35,000 |

Overall, capital outlay expenditures for next fiscal year are up \$30,000 or 1.2%.

Library Materials – Other (\$4,564,000)

The budget for this account covers the purchase of all materials, whether electronic or physical. There is a \$296,000 decrease to reflect the anticipated mix of materials we will need to acquire for our customers.

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 is the same as FY 2020-21.

Transfer to Sinking / EARR Fund (\$500,000)

Previously, a Board member recommended that we annually set aside funds for future repairs/replacements to both our facilities and technology. For example, the roof at the Main Library will need to be replaced 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 can be accommodated through our annual budgeting process. Included in next year’s budget is \$500,000 for a transfer to the Sinking Fund.

Reserves (\$25,935,000)

The Operating Reserves are a result of Operating Revenues exceeding Operating Expense over the previous fiscal years and anticipated in proposed budget year. Operating reserves will increase by \$19,099,000 in the next fiscal year. This provides OCLS with an estimated five (5) month reserve. Industry standards indicate a three (3) to six (6) month reserve is appropriate.

The FY 2021-22 General Fund budget reflects a \$13,029,000 increase, or 20.0%, compared to the current year budget.

Capital Projects Fund

| REVENUES | FY 2020-21 BUDGET | INCREASE (DECREASE) | FY 2021-22 BUDGET |
|------------------------------|----------------------|------------------------|----------------------|
| Investment Earnings | \$50,000 | (\$28,000) | \$22,000 |
| Transfer from Operating Fund | 4,000,000 | -0- | 4,000,000 |
| Reserves | 13,900,000 | 4,100,000 | 18,000,000 |
| TOTAL REVENUES | \$17,950,000 | \$4,072,000 | \$22,022,000 |

| EXPENDITURES | FY 2020-21 BUDGET | INCREASE (DECREASE) | FY 2021-22 BUDGET |
|---------------------------|----------------------|------------------------|----------------------|
| New Branch | \$375,000 | 625,000 | \$1,000,000 |
| Reserves | \$17,575,000 | 3,447,000 | \$21,022,000 |
| TOTAL EXPENDITURES | \$17,950,000 | \$4,072,000 | \$22,022,000 |

Capital Projects Fund:

The purpose of the Capital Projects Fund is to fund 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 FY 2021-22 budget, we have included \$4,000,000 as a Transfer to the Capital Projects Fund, which is the same amount as in FY 2020-21 budget. Given the dramatic growth in the Horizon West and Lake Nona areas, we are working with several parties for partnerships to create 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.

Sinking/EARR Fund

| REVENUES | FY 2020-21 BUDGET | INCREASE (DECREASE) | FY 2021-22 BUDGET |
|------------------------------|----------------------|------------------------|----------------------|
| Investment Earnings | 4,000 | (\$2,000) | 2,000 |
| Transfer from Operating Fund | 250,000 | 250,000 | 500,000 |
| Reserves | 1,050,000 | 250,000 | 1,300,000 |
| TOTAL REVENUES | \$1,304,000 | \$498,000 | \$1,802,000 |

| EXPENDITURES | FY 2020-21 BUDGET | INCREASE (DECREASE) | FY 2021-22 BUDGET |
|--------------------------------------|----------------------|------------------------|----------------------|
| Reserves - Building and Improvements | \$1,054,000 | \$387,600 | \$1,441,600 |
| Reserves - Technology | 250,000 | 110,400 | 360,400 |
| TOTAL EXPENDITURES | \$1,304,000 | \$498,000 | \$1,802,000 |

Sinking/EARR Fund:

The Sinking/EARR Fund was created based on a Board member's recommendation 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 a few years and this cost easily will exceed \$1,000,000.

The "Sinking/EARR Fund" was created for these capital maintenance repairs/replacements and the Library 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/EARR Fund. Included in the FY 2021-22 budget is \$500,000, which is the amount we budgeted in FY 2019-20 and is double the FY 2020-21 budget. Note: The FY 2020-21 funding was reduced due to the anticipated Covid-19 effects on revenues, thus the large percentage increase in FY 2021-22.

Permanent Fund

| REVENUES | FY 2020-21 BUDGET | INCREASE (DECREASE) | FY 2021-22 BUDGET |
|-----------------------|------------------------------|--------------------------------|------------------------------|
| Investment Earnings | 25,000 | - | 25,000 |
| Reserves | 1,025,000 | 675,000 | 1,700,000 |
| TOTAL REVENUES | \$1,050,000 | \$675,000 | \$1,725,000 |

| EXPENDITURES | FY 2020-21 BUDGET | INCREASE (DECREASE) | FY 2021-22 BUDGET |
|---------------------------|------------------------------|--------------------------------|------------------------------|
| Equipment | 25,000 | 275,000 | \$300,000 |
| Reserves | 1,025,000 | 400,000 | 1,425,000 |
| TOTAL EXPENDITURES | \$1,050,000 | \$675,000 | \$1,725,000 |

The Permanent Fund:

The Permanent Fund was established due to the generous donation by Mr. Ken Melrose to fund the Melrose Center in honor of his mother Dorothy. Mr. Melrose donated \$2 million over the years, of which \$1 million was for the construction and creation of the Melrose Center and the other \$1 million to be used for operating the Melrose Center. The intent of the second million is that the principal stays intact and any interest earned will be used for upgrading and enhancing the Melrose Center.