

ORANGE COUNTY LIBRARY DISTRICT

BUDGETS

Fiscal Year Ending September 30, 2021

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Director's Message



DATE: June 12, 2020

TO: Richard Maladecki, President
Marucci Guzmán, Vice President
Nicole Benjamin, Trustee
Crockett Bohannon, Trustee
Danielle Levien, Trustee

FROM: Mary Anne Hodel, Director/Chief Executive Officer

SUBJECT: Budgets for the Fiscal Year Ending September 30, 2021

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 2020-21 reflects a 5.3% 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. The increase in reserves is due to FY 2019-20 actual expenditure coming in lower than budget. The reduced expenditures were mainly due to timing of several capital projects that are rolled into FY 2020-21 and reduced operational cost due to the Covid-19 closure. We were able to fully fund the Capital Project Fund for future branch development, and fund \$250,000 of the \$500,000 budget into the Sinking/EARR Fund to be used to cash fund any emergency repairs due to natural disaster 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 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 \$4,480,000 in additional tax revenues for a total of \$52,500,000.

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 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/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 \$250,000 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 North Orange and West Oaks 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 refresh the Albertson Meeting Room, the restrooms in the basement of Main, and update the Melrose Center.

Funding has been included for engineering studies for projects such as Children's Department Renovation, the and HVAC and Building Automation 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.

Branch Closure:

The FY 2020-21 Budget includes the closure of the Herndon Branch Library. This was not an easy choice to make, as the branch has been in the location for over 20 years. However, given 1) our lease expires in October 2020; 2) we were the only tenant left in the strip mall, which is a safety concern for patrons and staff; 3) the pending economic downturn; and 4) the estimated annual savings in excess of \$250,000. Library staff and the Board of Trustees felt the Library resources would be put to better use providing services throughout the rest of the Library system.

Accomplishments:

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

Florida Public Relations Association Awards Winner:

In 2019 the Library received 2 Image Awards from FPRA. One for the Local Wanderer Project, which allows customers to use their library cards to check out passes to local cultural institutions, like the Orange County History Museum. The other is for *Chrispin's Story*, and on-line giving initiative that shares an inspiring story about a man who used library resources to get a job promotion.

Grants Received:

- Prime Time Family Reading- \$2,500 to support this series in Horizon West & Windermere
- Florida Humanities- \$15,000 to support learning English for Families
- Citizen Review Panel- \$500,000 to support Biz Kids Camps (\$67,737.37 received thus far)
- Mayor's Matching Grant- \$10,000 to support "It's Sew Easy" Camps
- NEA Big Read- \$15,000 for Big Read initiative
- LSTA Grant - \$52,694 for Right Service Right Time
- Florida Division of Cultural Affairs - \$25,000 for Sunshine State Author Series

Kindergarten Bootcamp:

In May 2019, our first Kindergarten Bootcamp, held in partnership with Help Me Grow Florida, hosted more than 50 participants, who engaged in interactive sessions to help parents better understand the expectations for kindergarten and give them tools they could use at home to better prepare their children.

Summer Reading Program:

The Library hosted over 150,000 attendees to their Summer Reading Program with 7,800 adults attending 438 events; 142,700 children attending 3,793 events and 8,100 patrons attending technology classes.

Circulation:

The Library circulated over 7.6 million items, of which 450,000 items were delivered via Books By MAYL and over 2.4 million items provided digitally in the last 12 months.

The Library has over 400,000 active cards with 58,000 new cards issued in the last year of which 9,000 of the new cards being issued on-line

Melrose Center:

The Melrose Center is one of the Library's Crown Jewels. The Melrose in the Mix series began in 2017. It brings local musical standouts and the occasional touring act to the Melrose Center Audio Studio to record a live session before a small studio audience. Melrose Audio Instructors engineer the session, with Melrose Center customers who have earned Audio Studio access acting as assistant engineers. From May 1, 2019, through April 30, 2020, there were 14 Melrose in the Mix sessions with 243 attendees and 20 different customer assistant engineers. These are great learning opportunities for budding audio engineers.

In early 2019, OCLS began working with WUCF to provide six Melrose in the Mix sessions as half-hour TV shows to be aired on WUCF-TV. Over the past twelve months, OCLS filmed interviews with performers before each recording session to be used with the TV version. The Marketing & Public Relations Media Production Specialist edited the sessions, with audio provided by the Melrose Audio Team. To date, episodes aired on January 23, February 20, March 19, and April 16, 2020, with upcoming shows slated for later in the year. These episodes are available online at wucf.org.

The Melrose Center Audio Studio gains in popularity each year. Over the last twelve months, there were 405 attendees in 191 registered sessions.

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 a educational/learning center, we have presented the following programs and classes between May 2019 and April 2020.

- Biz Kids Club- 95 unduplicated children participated in the nine-session BizKids Club, funded by Orange County Citizen Review Panel.
- 1,673 ESOL Classes with over 21,600 attendees
- 154 Citizenship Inspired Classes with 1,400 attendees
- 535,000 Overall attendance to events, classes and programs

- 30,779 Breakspot Meals Served (Served our 100,000th Breakspot Meal in July 2019)
- 589 Outreach events reaching more than 68,000 people
- 1,400 attendees for the 2019 Potter-versary event
- 2,300 patrons received assistance form the Library’s Social Worker
- 1,100 participants in the Coretta Scott King 50th Anniversary online reading challenge
- 51,000 Social Media Followers
- 169 volunteers provided 19,500 volunteer hours
- 2,800 in-person story-time with a total of 79,500 attendees; 59 virtual story-time in March and April 2020 during Covid-19 Closure.
- Four after hour author events with over 1,200 attendees
- Co-Hosted the July Perry Memorial Event with the Orlando History Center, over 600 in attendance

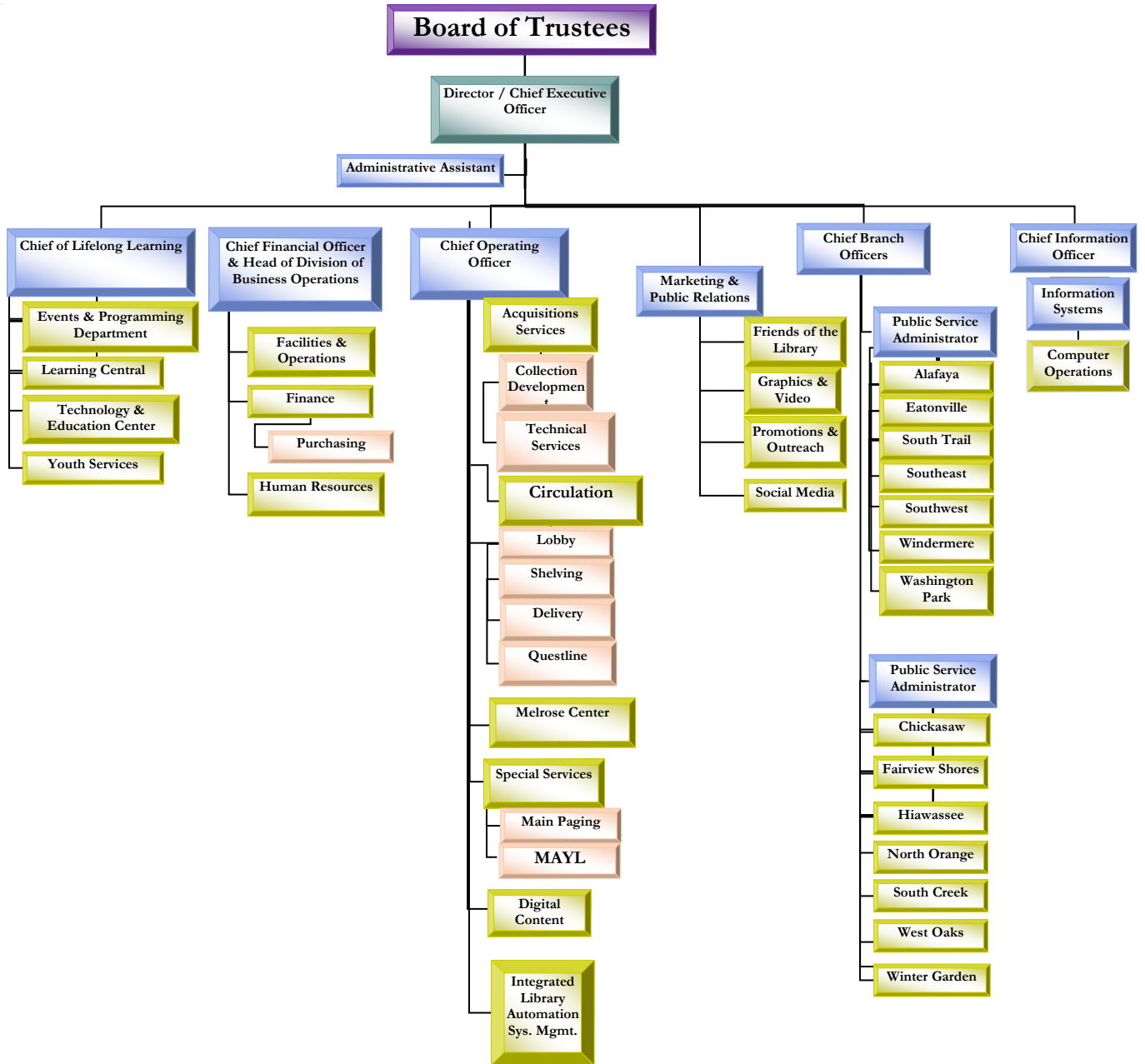
RECOMMENDATIONS

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

- Approve FY 2020-21 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 2020-21.

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



**Richard Maladecki,
President
County Appointee**



**Marucci Guzmán,
Vice President
County Appointee**



**Nicole Benjamin,
Trustee
City Appointee**



**Crockett Bohannon,
Trustee
County Appointee**



**Danielle Levian,
Trustee
City 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



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



Reserves	Intergovernmental	Fines	Charges for
16%	2%	0%	Services / Misc
			1%

Taxes
81%

Operating Fund Expenditures



Operating Fund Budget - Revenues

	<u>FY 19-20</u> <u>BUDGET</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Change</u>	<u>FY 20-21 Req</u> <u>Budget</u>
AD VALOREM TAXES	\$48,020,000	\$4,480,000	9.3%	\$52,500,000
INTERGOVERNMENTAL				
State and Federal Grants	\$50,000	\$8,000	16.0%	\$58,000
State Aid	830,000	<u>(200,000)</u>	-24.1%	630,000
County Grants	<u>500,000</u>	<u>(350,000)</u>	<u>-70.0%</u>	<u>150,000</u>
Total Intergovernmental	1,380,000	(542,000)	-39.3%	838,000
CHARGES FOR SERVICES				
Fee Cards	\$18,000	<u>(\$9,000)</u>	-50.0%	\$9,000
PC Pass	2,000	0	0.0%	2,000
PC Express	4,000	<u>(1,000)</u>	-25.0%	3,000
Classes	6,000	<u>(3,000)</u>	-50.0%	3,000
Copy & Vending	225,000	<u>(75,000)</u>	-33.3%	150,000
Meeting Rooms	55,000	<u>(20,000)</u>	-36.4%	35,000
Faxes	55,000	<u>(25,000)</u>	-45.5%	30,000
Scans	30,000	<u>(10,000)</u>	-33.3%	20,000
Ear Buds /Jump Drive/Disk Sales	6,000	<u>(3,000)</u>	-50.0%	3,000
Bag Sales	3,500	<u>(1,500)</u>	-42.9%	2,000
Passport Facility & Photo Fees		6,500	0.0%	6,500
Library Card Replacement	30,000	<u>(20,000)</u>	-66.7%	10,000
Other	<u>2,500</u>	<u>(500)</u>	<u>-20.0%</u>	<u>2,000</u>
Total Charges For Services	\$437,000	(\$161,500)	-37.0%	\$275,500
FINES & LOST MATERIALS	\$600,000	(\$500,000)	-83.3%	\$100,000
MISCELLANEOUS				
Investment Earnings	\$350,000	<u>(\$125,000)</u>	-35.7%	\$225,000
Sales of Surplus Property	2,000	0	0.0%	2,000
Contributions - Friends of Library	60,000	<u>(15,000)</u>	-25.0%	45,000
Contributions - Others	20,000	<u>(15,000)</u>	-75.0%	5,000
Miscellaneous	70,000	<u>(20,000)</u>	-28.6%	50,000
Internet Rebate	80,000	<u>(5,000)</u>	-6.3%	75,000
Grants & Awards	<u>40,000</u>	<u>(20,000)</u>	<u>-50.0%</u>	<u>20,000</u>
Total Miscellaneous	\$622,000	(\$200,000)	-32.2%	\$422,000
TRANSFER FM PROP APPRAISER	\$12,000	\$0	0.0%	\$12,000
TRANSFER FM TAX COLLECTOR	<u>400,000</u>	<u>0</u>	<u>0.0%</u>	<u>400,000</u>
Total Transfers	\$412,000	\$0	0.0%	\$412,000
Reserves/Fund Balance	\$10,250,000	\$220,000	2.1%	\$10,470,000
TOTAL REVENUES	<u>\$61,721,000</u>	<u>\$3,296,500</u>	<u>5.3%</u>	<u>\$65,017,500</u>

Operating Fund Budget Expenditures

	<u>FY 19-20</u> <u>BUDGET</u>	<u>Increase</u> <u>(Decrease)</u>	<u>%</u> <u>Change</u>	<u>FY 20-21 Reg</u> <u>Budget</u>
SALARIES & BENEFITS				
Salaries	\$18,603,000	\$44,000	0.2%	\$18,647,000
Medicare Taxes	276,000	(5,000)	-1.8%	271,000
Defined Contribution Pension Plan	1,382,000	17,000	1.2%	1,399,000
Defined Benefit Pension Plan	850,000	979,000	115.2%	1,829,000
Money Purchase Pension Plan	939,000	31,000	3.3%	970,000
Life & Health Insurance (Employees)	3,326,000	482,000	14.5%	3,808,000
Retiree Health Care (OPEB)	724,000	62,000	8.6%	786,000
Worker's Compensation	125,000	22,000	17.6%	147,000
Unemployment Compensation	14,000	36,000	257.1%	50,000
Parking & Bus Passes	<u>221,000</u>	<u>1,000</u>	<u>0.5%</u>	<u>222,000</u>
Total Salaries & Benefits	\$26,460,000	\$1,669,000	6.3%	\$28,129,000
OPERATING				
Professional Services	\$236,000	(\$11,000)	-4.7%	\$225,000
Other Contractual Services	1,981,000	32,000	1.6%	2,013,000
Other Contract. Serv.- Janitorial	349,000	(4,000)	-1.1%	345,000
Training & Travel	115,000	9,000	7.8%	124,000
Telecommunication	300,000	(5,000)	-1.7%	295,000
Delivery & Postage	1,135,000	50,000	4.4%	1,185,000
Utilities	971,000	(11,000)	-1.1%	960,000
Rentals & Leases	1,476,000	(171,000)	-11.6%	1,305,000
Insurance	346,000	54,000	15.6%	400,000
Repair & Maintenance	1,252,000	118,000	9.4%	1,370,000
Repair & Maint. - Hardware/Software	950,000	330,000	34.7%	1,280,000
Copying/Printing	262,000	0	0.0%	262,000
Property Appraiser's Fee	395,000	30,000	7.6%	425,000
Tax Collector's Fee	961,000	77,500	8.1%	1,038,500
Supplies	794,000	31,000	3.9%	825,000
Supplies-Hardware/Software	475,000	(125,000)	-26.3%	350,000
Memberships	<u>20,000</u>	<u>0</u>	<u>0.0%</u>	<u>20,000</u>
Total Operating	\$12,018,000	\$404,500	3.4%	\$12,422,500
CAPITAL OUTLAY				
Building & Improvements	\$2,323,000	(\$623,000)	-26.8%	\$1,700,000
Equipment & Furniture	143,000	157,000	109.8%	300,000
Hardware/Software	<u>670,000</u>	<u>(150,000)</u>	<u>-22.4%</u>	<u>520,000</u>
Total Capital Outlay	\$3,136,000	(\$616,000)	-19.6%	\$2,520,000
LIBRARY MATERIALS				
Materials - Rest. Contributions	\$10,000	\$0	0.0%	\$10,000
Materials - Other	<u>4,680,000</u>	<u>170,000</u>	<u>3.6%</u>	<u>4,850,000</u>
Total Materials	\$4,690,000	\$170,000	3.6%	\$4,860,000
TRANSFER TO CAPITAL PROJECTS	\$4,000,000	\$0	0.0%	\$4,000,000
TRANSFER TO SINKING/EARR FUND	<u>500,000</u>	<u>(250,000)</u>	<u>-50.0%</u>	<u>250,000</u>
Total Transfers	\$4,500,000	(\$250,000)	-5.6%	\$4,250,000
Sub-Total Expenditures	\$50,804,000	\$1,377,500	2.7%	\$52,181,500
Reserves	\$10,917,000	\$1,919,000	17.6%	\$12,836,000
Total Expenditures	<u>\$61,721,000</u>	<u>\$3,296,500</u>	<u>5.3%</u>	<u>\$65,017,500</u>

Operating Fund

Revenue Highlights

Ad Valorem Taxes (\$52,500,000)

Based on the preliminary information provided by the Property Appraiser's Office, property values are up **7.0%**. With this increase and no change in the millage rate of .3748, tax revenues are up **\$4,480,000**.

State Aid (\$630,000)

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 2020-21, thus we are being ultra conservative in FY 2020-21 estimate for this account.

Charges For Services (\$275,500)

The \$161,500 reduction is based on FY 2019-20 estimates and the uncertainty of the Covid-19 onto FY 2020-21 revenues.

Fines & Lost Materials (\$100,000)

The \$500,000 reduction is based on FY 2019-20 estimates and the uncertainty of the Covid-19 onto FY 2020-21 revenues.

Investment Earnings (\$225,000)

Rates have been reducing and becoming more volatile and that is reflected in the lower investment earnings estimate. The budget for this account was reduced by \$125,000, based on FY 2019-20 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 lower than FY 2019-20 budget due to the closing of the Herndon Branch. This revenue stream varies year by year, based on which E-Rate eligible services the Library acquires during the year.

Reserves (\$10,470,000)

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

Operating Fund

Expenditure Highlights

Salaries & Benefits

Salaries (\$18,647,000)

- ✓ The FY 2020-21 budget includes 271 full time and 167 part time positions. No new positions are being requested for FY 2020-21.
- ✓ The FY 2020-21 Budget Guidelines from Mayor Demings includes a 0% salary increase for County staff, with the exception of staff earning below \$15.00 per hour. The Library has followed Mayor Demings Budget Guidelines. The Library provides a merit component to high performers through incentives such as additional vacation or part time leave and staff have the option of cashing out this leave at the time of their annual performance evaluation.
- ✓ The salaries includes the transfer of the Herndon Branch Library staff to vacant positions throughout the rest of the Library System.

Defined Contribution Pension Plan (\$1,399,000)

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 \$17,000 increase in this account is due to projected salaries.

Defined Benefit Pension Plan (\$1,829,000)

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 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, 2020, 70 active employees were participants in this Plan.

Contributions to the Plan are actuarially determined at the beginning of each calendar year. The \$979,000 increase in projected contributions for next fiscal year is largely due to the anticipated loss on investments in December 2020. This Plan was closed to new employees starting in January 2007.

Money Purchase Pension Plan (\$970,000)

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 \$31,000 increase is due to higher budgeted salaries.

Life and Health Insurance (\$3,808,000)

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 increase of \$482,000 is a combination of the projected number of full and part time employees eligible for the coverage, combined with the projected increase in premiums from our providers.

Retiree Health Care (\$786,000)

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 \$62,000 increase for this account, is based on the actuarial report.

Parking and Bus Passes (\$222,000)

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 nominal increase of \$1,000.

Overall, salaries and benefits for next fiscal year are up \$1,669,000 or 6.3%.

Operating

Professional Services (\$225,000)

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 \$11,000 decrease in the budget for this account.

Other Contractual Services (\$2,013,000)

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)
- ✓ Marketing
- ✓ 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 \$32,000 increase in the budget is primarily due to the increased costs for police officer coverage, branch deliveries and debit/credit card charges.

Other Contractual Services – Janitorial (\$345,000)

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 \$4,000 decrease in the budget for this account is due to anticipated cost increase for deeper cleaning due to Covid-19, less the cost of Herndon Branch Janitorial Services.

Training and Travel (\$124,000)

Charges to this account include:

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

The \$9,000 increase in the budget for this account is related to additional professional development of the Library staff, including required Continuing Professional Education (CPE) credits to maintain their certifications.

Telecommunication (\$295,000)

Telecommunication services including Internet connections, Metro-Ethernet branch connections, and Voice-Over Internet Protocol are charged to this account. The \$5,000 decrease is due to Herndon Branch closure.

Delivery and Postage (\$1,185,000)

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 \$50,000 to reflect the estimated amount being paid to Priority Express Parcel and the increased use of USPS for material delivery due to Covid-19.

Utilities (\$960,000)

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 \$11,000 decrease is based on an anticipated rate increase from Duke Energy, less the cost of Herndon Branch Utilities.

Rentals and Leases (\$1,305,000)

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 \$171,000 decrease is due to the closure of the Herndon Branch.

Insurance (\$400,000)

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 \$54,000 increase in this account is based on estimates provided by our insurance broker.

Repairs and Maintenance (\$1,370,000)

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 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 \$118,000 increase in the budget for this account is due to anticipated repairs to aging HVAC systems, camera replacements and enhanced landscaping at branches, less the maintenance cost of Herndon Branch.

Repairs and Maintenance – Hardware/Software (\$1,280,000)

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
- ✓ Sierra ILS Software (Contract ends August 2021)
- ✓ Wise ILS Software (Service starts Spring 2021)
- ✓ Analytics Software
- ✓ Zoom Software

The Library pays maintenance and service contracts for over 50 software applications. The budget for this account was increased by \$330,000 to reflect our increasing use of technology, and the initial payment on the WISE ILS software in the amount of \$280,000, 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. There is no change in this budget from FY 2019-20.

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, an increase of \$30,000.

Tax Collector's Fee (\$1,038,500)

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 \$77,500.

Supplies (\$825,000)

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 \$31,000 increase in this account is due mainly to 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 has been reduced by \$125,000.

Overall, operating expenditures for next fiscal year are up \$404,500 or 3.4%.

Capital Outlay

Building and Improvements (\$1,700,000)

The proposed budget includes the following:

✓ Remodel North Orange and West Oaks Branches Restrooms	\$450,000
✓ Refresh North Orange and West Oaks: Paint Carpet etc.	400,000
✓ Albertson Room Upgrade	270,000
✓ Camera Upgrades at four (4) remaining locations	180,000
✓ Update Melrose Center Stage Lighting and AV Equipment	100,000
✓ Coffered Ceiling Replacement Design	100,000
✓ Main Master Plan 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 (\$520,000)

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	55,000

Overall, capital outlay expenditures for next fiscal year are down \$616,000 or 19.6%.

Library Materials – Other (\$4,850,000)

The budget for this account covers the purchase of all materials, whether electronic or physical. There is a \$170,000 increase to reflect the higher cost of most 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 is the same as FY 2019-20.

Transfer to Sinking / EARR Fund (\$250,000)

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 \$250,000 for a transfer to the Sinking Fund.

Reserves (\$12,836,000)

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 \$1,919,000 in the next fiscal year. This provides OCLS with an estimated four (4) month reserve. Industry standards indicate a three (3) to six (6) month reserve is appropriate.

The FY 2020-21 General Fund budget reflects a \$3,296,500 increase, or 5.3%, compared to the current year budget.

Capital Projects Fund

REVENUES	FY 2019-20 BUDGET	INCREASE (DECREASE)	FY 2020-21 BUDGET
Investment Earnings	\$100,000	(\$50,000)	\$50,000
Transfer from Operating Fund	4,000,000	-0-	4,000,000
Reserves	9,508,000	4,392,000	13,900,000
TOTAL REVENUES	\$13,608,000	\$4,342,000	\$17,950,000

EXPENDITURES	FY 2019-20 BUDGET	INCREASE (DECREASE)	FY 2020-21 BUDGET
New Branch	\$375,000	-0-	375,000
Reserves	\$13,233,000	4,342,000	\$17,575,000
TOTAL EXPENDITURES	\$13,608,000	\$4,342,000	\$17,950,000

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 20-21 budget, we have included \$4,000,000 as a Transfer to the Capital Projects Fund, which is the same amount as in FY 19-20 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 2019-20 BUDGET	INCREASE (DECREASE)	FY 2020-21 BUDGET
Investment Earnings	8,000	(\$4,000)	4,000
Transfer from Operating Fund	500,000	(250,000)	250,000
Reserves	768,000	282,000	1,050,000
TOTAL REVENUES	\$1,276,000	\$28,000	\$1,304,000

EXPENDITURES	FY 2019-20 BUDGET	INCREASE (DECREASE)	FY 2020-21 BUDGET
Reserves - Building and Improvements	\$1,048,000	\$6,000	\$1,054,000
Reserves - Technology	228,000	22,000	250,000
TOTAL EXPENDITURES	\$1,276,000	\$28,000	\$1,304,000

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 20-21 budget is \$250,000, which is 50% less than FY 19-20 budget. However, it is the same actual funding level as in FY 19-20. The reduced funding is due to the anticipated Covid-19 effects on revenues.

Permanent Fund

REVENUES	FY 2019-20 BUDGET	INCREASE (DECREASE)	FY 2020-21 BUDGET
Investment Earnings	25,000	-	25,000
Reserves	184,000	841,000	1,025,000
TOTAL REVENUES	\$209,000	\$841,000	\$1,050,000

EXPENDITURES	FY 2019-20 BUDGET	INCREASE (DECREASE)	FY 2020-21 BUDGET
Equipment	50,000	(\$25,000)	\$25,000
Reserves	159,000	866,000	1,025,000
TOTAL EXPENDITURES	\$209,000	\$841,000	\$1,050,000

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.