

ORANGE  
COUNTY  
**LIBRARY**  
DISTRICT



BUDGETS

# **Fiscal Year Ending September 30, 2010**

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101 E. Central Blvd. • Orlando, FL 32801  
Phone 407-835.7323

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DATE: July 2, 2009

TO: James Tyson, President  
Guy Houk, Vice President  
Sara Brady, Trustee  
Ted Maines, Trustee  
Richard Maladecki, Trustee

FROM: Mary Anne Hodel, Director/Chief Executive Officer

SUBJECT: Budgets for the Fiscal Year Ending September 30, 2010

## Director's Message

### *Making the Most of Less*

That's the challenge and we're up to it. Due to lower property values, tax revenues will be down next fiscal year by approximately \$4,000,000. While maintaining the same level of service is not reasonable given this loss of revenue, making the most of every tax dollar the Library receives is imperative and our responsibility.

While the focus of this Message is next year's budget, thanks to the Library's Board support, a number of changes have been made proactively in recent years, which puts the library in a much better position to weather the current financial storm. It's important to recognize some of these.

- Greater reliance on part time employees to handle the tremendous growth in demand for our services. While part timers offer greater scheduling flexibility, benefits are also less costly.
- Implementation of self check systems, where patrons check out their own materials, at 10 branch locations by year's end. Self check allows us to handle increased circulation volume without corresponding increases in staffing levels.



- Elimination of retiree health care benefit for full time employees hired after January 1, 2007.
- Implementation of a defined contribution pension plan (referred to as the Money Purchase Plan) in lieu of the Defined Benefit Pension Plan (DB Plan) for full time employees hired after January 1, 2007. While contributions to the DB Plan are actuarially determined and can vary significantly from year to year, contributions to a defined contribution pension plan on the other hand are a fixed percentage of payroll and overall, are beneficial to the bottom line.
- Implementation of self funding for health insurance, effective January 1, 2007. Thus far, self funding has saved us money. For calendar year 2009, there was no increase in health premiums.
- Implementation of a “check and balance” in the system before each vacant full time position is filled. The manager of the position in question must justify the need for the position in writing to the Director. If the justification is not sufficient, the position is not filled. Recently, this process was expanded to include all vacant positions, not just full time.

The above changes have made the Library more efficient and have saved money. Salaries and benefits as a percentage of total Operating Fund expenditures equaled 51% last fiscal year and represent 53% of the total budget for the current fiscal year. Most local governments and other public libraries have higher percentages, some as high as 75%. As demonstrated in the graphs on the following pages, our usage statistics have increased dramatically since FY 01. For example, circulation doubled from FY 01 to FY 08 to over 10,000,000 items and class attendance is up almost 800%, yet total payroll hours paid during this same period only increased 27%. During this same period, the Library’s product line increased dramatically. The bottom line is the Library has handled this tremendous growth in a very efficient manner. We are providing many more services at lower per unit costs.

The attached “User Versus Nonuser” illustration depicts the value of some of our services to the residents of the Library District. In such difficult economic times, this value is all the more important.

With respect to next year’s budget, our focus was on cutting costs while maintaining as much of our current service level as possible. At a Budget Workshop held at the June Library Board Meeting, the Board selected the following options from a slate provided by staff to include in next year’s Operating Fund Budget.

## Salaries and Benefits

- Pay Sunday Differential of 50 cents additional for each hour worked on Sunday
- Suspend Staff Holiday Appreciation Payment
- Suspend Staff Development Day, which is a system wide training day held on Veterans Day when all Library facilities have been closed to the public in previous years
- Limit increase in health and dental insurance premiums to 15% rather than 20%

The above items are in addition to the elimination of raises for staff next fiscal year and a reduction of 8.5 full time equivalent positions.

## Patron Services

- Stop delivering entertainment DVD's through our MAYL program
- 5% reduction (\$250,000) in spending on materials (books, DVD's CD's, databases, etc.)
- Close Main Library at 8:00pm instead of 9:00pm Monday through Thursday. During this last hour of the day, our usage statistics drop dramatically. This last hour accounts for about 3% of the day's traffic.

While the above do represent reductions in service, staff worked very hard to limit the impact of reduced tax revenues on our patrons.

## Other

- Eliminate \$325,000 contingency
- Purchase self check equipment and RFID tags for the new Hiawassee Branch scheduled to open in January 2010
- Remodel 2 of the 4 elevators installed in 1983 as part of the expansion of the Main Library. These elevators are outdated with parts and expertise to maintain them getting scarce.

The proposed FY 2010 Operating Fund Budget reflects an 8% reduction compared to the current year and thus, is well within Mayor Crotty's FY 2010 Budget Guidelines which called for a 5% budget reduction. Also called for in the Mayor's Budget Guidelines, no staff raises have been included in the proposed budget and travel expenses have been reduced at all levels.

No increase in the millage rate is proposed, no new fees are proposed, and no increases in existing fees are proposed. Given the reality of lower tax revenues and a poor economy, the focus needed to be on reducing costs while at the same time limiting the impact on Library services to the public. We believe the proposed FY 2010 budgets accomplish these goals.



According to the legislation that created the Library District, the Library Board of Trustees is responsible for managing, administering, and operating all facilities and services of the District. Given these responsibilities, the Board addresses most of its attention to policy issues, business decisions like this budget, and quite frankly, the resolution of problems. Quite often, the Board does not see the fruit of its labor. To recognize both the Library and Governing Board's support and our dedicated and hard working staff who are on the front lines making it all happen, a "Kudos" page is attached in this section. The comments on this page, which all came from our patrons, only reflect a portion of those received. Certainly, every single patron is not 100% satisfied with our services or their interaction with the Library on a specific issue and we will strive to address these concerns. However, we often receive comments from residents who indicate that the Library is the best use of their tax dollars.

## RECOMMENDATIONS

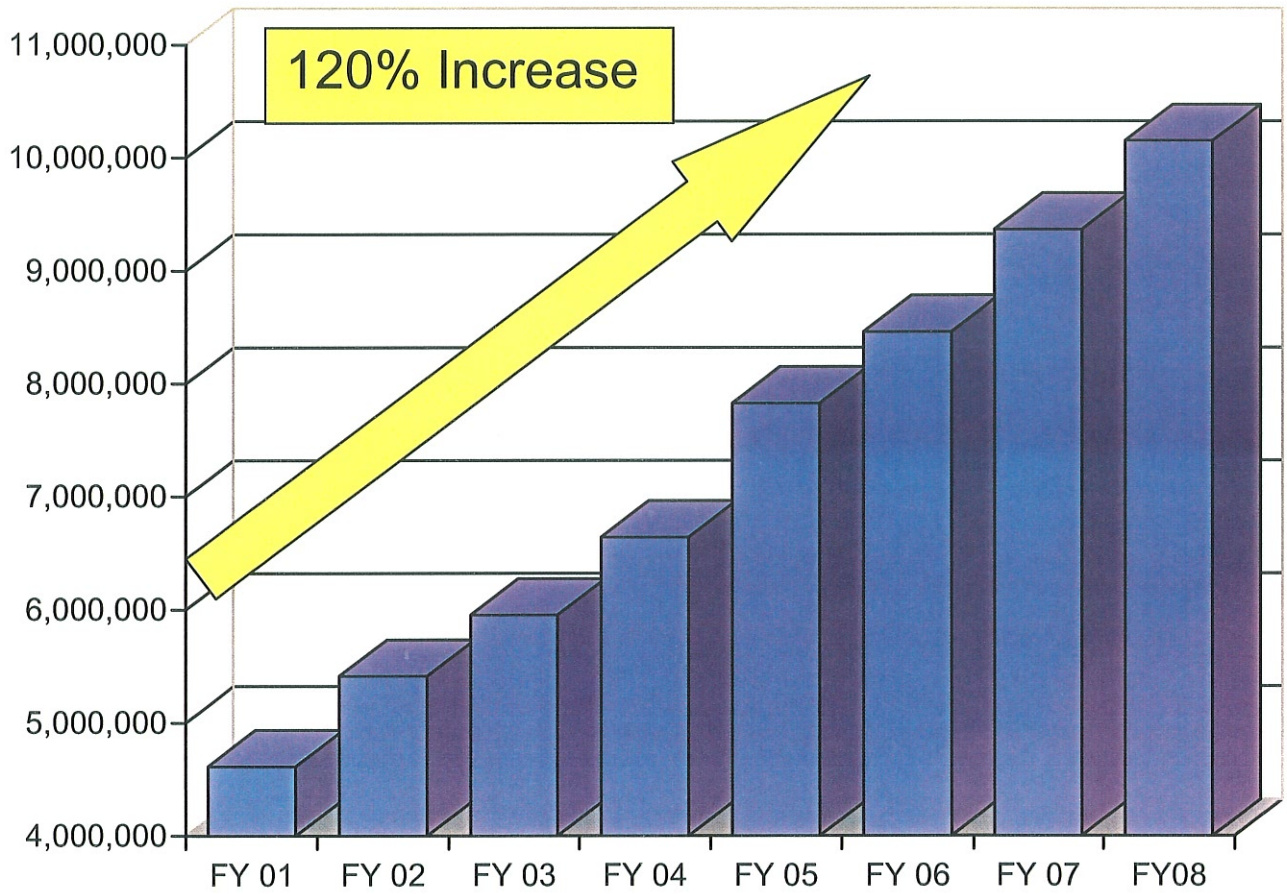
We recommend the Library Board of Trustees take the following action:

- Approve FY 2010 Operating, Branch Debt Service, Capital Projects, and Sinking Fund budgets.
- Recommend to the Governing Board that the Library District's millage rate be maintained at .3748 for FY 2010.

cc: Richard T. Crotty, Library District Governing Board Mayor  
S. Scott Boyd  
Fred Brummer  
Mildred Fernandez  
Linda Stewart  
Bill Segal  
Tiffany Moore Russell  
Deborah Girard

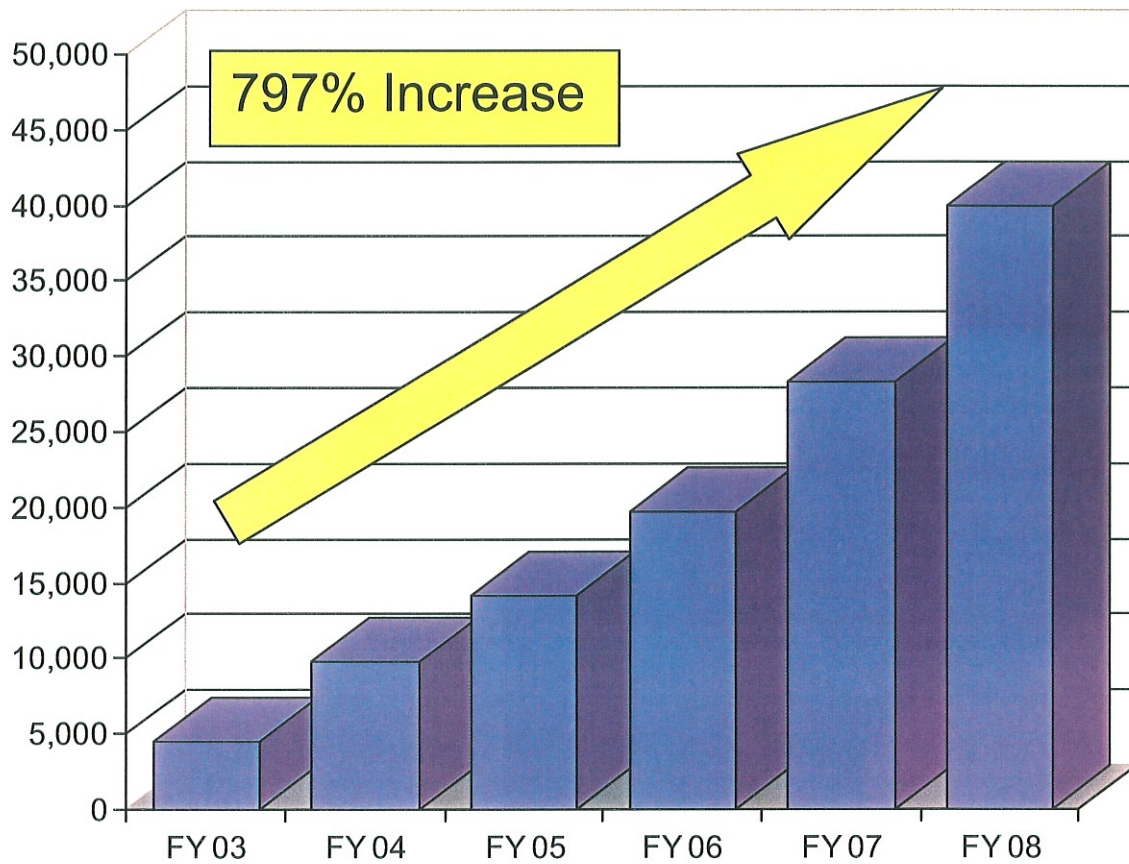
Randy Singh (Manager, Office of Management & Budget)  
Martha Haynie (Orange County Comptroller)

# Circulation 2001-2008

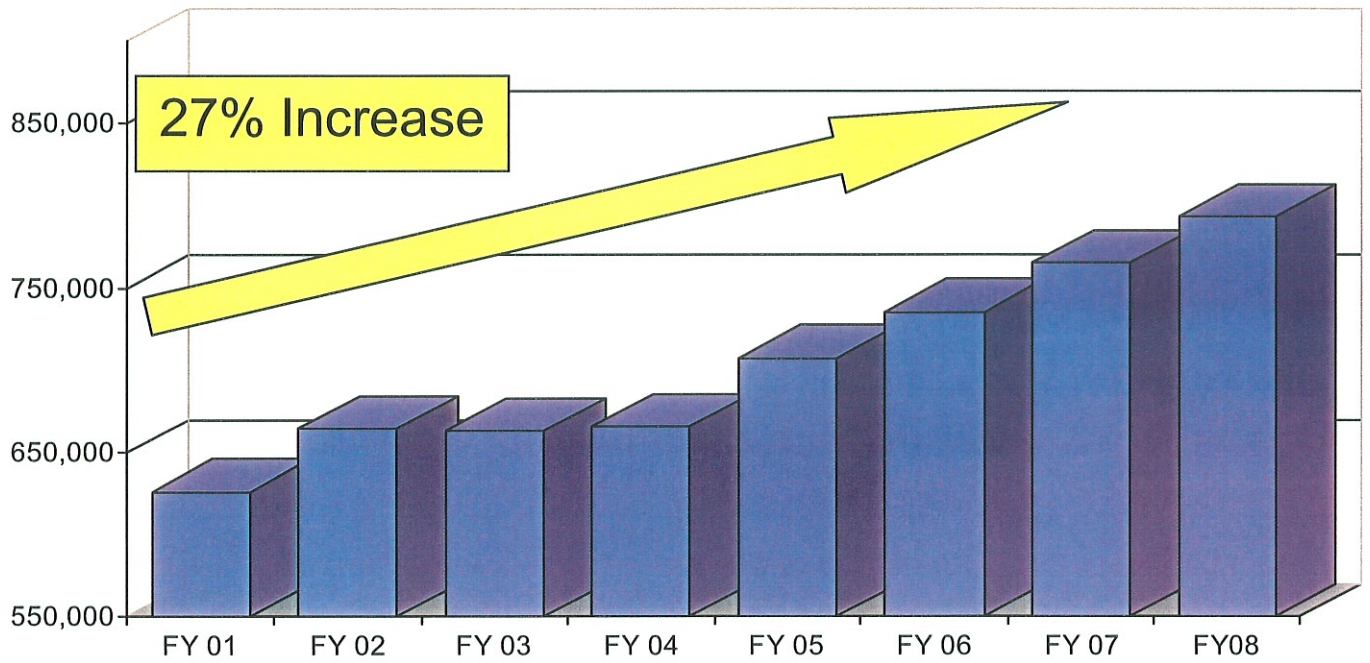




# Class Attendance 2003-2008



# Payroll Hours Paid 2001-2008

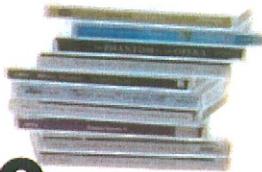






# User

The average user of the Orange County Library System borrowed these materials, all for **FREE**:



**10** DVDs



**11** Books



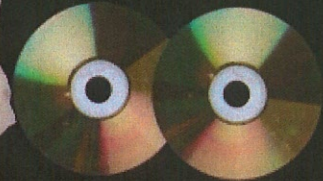
**2** CDs

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**\$0**

# NONUSER

An Orange County Library System resident who rented 10 DVDs and purchased 11 books and 2 CDs would have spent about \$335



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**\$335**





## KUDOS

### A Sampling from our customers.....

- In a time when so many business owners and, yes, government offices, seem either indifferent or outright rude to customers, OCLS absolutely shines as an example of work ethic, innovation, service and community. Our sincere thanks for your fine organization.

- I am learning that although I used to consider myself fairly "computer literate," there is still A LOT that I have to learn. Over the past month, I have taken over 20 courses through the OCLS and appreciate all they do. Hopefully, more people will become aware of the programs you offer and take advantage of the service and hospitality. Thanks OCLS!

- As a city of Orlando resident and business owner, I am happy to see my taxes being used so thoughtfully in the Orange County Library System. I'm a parent of two small children, and we attend the Library's storytimes at the downtown branch, Leu Gardens, IKEA, and the zoo regularly. The storytellers are consistently friendly, endearing and helpful.

- The Library is incredibly useful and the people are always friendly. My favorite things include the huge selection and free home delivery, which I absolutely L-O-V-E! I love everything about the Orange County Library. Thank you so, so much! Keep up the great work!

- In times like these I'm thankful for wonderful places like the library. Keep up the good work.

- I love how technologically savvy the Library is, we can download Audiobooks from the catalog! How cool is that! You have made my husband's daily commute **so** much nicer.

- I am very pleased with the services and selection OCLS provides - especially home delivery of books. Thanks!

- Your personnel are always personal, helpful and courteous, and your service is beyond words to describe!

- I love the Library and have done so for over 20 years. The Books By Mail program is fabulous. I took an Excel class and it was excellent!

- I love all that you have to offer. Books, music, movies of every sort, newspapers, magazines, and lots of all of it. And not just materials for check-out ... internet-connected computers are available for us to use, meeting rooms, so many programs for us to enjoy, authors to meet, art to see and learn about ... You have **so much!** It's wonderful!

- Thank you for your kind and courteous staff. They go the extra mile for customer service.

- I was moved to write after taking a day's worth of Web Design classes (HTML Levels 1 - 4). Simply put, I LOVED it. I love that fact that it's free. That's a service that makes me proud of the Library. Keep doing everything that you're doing, I really appreciate it.

- I have been to two computer classes here. They were both great! Also, I came to practice on one of your computers, the staff helped me many times with a smile!

- I love the computer classes. The staff is wonderful. Thanks for the use of your Library and wonderful classes!



# Tax Calculation Example

	FY09	FY10
Assessed Value	\$250,000	\$200,000 <sup>(1)</sup>
Homestead Exemption	(\$50,000)	(\$50,000)
Taxable Value	\$200,000	\$150,000
Times Millage Rate (per \$1,000 of Taxable Value)	0.3748	0.3748
<b>Library Tax</b>	<b>\$74.96</b>	<b>\$56.22</b>

(1) Lower assessed value in FY10 is a reflection of the significant decline in the housing market.

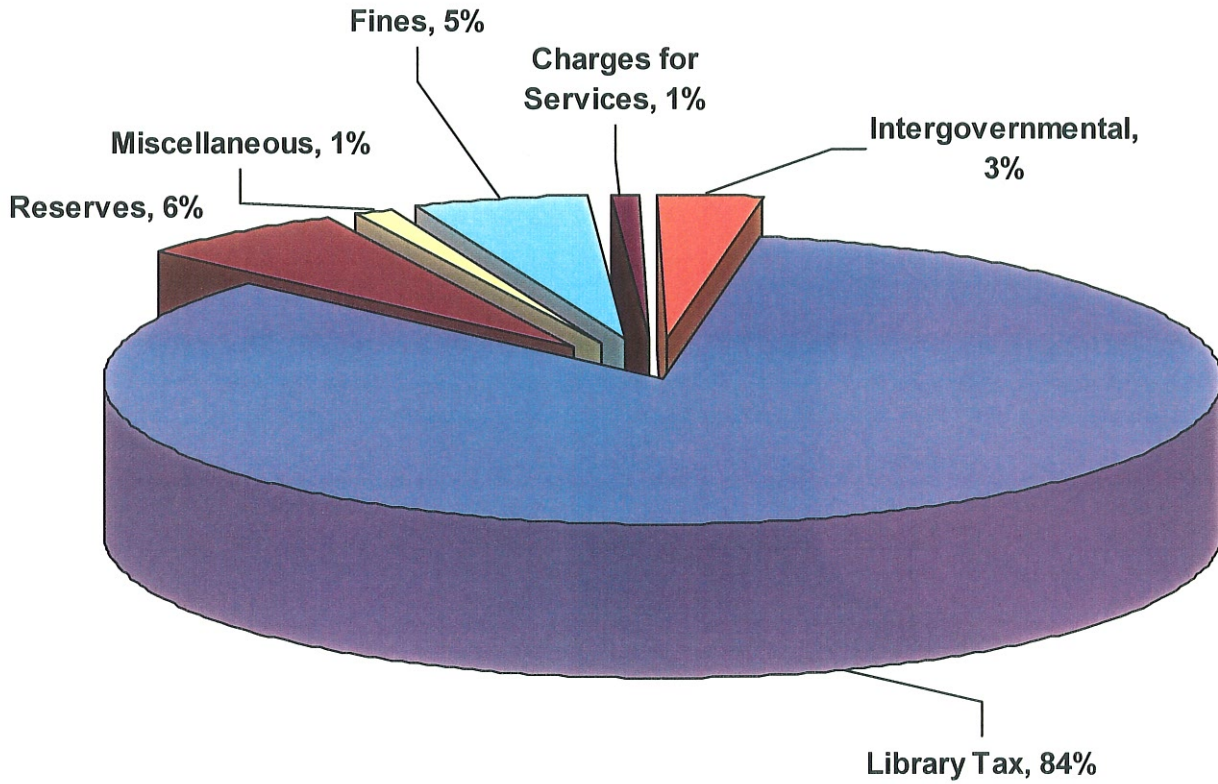
## **OPERATING FUND**

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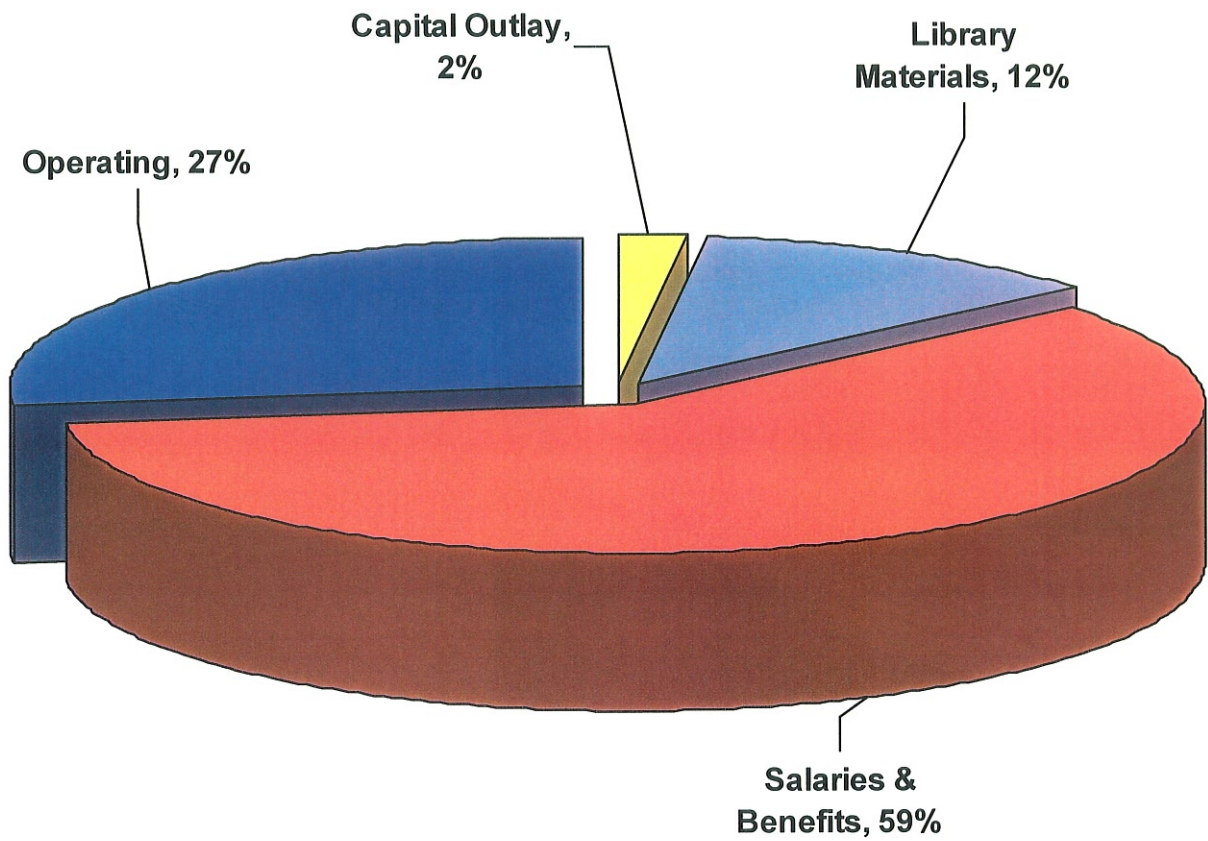
The Operating Fund is used to account for the revenues and expenditures applicable to the general operations of the District.



# Operating Fund Revenues



# Operating Fund Expenditures





# Operating Fund Budget

## Revenues

<b>REVENUES</b>	<b>FY 2009 BUDGET</b>	<b>INCREASE (DECREASE)</b>	<b>% CHANGE</b>	<b>FY 2010 BUDGET</b>
<b>AD VALOREM TAXES</b>	<b>36,007,392</b>	<b>(3,957,876)</b>	<b>-11.0%</b>	<b>32,049,516</b>
<b>INTERGOVERNMENTAL</b>				
State and Federal Grants	100,000	-		100,000
State Aid	1,145,000	(220,000)		925,000
	<b>1,245,000</b>	<b>(220,000)</b>	<b>-17.7%</b>	<b>1,025,000</b>
<b>CHARGES FOR SERVICES</b>				
Fee / Premium Cards	15,000	(3,000)		12,000
PC Pass / PC Express	30,000	5,000		35,000
Classes	3,000	(1,000)		2,000
Meeting Rooms	30,000	20,000		50,000
Faxes / Scanners	12,000	3,300		15,300
Disks / Bags / Ear Bud / Jump Dr	9,000	17,500		26,500
Booklets & Online Book Sales		800		800
ILL / Reference Charges		1,400		1,400
MAYL Ads		5,000		5,000
Copy and Vending	175,000	12,000		187,000
	<b>274,000</b>	<b>61,000</b>	<b>22.3%</b>	<b>335,000</b>
<b>FINES</b>				
Fines	1,985,000	(220,000)		1,765,000
Lost Materials	115,000	(15,000)		100,000
	<b>2,100,000</b>	<b>(235,000)</b>	<b>-11.2%</b>	<b>1,865,000</b>
<b>MISCELLANEOUS</b>				
Investment Earnings	450,000	(225,000)		225,000
Rents	9,000	(3,000)		6,000
Contributions-FOL	107,000	(32,000)		75,000
Contributions others	25,000	5,000		30,000
Miscellaneous	50,000	-		50,000
	<b>641,000</b>	<b>(255,000)</b>	<b>-39.8%</b>	<b>386,000</b>
<b>TRANSFER FROM PROP APPRAISER</b>	36,000	(1,000)	-2.8%	35,000
<b>TRANSFER FROM TAX COLLECTOR</b>	300,000	50,000	16.7%	350,000
<b>RESERVES</b>	921,632	1,245,251	135.1%	2,166,883
<b>TOTAL REVENUES</b>	<b>41,525,024</b>	<b>(3,312,625)</b>	<b>-8.0%</b>	<b>38,212,399</b>

# Operating Fund Budget

## Expenditures

<b>EXPENDITURES</b>	<b>FY 2009 BUDGET</b>	<b>INCREASE (DECREASE)</b>	<b>% CHANGE</b>	<b>FY 2010 BUDGET</b>
<b>SALARIES &amp; BENEFITS</b>				
Salaries	15,083,746	85,972		15,169,718
Medicare Taxes	218,714	1,247		219,961
Defined Contribution Pension Plan	1,131,281	6,448		1,137,729
Defined Benefit Pension Plan	950,193	699,852		1,650,045
Money Purchase Pension Plan	378,448	13,023		391,471
Life and Health Insurance (Employees)	2,575,455	(155,289)		2,420,166
Retiree Health Care (OPEB)	1,316,492	(191,834)		1,124,658
Worker's Compensation	122,972	2,692		125,664
Unemployment Compensation	12,000	0		12,000
Parking and Bus Passes	214,722	21,265		235,987
	<b>22,004,024</b>	<b>483,375</b>	2.2%	<b>22,487,399</b>
<b>OPERATING</b>				
Professional Services	330,000	(20,000)		310,000
Other Contractual Services	931,000	(5,000)		926,000
Other Contract. Serv.- Janitorial	331,000	9,000		340,000
Training and Travel	100,000	(45,000)		55,000
Telecommunication	325,000	(5,000)		320,000
Delivery and Postage	1,513,000	63,000		1,576,000
Utilities	1,182,000	18,000		1,200,000
Rentals and Leases	1,018,000	33,000		1,051,000
Insurance	300,000	(15,000)		285,000
Repairs and Maintenance	1,200,000	0		1,200,000
Repairs and Maint.-Hardware/Software	407,000	23,000		430,000
Copying/Printing	317,000	29,000		346,000
Property Appraiser's Fee	300,000	(26,000)		274,000
Tax Collector's Fee	725,000	(84,000)		641,000
Supplies	950,000	32,000		982,000
Supplies-Hardware/Software	500,000	(200,000)		300,000
Memberships	25,000	5,000		30,000
Contingency	325,000	(325,000)		-
	<b>10,779,000</b>	<b>(513,000)</b>	-4.8%	<b>10,266,000</b>
<b>CAPITAL OUTLAY</b>				
Building and Improvements	1,450,000	(985,000)		465,000
Equipment and Furniture	300,000	(245,000)		55,000
Hardware/Software	300,000	(125,000)		175,000
	<b>2,050,000</b>	<b>(1,355,000)</b>	-66.1%	<b>695,000</b>
<b>LIBRARY MATERIALS</b>				
Materials - Rest. Contributions	22,000	(8,000)		14,000
Materials - Other	5,000,000	(250,000)		4,750,000
	<b>5,022,000</b>	<b>(258,000)</b>	-5.1%	<b>4,764,000</b>
<b>TRANSFERS TO OTHER FUNDS</b>				
Branch Debt Service Fund	293,000	(293,000)		-
Capital Projects Fund	1,377,000	(1,377,000)		-
	<b>1,670,000</b>	<b>(1,670,000)</b>	-100.0%	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>41,525,024</b>	<b>(3,312,625)</b>	-8.0%	<b>38,212,399</b>



# Operating Fund Revenue Highlights

## Ad Valorem Taxes

$$\text{Property Values} \times \text{Millage Rate} = \text{Tax Revenues}$$

Compared to information provided by the Property Appraiser's office a year ago, property values in the Library District are down 11%. With this decrease and no change in the millage rate of .3748, tax revenues will be down the same 11%, or roughly \$3,958,000.

## State & Federal Grants

We continue to search and apply for appropriate grant opportunities and have included \$100,000 in next year's budget.

## State Aid

The State provides operating grants to eligible political subdivisions, including special districts, which provide library services. Each year the Legislature establishes a funding level, which is then allocated to eligible libraries based on how much each spends on operations and maintenance. The \$925,000 reflected in next year's budget is based on the amount of State Aid received in the current fiscal year. It should be noted that the Legislature could make additional State budget changes which could limit or reduce the amount of future State Aid.

## Fines & Lost Materials

Primarily due to the implementation of the \$10 account threshold and increase in the daily fine rate from 20 cents to 25 cents, which were both effective on October 1, 2008, a \$475,000 increase in revenue was budgeted for the current fiscal year. While our revenues are indeed up, we have not realized nearly as much of an increase as we initially projected. The revenue budgeted next fiscal year reflects our estimate of what we expect to realize this fiscal year and thus, is more conservative than the current year's budget. The net effect is a \$235,000 reduction in Fines & Lost Material revenue.

## Investment Earnings

Rates are at all time lows with some of our shorter term certificates of deposit and money market funds yielding less than 20 basis points, or .20% Due to lower rates, the budget in this account was reduced by \$225,000.

*The above accounts represent 92% of the total Operating Fund revenues budgeted.*



# Operating Fund

## Expenditure Highlights

### Salaries

The proposed budget is based on the following:

- ✓ Net reduction of 8.5 full time equivalent positions (272 full time, 172 part time positions next year versus 281 full time, 171 part time positions this year)
- ✓ No raises for staff
- ✓ Changing Sunday Differential to paying 50 cents more for each hour worked on Sunday
- ✓ No Staff Holiday Appreciation Payment

The slight increase of \$86,000 is due to the way raises were awarded to non bargaining unit staff in the current fiscal year. Raises are awarded on each employee's review date, which can be any day during the fiscal year. As a result, the full cost impact of the raise is not realized until the subsequent fiscal year. This has resulted in net savings to the Library each fiscal year.

### Defined Contribution Pension Plan

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

### Defined Benefit Pension Plan

This Plan, which also is entirely funded by the Library, is a traditional retirement plan covering full time employees hired prior to January 1, 2007. Effective that same date, in order to make the Plan more comparable to similar local governmental plans, vesting was reduced to 4 years from date of hire and a 2% cost of living adjustment was added. The normal retirement benefit (2% of employee's final average earnings multiplied by years of service) is calculated at age 65. Employees who are vested and have at least 10 years of service may retire as early as 55 at a reduced benefit: 5% reduction for each year prior to age 65. In 2007, all employees in this Plan were given the option to freeze their benefit and begin participating in the Money Purchase Pension Plan. 66 employees elected this option.

Contributions to the Plan are actuarially determined. Given the drop in the value of the Plan's investments in recent years, the contribution into the Plan has increased significantly and thus, the reason for the \$700,000 increase in this account. The actual contribution level for calendar year 2010 will not be known until the January 1, 2010 actuarial valuation is submitted to the Library around April 2010. Had the Library not closed the Plan to future hires effective January 1, 2007, the contributions to the Plan would be higher.

## Money Purchase Pension Plan

Effective January 1, 2007, new full time hires no longer participate in the Defined Benefit Pension Plan (DB Plan) but instead are enrolled in this Plan. As stated above, 66 former DB Plan participants also elected to freeze their benefit in that Plan and begin participating in the Money Purchase Pension Plan. The Plan requires that the Library contribute an amount equal to 9.0% of each employee's bi-weekly gross salary. The vesting period is one year and benefits are payable in a variety of forms, including lump sum and installments.

## Life and Health Insurance (Employees)

The Library pays the entire cost of single coverage for each full time employee, currently \$7,700 per year, and the employee is responsible for the cost of any dependent coverage. Although a 20% premium increase was included in the current year budget, only 15% is included in next year's budget. The lower premium increase and 9 fewer full time positions reduced the budget for this account by \$155,000 next fiscal year. Self funding, which the Library implemented in 2007, has helped to keep costs lower.

In addition to health and dental insurance coverage, the Library provides full time employees with life and long term disability insurance coverage.

## Retiree Health Care (OPEB)

The accounting standard, GASB # 45, requires all local governments to reflect the true cost of Other Post Employment Benefits (OPEB) during the employee's tenure rather than the "Pay as You Go" system that was common up until a few years ago. Thanks to the Library Board's support, a trust fund was established in 2007 and the Library started to fund this benefit in a fashion similar to a pension. Contributions to the Plan are actuarially determined. The actual contribution to the Plan will not be known until the January 1, 2009 actuarial valuation report is submitted to the Library around September.

## Parking and Bus Passes

For Main Library employees, the Library pays for parking, leasing 155 spaces in the City of Orlando garage across from the Main Library at a cost of \$110 per space per month. The Library also pays for LYNX bus passes in lieu of parking at the employee's choice. Currently, 34 employees use the bus passes at a cost of \$50 per pass per month.



## Professional Services

Examples of payments charged to this account include the following:

- ✓ Actuaries
- ✓ Architects & engineers
- ✓ Auditors
- ✓ Doctors (pre-employment physicals)
- ✓ Attorneys
- ✓ Insurance brokers and consultants

The budget for this account was reduced by \$20,000.

## Other Contractual Services

Examples of payments charged to this account include the following:

- ✓ Off duty police officer coverage (Main Library, South Trail, Hiawassee, and Washington Park Branches)
- ✓ Collection agency (collection services and renewal notices)
- ✓ Marketing & programming
- ✓ Moving costs
- ✓ Customer service shopper
- ✓ Employment postings
- ✓ Bank & debit/credit card charges
- ✓ Advertising for legal notices
- ✓ LYRASIS (provider of bibliographic information for cataloging and software for interlibrary loan services)

The budget for this account was reduced by \$5,000.

## Other Contractual Services – Janitorial

At the Main Library, the custodians are Library employees but in the branches, we contract with a private vendor, D&A Building Services, Inc, for janitorial and pressure cleaning services. We also have contracts with vendors to clean the carpets in the branches, and clean the windows in all of our facilities. Given the increased traffic in our branches, additional carpet cleaning is anticipated and thus, the main reason for the \$9,000 increase in this account.

## Training and Travel

Charges to this account include:

- ✓ Mileage, parking, and tolls reimbursements to staff

- ✓ Group training
- ✓ Seminars and conferences for individual staff

In previous years, this account included expenses for Staff Development Day, a system wide training day for all staff. However, Staff Development Day has been suspended next fiscal year as a cost savings measure. In addition, this account has been reduced in accordance with Mayor Crotty's FY 2010 Budget Guidelines to reduce travel expenses at all levels. This account was reduced by \$45,000. Of the remaining \$55,000 balance, the majority relates to reimbursing staff for mileage, parking, and tolls.

## Telecommunication

Telecommunication services including Internet connections, wide area network (WAN), long distance, and local service are all charged to this account. During 2008, staff requested proposals for both Internet and WAN services and the Library Board approved new contracts with Time Warner Communications and Bright House. The contracts both increased bandwidth (Internet from 80 Mbps to 300 Mbps and WAN from 4.5Mbps to 30 Mbps) and lowered our costs.

## Delivery and Postage

Primarily, four items are charged to this account:

- ✓ Payments to a vendor, Priority Express Parcel, for deliveries between the Main Library and the branches
- ✓ Payments to the same vendor for deliveries to patrons for our MAYL (Mail Access to Your Library) program
- ✓ Payments to the Post Office for general mail service
- ✓ Federal Express Charges

The \$63,000 increase is due to increased demand for our MAYL service. However, one of the options selected by the Library Board at the June Board meeting was to stop delivering entertainment DVD's effective on or about October 1, 2009. This service adjustment will garner the targeted \$200,000 savings goal established for this expenditure while affecting the fewest number of borrowers.

## Utilities

Included in this account are charges for water, sewer, trash, and electricity for all of our facilities. The electric utility companies have reported that they are raising rates for a variety of reasons. While the new chillers at the Main Library are more energy efficient than the original equipment and will help to offset some of these rate increases, we still anticipate a slight increase in this account in the amount of \$18,000.



## Rentals and Leases

This account reflects the leasing costs of the South Trail, Edgewater, Hiawassee, Southeast, Southwest, Herndon, and Eatonville Branches. We also lease Washington Park and Windermere but there are no lease charges for those facilities. The \$33,000 increase in the account is due to normal increases provided by the lease agreements as well as a projected two month overlap where we anticipate paying rent on both the existing Hiawassee Branch location and the new one in the Highland Lakes Shopping Center.

## Insurance

Insurance coverage charged to this account includes the following:

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

Due to a couple of quiet years in terms of hurricanes, we have been able to purchase more property insurance at less cost and thus, the reason for the \$15,000 decrease in the budget for this account.

## Repairs and Maintenance

The Library System consists of the Main Library, 14 branches and Chickasaw for a total of 466,000 square feet. Although Chickasaw is not open to the public, the building still requires some minimal maintenance. Repairs and routine maintenance include the following services:

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

The cost to maintain our facilities and equipment is a function of our size, the nature of our facilities, and the equipment like self check that we have been adding in recent years. Our facilities and equipment are well maintained and our goal is to keep them in that condition. Over the last few years, average spending on repairs and maintenance has been right around \$1,200,000 and thus, that amount was used for the budget for next year.

## Repairs and Maintenance-Hardware/Software

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

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

As established in our Mission Statement, the Library must continually innovate and implement new technology. For example, the Library has transitioned to an online applicant tracking system allowing candidates to apply for positions online as well as giving managers more efficient methods to review the applications and arrange for interviews. The new system will result in both cost effectiveness and better time management. As we implement these new technologies, our costs will go up and thus, the reason for the \$23,000 increase in this account. Not represented here however, are the savings realized in staff time and paper supplies that come with automating such processes.

## Copying/Printing

We contract with a vendor, EGP, to provide copy machines throughout the system. We pay EGP .9 cents for each copy made on the public machines and a monthly lease charge of \$55 for each public copier. EGP is responsible for providing the machines, service, and supplies excluding the paper. Our contract with EGP also provides for leased printers for the Computer Resource Center at Main and all branch locations, both public and staff. The leased printers provide both black and white and color prints. We pay EGP .9 cents for each black and white print, 8.2 cents for each color print, and a \$42 lease charge for each printer.



In addition to the contract with EGP, large print jobs sent to external printers are charged to this account. More patrons signing up for classes have resulted in an increase in the number and size of print jobs, such as class booklets, being assigned to external printers and thus, the main reason for the \$29,000 increase in this account

## Property Appraiser's Fee

The Orange County Property Appraiser determines the value of property for each taxing agency in the County for ad valorem tax purposes. In exchange for providing this service, each taxing agency is charged for a portion of the Appraiser's budget. The Property Appraiser's estimate of our portion of this charge is \$274,000 next fiscal year.

## Tax Collector's Fee

The Orange County Tax Collector collects taxes from property owners in the County and distributes them to the appropriate taxing agencies. The Collector's fee is 2% of the taxes collected which equates to about \$641,000 next fiscal year.

## Supplies

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

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

The Library utilizes a direct purchase system through Office Depot for office supplies. Rather than maintain a central inventory, each manager orders supplies online from a standardized list and Office Depot delivers them directly to the Main Library and the branches. The online ordering system has proven to be an efficient way to purchase and deliver office supplies throughout the System without the cost of keeping large inventories of supplies on hand. The \$32,000 increase in this account is to cover the cost of purchasing RFID tags for the new Hiawasse Branch, which will be converted to self check at time of the move.

## Supplies-Hardware/Software (items with a unit cost < \$1,000)

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

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

Far fewer personal computers are planned for purchase next fiscal year and thus, the reason for the \$200,000 reduction in this account.

## Contingency

While a \$325,000 contingency for unforeseen emergencies was included in the current year's budget, it was eliminated from next year's as a cost saving measure.

## Building and Improvements

The proposed \$465,000 budget consists of the following projects:

- ✓ Remodel 2 of the 4 elevators installed in 1983 as part of the expansion of the Main Library (\$400,000). The intent is to award a bid to remodel all 4 elevators to one contractor but split the work between two fiscal years, FY 10 and FY 11.
- ✓ Carpeting, vinyl composition tile, and exterior signage for new Hiawassee Branch (\$65,000)

## Equipment and Furniture

The proposed \$55,000 budget consists of the following:

- ✓ Self check out equipment for the new Hiawassee Branch (\$30,000)
- ✓ Staff access card system for the new Hiawassee Branch(\$25,000)

## Hardware/Software (items with a unit cost > \$1,000)

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

- ✓ Wireless network enhancements (additional switches and routers) to more efficiently track the increasing number of wireless devices used throughout our facilities (\$75,000)
- ✓ Storage Area Network for faster backup and recovery of stored data (\$50,000)
- ✓ Out of warranty laptops and other hardware (\$25,000)
- ✓ Virtualization software which allows for multiple servers to be run on a single piece of hardware (\$25,000)

Next year's budget reflects a \$125,000 reduction compared to the current year's budget.

## Library Materials

General materials category has been decreased by 5%, or \$250,000, as a cost savings measure.



## Transfer to Branch Debt Service Fund

The purpose of this transfer has been to provide funds to pay the annual principal and interest on a \$4,000,000 bank loan, the proceeds of which combined with our own reserves and State grants were used to construct and acquire five branch facilities (North Orange, Alafaya, West Oaks, South Creek, and Winter Garden). Due to reserves which have built up in the Branch Debt Service Fund, no further transfers are needed.

## Transfer to Capital Projects Fund

The branch expansion plan to build and operate three branches over an 8 year period was predicated on transferring \$4,000,000 to the Capital Projects Fund each and every year beginning in FY 07. However, with reduced tax revenues no funds are available for the branch expansion plan and thus, this transfer was eliminated from next year's budget.

*The proposed FY 2010 budget reflects an 8% decrease compared to the current year budget.*

## **CAPITAL PROJECTS FUNDS**

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

### **Capital Projects Fund**

The Capital Projects Fund is used to account for the revenues and expenditures related to the acquisition of land, construction, opening day collections, furniture and equipment for new branch facilities.

### **Sinking Fund**

The purpose of the Sinking Fund is to provide funding for significant future building improvements and technology purchases.



# Capital Projects Fund

<b>REVENUES</b>	FY 2009 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2010 BUDGET
Transfer from General Fund	1,377,000	(1,377,000)		-
Investment Earnings	100,000	(45,000)		55,000
Reserves	3,523,000	(2,578,000)		945,000
<b>TOTAL REVENUES</b>	<b>5,000,000</b>	<b>(4,000,000)</b>	<b>-80.0%</b>	<b>1,000,000</b>

<b>EXPENDITURES</b>	FY 2009 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2010 BUDGET
<b>FUTURE BRANCHES</b>				
Land	5,000,000	(4,000,000)		1,000,000
<b>TOTAL EXPENDITURES</b>	<b>5,000,000</b>	<b>(4,000,000)</b>	<b>-80.0%</b>	<b>1,000,000</b>

# Sinking Fund

<b>REVENUES</b>	FY 2009 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2010 BUDGET
Investment Earnings	9,000	(3,000)		6,000
<b>TOTAL REVENUES</b>	<b>9,000</b>	<b>(3,000)</b>	-33.3%	<b>6,000</b>

<b>EXPENDITURES</b>	FY 2009 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2010 BUDGET
Reserves - Building and Improvements	5,000	(1,700)		3,300
Reserves - Technology	4,000	(1,300)		2,700
<b>TOTAL EXPENDITURES</b>	<b>9,000</b>	<b>(3,000)</b>	-33.3%	<b>6,000</b>



## **BRANCH DEBT SERVICE FUND**

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This fund is used to account for the accumulation of resources and payment of principal and interest on a bank loan, the proceeds of which were used to acquire and construct several branch libraries. Payments on the bank loan are due semi-annually until August 2010.

# Branch Debt Service Fund

<b>REVENUES</b>	<b>FY 2009 BUDGET</b>	<b>INCREASE (DECREASE)</b>	<b>% CHANGE</b>	<b>FY 2010 BUDGET</b>
Transfer from General Fund	293,000	(293,000)		-
Investment Earnings	10,000	(3,800)		6,200
Reserves	107,000	296,320		403,320
<b>TOTAL REVENUES</b>	<b>410,000</b>	<b>(480)</b>	<b>-0.1%</b>	<b>409,520</b>

<b>EXPENDITURES</b>	<b>FY 2009 BUDGET</b>	<b>INCREASE (DECREASE)</b>	<b>% CHANGE</b>	<b>FY 2010 BUDGET</b>
<u>2003 NOTE</u>				
Principal	386,677	12,923		399,600
Interest	23,323	(13,403)		9,920
<b>TOTAL EXPENDITURES</b>	<b>410,000</b>	<b>(480)</b>	<b>-0.1%</b>	<b>409,520</b>

## FUTURE DEBT SERVICE PAYMENTS FOR 2003 NOTE

<u>PAYMENT DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
February 01	198,137	6,592
August 01	201,406	3,323
	<u>399,543</u>	<u>9,915</u>