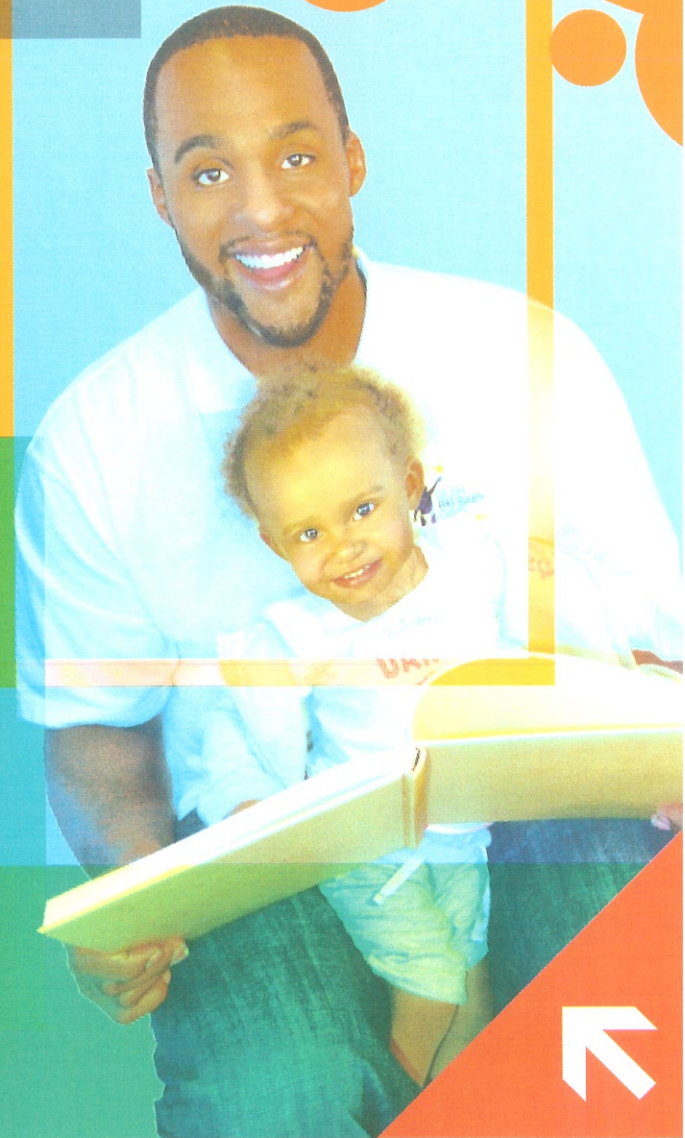
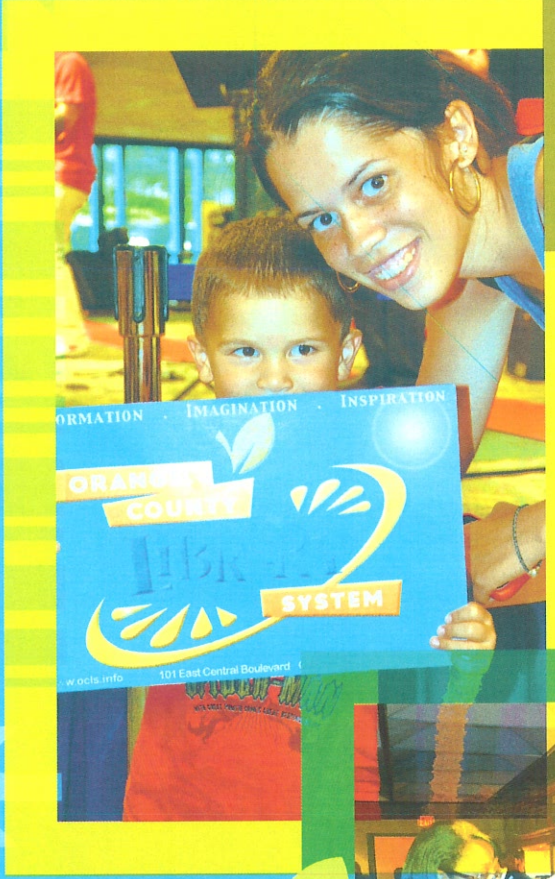


# FISCAL YEAR



## 2013 BUDGET



ORANGE  
COUNTY

LIBRARY

DISTRICT



**ORANGE COUNTY LIBRARY SYSTEM  
DIVISION OF BUSINESS OPERATIONS**

**TO: Library Board of Trustees**  
**FROM: Bob Tessier**  
**DATE: July 3, 2012**  
**SUBJECT: Changes from FY 13 Preliminary Budget**

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Compared to the Operating Fund Budget shown in the attached notebook, the changes from the preliminary budget presented at the June Library Board Meeting are minimal and are summarized in the following table.

<u>Account</u>	<u>Note</u>	<u>Preliminary Budget</u>	<u>Change</u>	<u>Final Budget</u>
Ad Valorem Taxes	1	26,949,155	68,262	27,017,417
Reserves	1	4,399,244	(68,262)	4,330,982

**Notes:**

- Final property values released at the end of June were slightly higher than preliminary values. Net result is an increase in tax revenues of \$68,262, thus reducing the reserves needed in the same amount.*

There were no changes to the budgets for the other funds.

BUDGETS

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**Fiscal Year Ending September 30, 2013**

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

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DATE: July 5, 2012

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



FROM: Mary Anne Hodel, Director/Chief Executive Officer

SUBJECT: Budgets for the Fiscal Year Ending September 30, 2013

## Director's Message

### *Flat Property Values = Good News!*

The following reflects the property value declines over the last three fiscal years:

<b>FY 10</b>	<b>11%</b>
<b>FY 11</b>	<b>13%</b>
<b>FY 12</b>	<b>3%</b>

Cumulatively, values dropped 25% during that period, which represents a revenue loss of almost \$9,000,000. That's the bad news.

Given this backdrop, the good news is property values for next fiscal year are essentially flat. Over the last three fiscal years, FY 10 – FY 12, the focus has been on reducing costs, given the reality of lower tax revenues. While we were compelled to reduce costs, we have worked very hard to minimize the impact on services.

The Library is proud to present a new initiative to expand our technology offerings to the community. Mr. Kendrick Melrose, formerly CEO of the Toro Corporation, is donating \$1,000,000 to the Library to support this new initiative. These funds will be used to develop the Dorothy Lumley Melrose Center for Technology, Innovation & Creativity (DLM-TIC) on the second floor of the Main Library. Mr. Melrose grew up in Orlando and attended Boone High School. His mother, Dorothy Melrose, participated in the planning of 1960's Orlando Public Library building.

The new center will include space for a Digital Media lab and a Fab lab. The Library has conducted two public focus group sessions with members of the community representing fields in education, entrepreneurship, engineering, design and the arts as well as focus groups with Library staff. The responses were enthusiastic and encouraging. We have a good idea of what many of our challenges will be. There is a great deal of planning to be done to make this concept a reality.

Library staff have not received raises since FY 09 and some not since FY 08. In her FY 13 Budget Guidelines, Mayor Jacobs proposed a 3% salary increase for all Orange County staff. Provided Orange County Commissioners approve this increase, our proposal is to provide the same increase to Library staff, effective at the beginning of the fiscal year.

The proposed FY 13 Operating Fund Budget reflects a 6.1% increase due primarily to the inclusion of \$2,000,000 for the DLM-TIC.

#### Usage Statistics

The attached graphs are snapshots for a couple of our usage statistics. The publishing industry is in a state of flux as eBooks are becoming very popular. Digital downloads, which includes downloadable music and eBooks, have grown exponentially over the last five years and we expect this growth to continue. While this growth has been tremendous and some are predicting the death of the printed book, our overall circulation, or the number of items that our patrons check out, remains strong. Last fiscal year, our patrons checked out almost 15,000,000 items.

## RECOMMENDATIONS

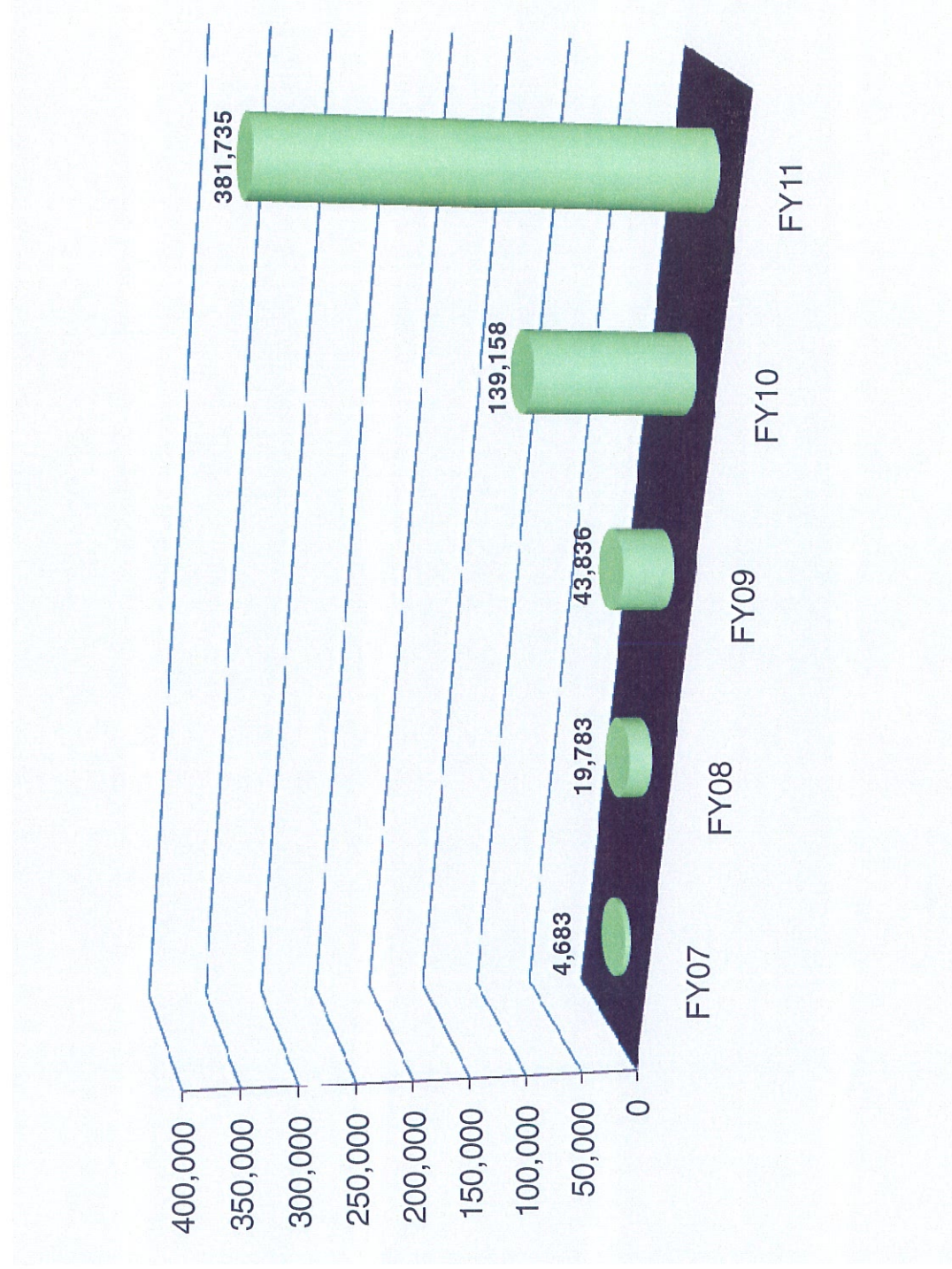
We recommend the Library Board of Trustees take the following action:

- Approve FY 13 Operating, Capital Projects, and Sinking Fund budgets.
- Recommend to the Governing Board that the Library District's millage rate be maintained at .3748 for FY 13.

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

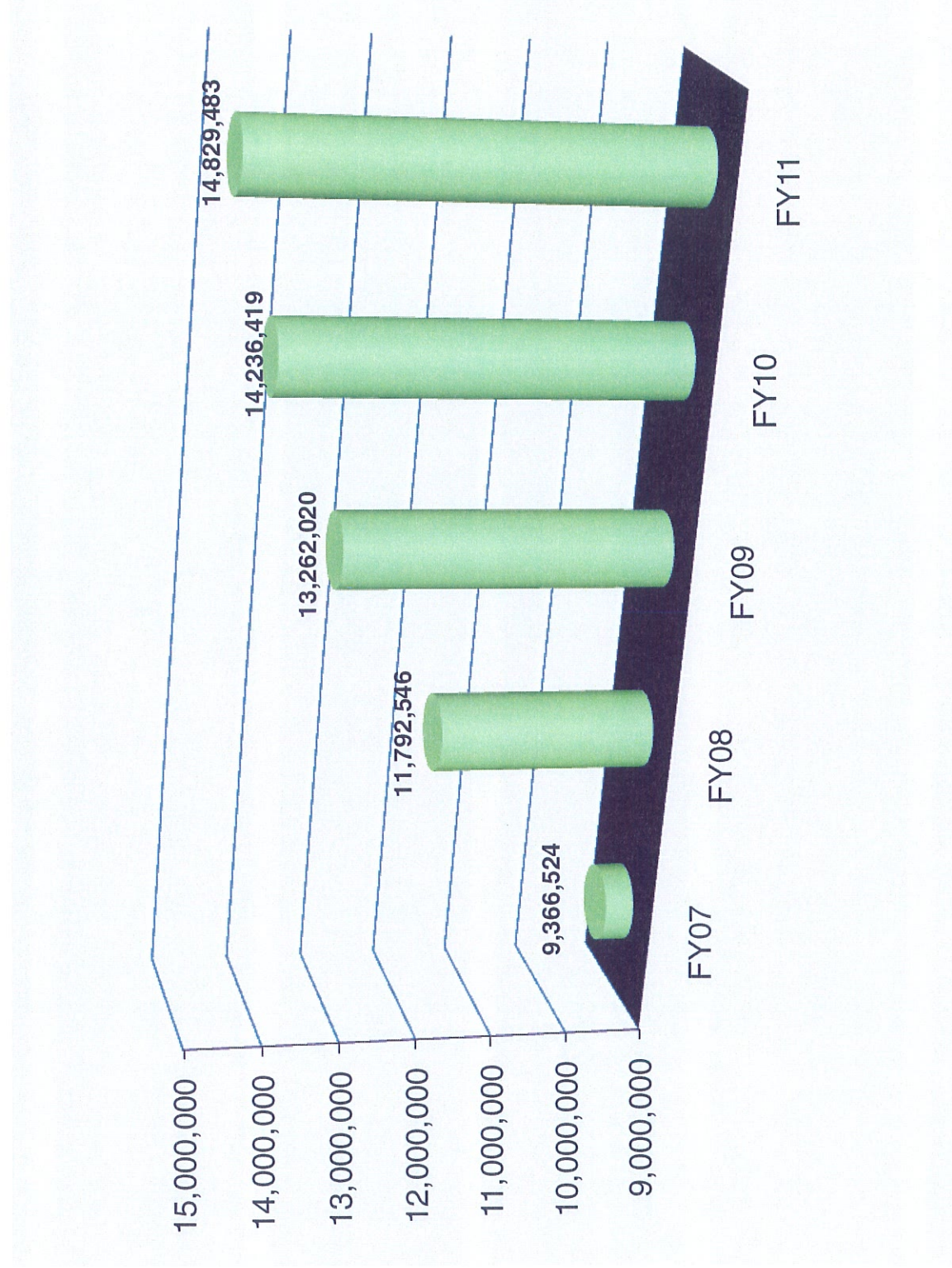
Randy Singh (Manager, Office of Management & Budget)  
Martha Haynie (Orange County Comptroller)

# Digital Downloads





# Circulation



*American Library Association*

*presents the 2011*

*Information Today Library  
of the Future Award*

*to the*

**O**range **C**ounty **L**ibrary **S**ystem

*For its program "Technology and Education Center";*

*For innovative planning and development of patron training programs;*

*For offering more than 1,200 Information technology classes monthly in  
English, Spanish, and Haitian-Creole at 15 locations;*

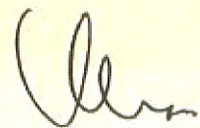
*For its traditional classroom courses as well as live and self-paced online  
classes with a rich array of online tutorials; and*

*For its recognition for the impact and extent of community outreach,  
scope of course offerings, and the organizational quality;*

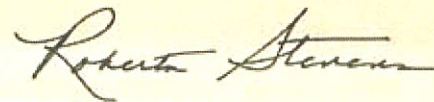
*The American Library Association commends and honors the  
Orange County Library System.*

*New Orleans, LA*

*June 2011*



*Keith Michael Fiel  
Executive Director*



*Roberta Stevens  
President*

# Tax Calculation Example

Assessed Value	\$125,000
Homestead Exemption	(\$50,000)
Taxable Value	<hr/> \$75,000
Times Millage Rate (per \$1,000 of Taxable Value)	.3748
<b>Library Tax</b>	<b>\$28</b>

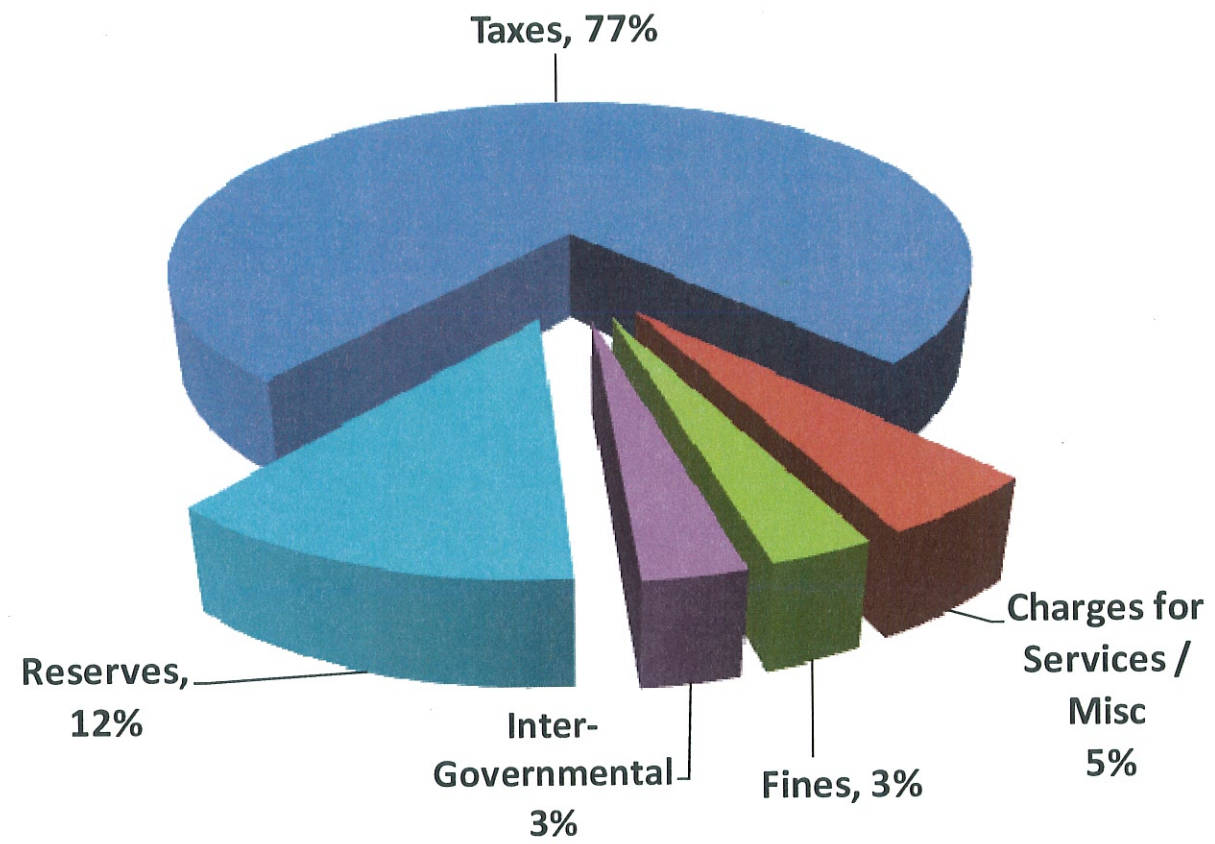
# **OPERATING FUND**

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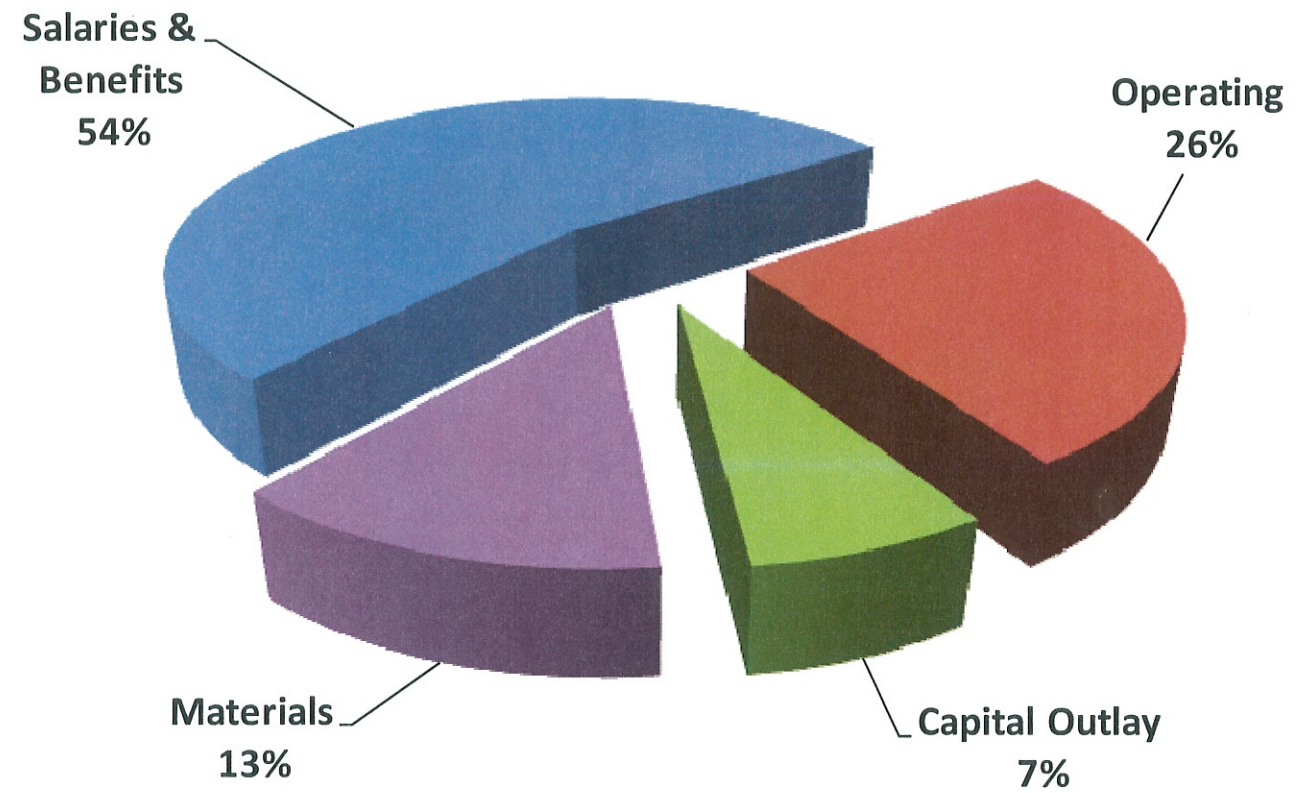
The Operating Fund is used to account for the revenues and expenditures applicable to the general operations of the District.

Operating Fund

# Operating Fund Revenues



# Operating Fund Expenditures



# Operating Fund Budget

## Revenues

REVENUES	FY 2012 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2013 BUDGET
<b>AD VALOREM TAXES</b>	<b>27,027,901</b>	<b>(10,484)</b>	-0.04%	<b>27,017,417</b>
<b>INTERGOVERNMENTAL</b>				
State and Federal Grants	253,000	(158,000)		95,000
State Aid	750,000	105,000		855,000
	<b>1,003,000</b>	<b>(53,000)</b>	-5.3%	<b>950,000</b>
<b>CHARGES FOR SERVICES</b>				
Fee Cards	14,000	3,000		17,000
PC Pass	13,000	(4,000)		9,000
PC Express	19,000	(2,000)		17,000
Classes	3,000	-		3,000
Meeting Rooms	35,000	-		35,000
Faxes	25,000	2,000		27,000
Orange Bag Sales	8,000	-		8,000
Ear Bud & Jump Drive Sales	7,000	-		7,000
Scanners	200	-		200
Booklets & Online Book Sales	400	-		400
Replace Library Cards	40,000	10,000		50,000
Copy and Vending	185,000	-		185,000
	<b>349,600</b>	<b>9,000</b>	2.6%	<b>358,600</b>
<b>FINES</b>				
Fines and Lost Materials	1,450,000	(375,000)	-25.9%	1,075,000
<b>MISCELLANEOUS</b>				
Investment Earnings	35,000	(17,000)		18,000
Rent	2,500	308,500		311,000
Contributions - FOL	55,000	7,000		62,000
Contributions - Other	25,000	500,000		525,000
Miscellaneous	29,000	(9,000)		20,000
Phone Discount / Rebate		210,000		210,000
	<b>146,500</b>	<b>999,500</b>	682.3%	<b>1,146,000</b>
<b>TRANSFER FROM PROPERTY APPRAISER</b>	29,500	9,500	32.2%	39,000
<b>TRANSFER FROM TAX COLLECTOR</b>	311,000	(22,000)	-7.1%	289,000
<b>RESERVES</b>	2,873,164	1,457,818	50.7%	4,330,982
<b>TOTAL REVENUES</b>	<b>33,190,665</b>	<b>2,015,334</b>	<b>6.1%</b>	<b>35,205,999</b>

# Operating Fund Budget

## Expenditures

<b>EXPENDITURES</b>	FY 2012 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2013 BUDGET
<b>SALARIES &amp; BENEFITS</b>				
Salaries	12,534,827	429,432		12,964,259
Medicare Taxes	181,755	6,227		187,982
Defined Contribution Pension Plan	940,112	32,207		972,319
Defined Benefit Pension Plan	1,050,000	91,824		1,141,824
Money Purchase Pension Plan	344,225	19,542		363,767
Life and Health Insurance (Employees)	2,009,807	(132,790)		1,877,017
Retiree Health Care (OPEB)	1,332,117	(46,858)		1,285,259
Worker's Compensation	81,149	(1,131)		80,018
Unemployment Compensation	32,000	0		32,000
Parking and Bus Passes	171,073	3,231		174,304
	<b>18,677,065</b>	<b>401,684</b>	2.2%	<b>19,078,749</b>
<b>OPERATING</b>				
Professional Services	275,000	(15,000)		260,000
Other Contractual Services	1,150,000	0		1,150,000
Other Contract. Serv.- Janitorial	315,000	2,000		317,000
Training and Travel	50,000	0		50,000
Telecommunication	350,000	5,000		355,000
Delivery and Postage	1,363,500	(135,500)		1,228,000
Utilities	1,150,000	(85,000)		1,065,000
Rentals and Leases	1,055,000	16,000		1,071,000
Insurance	275,000	100,000		375,000
Repairs and Maintenance	1,100,000	(50,000)		1,050,000
Repairs and Maint.-Hardware/Software	412,000	(12,000)		400,000
Copying/Printing	252,000	(52,000)		200,000
Property Appraiser's Fee	237,000	(7,000)		230,000
Tax Collector's Fee	539,000	1,000		540,000
Supplies	650,000	(100,000)		550,000
Supplies-Hardware/Software	300,000	0		300,000
Memberships	30,000	0		30,000
	<b>9,503,500</b>	<b>(332,500)</b>	-3.5%	<b>9,171,000</b>
<b>CAPITAL OUTLAY</b>				
Building and Improvements	50,000	1,600,000		1,650,000
Equipment and Furniture	150,000	90,000		240,000
Hardware/Software	175,000	390,000		565,000
	<b>375,000</b>	<b>2,080,000</b>	554.7%	<b>2,455,000</b>
<b>LIBRARY MATERIALS</b>				
Materials - CD Grant	132,000	(132,000)		-
Materials - Restricted Contributions	3,100	(1,850)		1,250
Materials - Other	4,500,000	0		4,500,000
	<b>4,635,100</b>	<b>(133,850)</b>	-2.9%	<b>4,501,250</b>
<b>TOTAL EXPENDITURES</b>	<b>33,190,665</b>	<b>2,015,334</b>	6.1%	<b>35,205,999</b>



# Operating Fund Revenue Highlights

## **Ad Valorem Taxes (\$27,017,417)**

Based on the information just released by the Property Appraiser's Office, property values are down 0.04%. With this decrease and no change in the millage rate of .3748, tax revenues will be down \$10,484.

## **State and Federal Grants (\$95,000)**

For fiscal year 2013, we have included an \$80,000 Library Services and Technology Act Grant for the Right Services at the Right Time project. While we typically do not budget grant revenue until we receive notification of the grant award, we feel optimistic that we will receive this grant given our previous record with the State. RSRT is a web-based search engine that helps match people in need with appropriate services. Next year we will continue the expansion of the statewide reach of the program by working with other Florida libraries to list service providers in their counties. We will be using grant funding to contract the data entry of provider information for counties that do not have the financial means to do so. We will also travel to Florida libraries to provide hands-on training for their staff and the software will receive maintenance for security and future enhancements.

## **State Aid (\$855,000)**

Fortunately, the Legislature has continued to fund State Aid. The amount included in next year's budget reflects the funding received for the current fiscal year.

## **Fines & Lost Materials (\$1,075,000)**

The reduction in the DVD daily fine rate from \$1.00 to \$.25 is the main reason for the projected decline in revenue. We have very roughly estimated the decline at 25%, or \$375,000.

**Investment Earnings (\$18,000)**

Investment returns continue to be extremely low. While the Library is restructuring some of its investments to take advantage of longer term rates, investments earnings are minimal. This account has been reduced by \$17,000.

**Rent (\$311,000)**

The \$311,000 budgeted next fiscal year represents the income from leasing Chickasaw to the Army.

**Contributions - Other (\$525,000)**

The revised gift agreement with Mr. Melrose provides that the second \$500,000 payment will be paid in October 2012. An additional \$25,000 has also been included for miscellaneous contributions.

**Phone Discount (\$210,000)**

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 obtain affordable telecommunications and Internet access. While we have applied for and received these rebates in previous years, this is the first year we are including a projection of the rebate revenue in the budget.

**Reserves (\$4,330,982)**

In order to fund the proposed budget, \$4,330,982 of our reserves has been included.

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

# Operating Fund

## Expenditure Highlights

### Salaries (\$12,964,259)

- FY 13 budget includes 209 full time and 153 part time positions, which represents a reduction of 8 full time and an increase of 12 part time positions.
- Provided Orange County employees receive the 3% raise outlined in the FY 13 Budget Guidelines from Mayor Jacobs, it is our intent to give the same increase to Library employees. This will be the first raise Library staff have received since FY 09, and some staff FY 08.

### Defined Contribution Pension Plan (\$972,319)

Library employees have not participated in Social Security since shortly after the District was formed in September 1980. Instead, a defined contribution pension plan was established for all staff. The Plan requires that the Library contribute an amount equal to 7.5% of each employee's bi-weekly gross salary. Vesting is immediate and benefits are payable in a lump sum at termination/retirement. The \$32,207 increase in this account is due to higher budgeted salaries.

### Defined Benefit Pension Plan (\$1,141,824)

This Plan has been closed since January 1, 2007. It is a traditional retirement plan covering full time employees hired prior to January 1, 2007. The normal retirement benefit (2% of employee's final average earnings multiplied by years of service 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.

Contributions to the Plan are actuarially determined at the beginning of each calendar year. The \$91,824 increase in projected contributions for next fiscal year is largely due to a change in one of the actuarial assumptions (mortality table) to comply with State requirements.

### **Money Purchase Pension Plan (\$363,767)**

Effective January 1, 2007, new full time hires no longer participate in the Defined Benefit Pension Plan but instead are enrolled in this Plan. For this Plan, the Library contributes an amount equal to 9% of each employee's bi-weekly gross salary. The vesting period is one year and benefits are payable in a variety of forms, including lump sum and installments. The \$19,542 increase is due in part to the increase in budgeted salaries and to the fact that every new full-time hire is enrolled in this plan.

### **Life and Health Insurance (\$1,877,017)**

The Library pays for single coverage for each full time employee, currently \$7,975 per year, and the employee is responsible for the cost of any dependent coverage. Next year's preliminary budget includes a 10% increase over the current premiums. The reasons for the \$132,790 decrease are fewer budgeted full time positions, and a lower increase in premiums from 15% to 10%. In addition to health and dental insurance coverage, the Library provides full time employees with life and long term disability insurance coverage.

### **Retiree Health Care (\$1,285,259)**

A governmental accounting standard requires all local governments to reflect the true cost of retiree healthcare during the employee's tenure rather than the "Pay as You Go" system that was common up until FY 07. A trust fund was established in 2007 and the Library has since been funding this benefit in a fashion similar to a pension fund. Contributions to the Plan are actuarially determined. The January 1, 2012 actuarial report was used to determine the funding level for next fiscal year. The \$46,858 decline in the contribution level is primarily due to the increase in the value of the Plan's investments as well as lower actual premium increases compared to those assumed by the actuary. This benefit is closed to new hires

### **Parking and Bus Passes (\$174,304)**

For Main Library employees, the Library pays for 116 parking spaces in the City of Orlando garage across from the Main Library. The Library also offers LYNX bus passes in lieu of parking at the employee's choice. Currently, 27 employees use the bus passes.

*Overall, salaries and benefits for next fiscal year are up 2.2%.*

## Professional Services (\$260,000)

Examples of services charged to this account include the following:

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

The budget for this account was reduced by \$15,000.

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

Examples of services charged to this account include the following:

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

There was no change in the budget for this account.

## Other Contractual Services – Janitorial (\$317,000)

At the Main Library, the custodians are Library employees but in the branches, we contract with a private vendor, D&A Building Services, Inc., for janitorial and pressure cleaning services. We also have contracts with vendors to periodically clean the carpets in the branches, and clean the windows in all of our facilities. Although the projected cost of the branch janitorial contract was reduced, the addition of the Chickasaw building to the janitorial contract resulted in a net \$2,000 increase in this budget.

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

Charges to this account include:

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

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

## Telecommunication (\$355,000)

Telecommunication services including Internet connections, Wide Area Network (WAN), long distance, and local service are charged to this account. The nominal increase in the budget is primarily a function of the contractual increases for internet access and wide area network services.

## Delivery and Postage (\$1,228,000)

The following are charged to this account:

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

As the volume of materials being sent out has decreased, our costs to deliver have dropped as well. In addition, some items previously sent via the U.S. Postal Service are now delivered by PEP at a lower cost. As a result of both of these changes, the budget for this account was reduced by \$135,500.

## Utilities (\$1,065,000)

Included in this account are charges for water, sewer, trash, and electricity for all of our facilities. Utility rates have not risen as quickly as projected and thus, the reason for the \$85,000 reduction in this account. The reduction would have been higher but part of the savings was offset by the additional cost of providing utilities to Chickasaw.

## Rentals and Leases (\$1,071,000)

This account reflects the leasing costs of the South Trail, Edgewater, Hiawassee, Southeast, Southwest, Herndon, and Eatonville Branches. We also lease Washington Park and Windermere but there are no lease charges for those facilities. The \$16,000 increase in this account is due to the annual increases built into the lease agreements.

## Insurance (\$375,000)

Insurance coverage charged to this account includes the following:

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

The majority of the premiums paid every year relate to the property and general liability coverage. While our insurance broker, Arthur Gallagher Risk Management Services, shops the market every year, we have had the same property and general liability carrier, Fireman's Fund, for several years and premiums have been very stable. Recently, Arthur Gallagher informed us that Fireman's Fund is not interested in renewing next fiscal year for reasons unrelated to the Library and premiums are expected to spike as much as 50%. While the exact amount of the increase will not be known for a few months, the budget for this account has been increased by \$100,000.

## Repairs and Maintenance (\$1,050,000)

The Library System consists of the Main Library, 14 branches and the Chickasaw location for a total of almost 470,000 square feet. Repairs and routine maintenance include the following services for all locations:

- ✓ Plumbers
- ✓ Electricians
- ✓ Locksmiths
- ✓ Heating, ventilating, and air conditioning
- ✓ Elevators
- ✓ Painters

- ✓ Data & telecommunication wiring
- ✓ Handyman
- ✓ Landscaping
- ✓ Roofers
- ✓ Fire alarms, sprinkler systems
- ✓ Building security and camera systems
- ✓ 3M self check systems

The cost to maintain our facilities and equipment is a function of our size, the nature of our facilities, and the equipment like self check that we have added in previous years. Our facilities and equipment are well maintained and our goal is to keep them in that condition. Over the last two fiscal years, actual repairs and maintenance costs have been around \$1,000,000 and thus, the budget was reduced by \$50,000 to reflect this reality.

### **Repairs and Maintenance – Hardware/Software (\$400,000)**

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

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

The \$12,000 decrease is primarily due to some maintenance agreements covering multiple periods, which were purchased in previous years.

### **Copying/Printing (\$200,000)**

The Library contracts with a vendor, EGP, to provide copy machines throughout the system. We pay EGP for each copy made and they are responsible for providing the machines, service, and supplies



excluding the paper. Our contract with EGP also provides for leased printers for the Technology and Education 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 for each black and white and color print made. In addition to the per copy charges, we currently pay EGP a monthly lease charge for 5 printers used in the branches and 2 at Main.

In addition to the contract with EGP, large print jobs sent to external printers are charged to this account. One of the larger ongoing external print jobs is the creation of the booklets which are distributed to participants in the computer classes taught throughout the system. During the current fiscal year we contracted with a new vendor, Office Depot, which provides the same quality booklets at a lower cost. We changed the printer for the Books and Beyond newsletter which also resulted in lower costs. Lastly, we are sending fewer larger print jobs to external printers. All of these factors contributed to the \$52,000 reduction in the budget for this account.

### **Property Appraiser's Fee (\$230,000)**

The Orange County Property Appraiser determines the value of property for each taxing agency in the County for ad valorem tax purposes. In exchange for providing this service, each taxing agency is charged for a portion of the Appraiser's budget. The Property Appraiser's estimate of our portion of this charge is \$230,000 next fiscal year.

### **Tax Collector's Fee (\$540,000)**

The Orange County Tax Collector collects taxes from property owners in the County and distributes them to the appropriate taxing agencies. The Collector's fee is approximately 2% of the taxes collected, which equates to \$540,000 next fiscal year.

### **Supplies (\$550,000)**

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

- ✓ KWIK cases to protect CD's and DVD's
- ✓ RFID tags for self check locations
- ✓ Paper

- ✓ Janitorial supplies for the Main Library
- ✓ Furniture and equipment items with unit costs less than \$1,000
- ✓ Office supplies

The Library utilizes a direct purchase system through Office Depot for office supplies. Rather than maintain a central inventory, each manager orders most 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. Given the lower number of projects and general reduction in spending overall, this line has been reduced by \$100,000.

**Supplies – Hardware/Software (\$300,000)**

This account includes technology items with a unit cost of less than \$1,000, which are considered supplies. The proposed \$300,000 budget consists of the following:

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

There is no change in the budget for this account.

*Overall, Operating expenditures for next fiscal year are down 3.5%.*

**Building and Improvements (\$1,650,000)**

While spread over three budget accounts, (Building & Improvements, Equipment & Furniture, and Hardware /Software), a total of \$2,000,000 has been included in the FY 13 budget to fund the Dorothy Lumley Melrose Center for Technology, Innovation and Creativity (DLM-TIC). The \$2,000,000 is a very rough estimate of the project, which is in the very early design phase. The proposed \$1,650,000 budget for Building & Improvements includes the following:

- ✓ DLM- TIC (architect/engineer, construction, contingency) \$1,600,000
- ✓ Allocated for unanticipated projects 50,000

**Equipment and Furniture (\$240,000)**

The following are included in the budget for this account:

✓ DLM-TIC	\$85,000
✓ Cloud Phone project	75,000
✓ Fab Lab	30,000
✓ Allocated for unanticipated projects	50,000

**Hardware/Software (\$565,000)**

The proposed \$565,000 budget includes the following:

✓ DLM-TIC	\$200,000
✓ Fab Lab	85,000
✓ Replace out of warranty servers	80,000
✓ Catalog enhancements	60,000
✓ Questline call center upgrade	35,000
✓ Replace out of warranty laptops	30,000
✓ E-Book lending	30,000
✓ Mobile application development	20,000
✓ Upgrade backup system	5,000

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

This budget has remained the same, although our intent is to increase the purchases of electronic resources such as E-Books, and reduce spending on physical items.

*The FY 13 budget reflects a 6.1% increase compared to the current year budget.*

## **CAPITAL PROJECTS FUNDS**

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

### **Capital Projects Fund**

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

### **Sinking Fund**

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

# Capital Projects Fund

<b>REVENUES</b>	FY 2012 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2013 BUDGET
Investment Earnings	10,000	(7,000)		3,000
<b>TOTAL REVENUES</b>	<b>10,000</b>	<b>(7,000)</b>	<b>-70.0%</b>	<b>3,000</b>

<b>EXPENDITURES</b>	FY 2012 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2013 BUDGET
Reserves	10,000	(7,000)		3,000
<b>TOTAL EXPENDITURES</b>	<b>10,000</b>	<b>(7,000)</b>	<b>-70.0%</b>	<b>3,000</b>

# Sinking Fund

<b>REVENUES</b>	FY2012 BUDGET	INCREASE (DECREASE)	% CHANGE	FY2013 BUDGET
Investment Earnings	900	(600)		300
<b>TOTAL REVENUES</b>	<b>900</b>	<b>(600)</b>	-66.7%	<b>300</b>

<b>EXPENDITURES</b>	FY2012 BUDGET	INCREASE (DECREASE)	% CHANGE	FY2013 BUDGET
Reserves - Building and Improvements	495	(330)		165
Reserves - Technology	405	(270)		135
<b>TOTAL EXPENDITURES</b>	<b>900</b>	<b>(600)</b>	-66.7%	<b>300</b>