

ORANGE COUNTY LIBRARY DISTRICT

BUDGETS

Fiscal Year Ending September 30, 2023

**101 E. Central Blvd.
Orlando, FL 32801
Phone 407-835-7323**

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Director's Message



DATE: August 1, 2022

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

FROM: Steven Powell, Interim Director/CEO and COO

SUBJECT: Revised Budgets for the Fiscal Year Ending September 30, 2023

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

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

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

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

Budget Presentation of Reserves:

The Operating Fund budget for fiscal year 2022-23 reflects a 11.1% 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 2020-21 actual revenues exceeding actual expenditures. We were able to fully fund the Capital Project Fund for future branch development, and the Sinking/EARR Fund to be used to cash fund any

emergency repairs due to natural disasters or catastrophic failure. Over the next several years, the Library will continue to set aside emergency repair funds to target approximately 4% of the Library's property plant and equipment value, plus the \$1 Million required by Horizon West Branch Land Lease with the County.

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 2022-23, staff are recommending that the millage be maintained once again at .3748. Based on the increase in property values, this millage will generate \$6,850,000 in additional tax revenues for a total of \$60,850,000.

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.

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 just over a year away before starting construction and the Library has placed book drops in those communities 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 \$2,100,000. 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 resumed setting aside money annually for this Sinking Fund. Rather than funding for both facilities and technology, we believe the need is greater for facilities and don't anticipate significant technology purchases down the road. Any technology purchases can be accommodated through our annual budgeting process. Included in next year's budget is \$500,000 for a transfer to the Sinking Fund. The Horizon West Branch Land Lease with Orange County requires a \$1 million set aside in this Fund to provide for immediate repairs to the Horizon West Branch while waiting on insurance proceeds. Thus, the target value for this Fund is 4% of the Library's property plant and equipment value, plus the \$1 Million required by Horizon West Branch Land Lease with the County.

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 earmarked 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 Washington Park and Windermere Branches, are popular with our customers and are heavily used. The location of these branches works very well for our customers and as a result, each has been in the same location for at least twenty years. Washington Park is in need of new flooring/carpeting, painting and LED lighting, thus we budgeted \$175,000 for that project. In April 2022, the Board approved the design contract to expand the Windermere Branch, and we have set aside \$750,000 for the construction cost in FY 2022-23.

Funding is included to replace the roof at North Orange which has reached the end of its useful life, and to update the Melrose Center to enhance its offerings to the customers. Funding has also been included for engineering studies for projects such as roofing system analysis, and various Mechanical, Plumbing and Electrical (MEP) systems upgrades (as some of the systems are at the end of their useful life.) The majority of the work will follow in future fiscal years. Funding has been included to replace various HVAC systems as they reach the end of their useful life. The Library is continuing to assess the condition of its assets and is updating its 3, 5 and 10 year capital maintenance plan for future funding purposes.

Accomplishments:

Florida Library Association Award:

OCLS's current Employee of the Year, Niurka Olivera de Ojeda (South Trail Circulation Clerk) was awarded the FLA *Outstanding Paraprofessional* award. Niurka has taught the library's Citizenship Inspired class over 160 times to over 3,000 students. She has conducted over 67 one-on-one mock interviews and at least 74 students have passed the Naturalization Test under her tutelage. Niurka's passion for helping immigrant residents prepare for the Naturalization Interview and Test extends beyond the classroom. She promotes Citizenship Inspired through various media, provides guidance and assistance to other instructors, and has presented at a regional library conference.

Women in the Arts:

March is Women's History Month, and one of our annual celebrations is the Women in the Arts competition and awards. Every year, we partner with Women in the Arts to host this juried art show, which features work from local, national and international artists on display at the Orlando Public Library. A panel of judges votes for the award winners, and the public can vote to select a People's Choice winner. An audience of 57 people came for a gallery walk with the artists on March 26, followed by an awards presentation.

Local Wanderer:

At the end of 2021, OCLS was the recipient of a \$50,000 matching grant from IMLS to support our Local Wanderer program, which allows people to check out tickets to various local cultural organizations for free using a library card. The funds were earmarked to purchase tickets to new venues that have not participated in Local Wanderer in the past, and to purchase additional tickets from key partners that have proven to be popular with our audience. On March 1, new partners added to the program, thanks to the grant, included Orlando Science Center and Audubon Center for Birds of Prey. Also, at the end of May select shows for the Dr. Phillips Center for the Performing Arts was added. Other partners include Art and History Museums of Maitland, the Orlando Museum of Art, Central Florida Zoo and Botanical Gardens, Enzian Theater, Hard Rock Live, Mennello Museum of American Art, Orange County Regional History Center, Orlando Shakes, Orlando Solar Bears, Charles Hosmer Morse Museum of Art, Annie Russell Theater, UCF School of Performing Arts, Bach Festival Society of Winter Park, and Central Florida Community Arts.

Melrose Center:

The Melrose in the Mix series is in its third season on WUCF. Melrose in the Mix is the library's live recording series. Melrose in the Mix brings local popular musicians to share their music through live performance and intimate conversation.

National Library Week:

During National Library Week, which took place April 3-9, we partnered with WonderWorks to give people who signed up for new library cards, or renewed existing ones, a free ticket to the venue. This popular giveaway, which we have partnered with WonderWorks to offer for several years now, was a success as 1,117 tickets were given away during National Library Week.

Orlando Book Festival:

The Orlando Public Library held the annual Orlando Book Festival on April 30. It was the first time since the pandemic that the event was held in person, and it attracted 224 attendees who enjoyed a day of panels, writing workshops, book signings and keynote speaker Tim Dorsey.

Real Florida Reader:

In May 2022, the Florida State Parks Department partnered with libraries across the state for the Real Florida Reader program, which gives library card holders a chance to check out a free pass to visit state parks over the summer. Orange County Library System received 30 passes to check out to customers from May 21 through September 12.

Circulation:

The Library has 340,000 active cards with 41,134 new cards issued in the last year. Additionally, there are over 227,000 virtual library cards issued to students and teachers at the Orange County Public Schools, and several charter and private schools in Orange County.

Zora Neale Hurston: The Storyteller and Her Town:

Eatonville Branch hosted a very successful series January 27-29 called *Zora Neale Hurston: The Storyteller and Her Town*. The series, which was originally scheduled to coincide with the Zora! Festival, featured presentations by Zora Neale Hurston scholar Rae Chesney. The series was funded in part through a Florida Humanities Community Project grant, and over the course of three days, 264 people attended one of four events. On Saturday, January 29, Chesney led a walking tour of historic Eatonville that attracted 107 participants, despite the fact that the temperature was only 46 degrees. We were very happy with the turnout, especially since the Zora! Festival was postponed until June.

Community Legal Services:

On April 28, Washington Park hosted an event in partnership with Housd, Community Legal Services of Mid-Florida, and the Lila Mitchell-Ivey Lane Neighborhood Center for Families. Attendees were able to receive no-cost legal consultation, help completing rental assistance applications, and information on services from Catholic Charities. Many attendees expressed gratitude that an event was held in such a centrally located part of Orange County and asked if another would be happening at this location. During the event, an attendee was heard telling other people who were waiting how her mother received assistance at a prior event that prevented her from becoming homeless. Her mother was able to receive legal and rental assistance that prevented an eviction that was already in process. A total of 51 community members attended the event with a total of 30 receiving legal assistance.

Orlando Business Journal's 2021 Healthiest Employers:

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

American Heart Association 2021 Workplace Health Achievement – Silver Recognition:

The Orange County Library System is proud to have Silver recognition in the American Heart Workplace Health Achievement Index. The American Heart Association has defined best practices for employers to use to build a culture of health for their employees in the workplace. The American Heart Association's Workplace Health Achievement Index measures the extent to which the company has implemented those workplace health best practices.

Best Workplaces for Commuters 2021:

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

Orlando Sentinel Top Workplaces:

Orlando Sentinel Top Workplaces included Orange County Library System in their 2021 list of Top Workplaces in the USA for the 3rd year in a row. This award celebrates nationally recognized companies that make the world a better place to work together by prioritizing a people-centered culture and giving.

Programs and Classes Presented:

As the Orange County Library System continues to transform and enhance its reputation as an educational/learning center, we have presented the following programs and classes between June 2021 and May 2022.

- Biz Kids Club- 218 unduplicated children participated in over 1,016 BizKids Club service hours, funded by Orange County Citizen Review Panel.
- 202 Genealogy classes were offered with 3,391 in attendance.
- Over 16,000 individuals attended a Technology Class.
- Social Workers at OCLS helped over 1,136 people find government and social services resources.

Language Learning:

For the period, June 1, 2021 thru May 31, 2022 the Library offered customers 1,410 language learning classes. During these classes 22,258 students were primarily taught English as a Second Language or Spanish.

Citizenship Inspired:

The Library offered 153 sessions of Citizenship Inspired between June 1, 2021 and May 31, 2022 and helped 2,128 customers prepare for the U.S. Naturalization (Citizenship) Test and Interview.

Kindergarten Readiness:

Countdown to Kindergarten series was presented online and at four branch locations for a total of 1,016 participants across 40 sessions.

Every Child Ready to Read Workshops were offered 12 times in the year, with 135 live participants and 1,224 views of the recordings on YouTube and Facebook.

Virtual Field Trips were hosted 58 times for 5,710 students and educators.

Summer Reading Program:

In January 2022, Window World committed \$50,000 to support the summer reading. This marks their second consecutive year of support at this extremely generous donation level.

Over 96,000 individuals attended or participated in a virtual, in-person, or self-directed Summer Reading 2021 event.

15,248 Summer Breakspot meals were served during the summer of 2021. Since 2015, over 152,000 meals have been served.

Grants Received:

- Window World of Central Florida - \$50,000 to support FY 2021-22 Summer Reading Program.
- Duke Energy Foundation - \$5,000 to support Summer Reading Program at targeted branches.
- ALA & the INRA Investor Education Foundation - free financial literacy programming kits.
- Florida Humanities: Community Project Grant - \$5,000 to provide programming that strengthens Eatonville community through workshops related to the literary works of Zora Neale Hurston.
- Florida Division of Cultural Affairs - \$25,000 for Sunshine State Author series to bring children/YA authors to Orange County.
- IMLS Rescue Plan - \$49,983 to support the Local Wanderer program, which allows library cardholders to check out passes to museums and other cultural experiences.
- Florida Humanities: Florida Talks - \$700 to host two virtual speakers on Native American History.
- DLIS Florida American Rescue Plan - \$125,541 to hire two social workers for various library locations.
- Florida Humanities: Family Literacy Programs - \$10,250 to fund Prime Time Family Reading and English for Families.
- Florida Humanities: Florida Talks - \$600 to host two speakers to discuss Florida History in Windermere.
- Winter Park Health Foundation - \$6,500 for non-profit resiliency and wellbeing support.
- Winter Park Health Foundation - \$3,000 for the Eatonville Juneteenth Celebration.
- NEA Big Read Grant - \$20,000 for the FY 2021-22 Big Read Program
- Library Services and Technology Act - \$60,797 for the Right Service at the Right Time Program

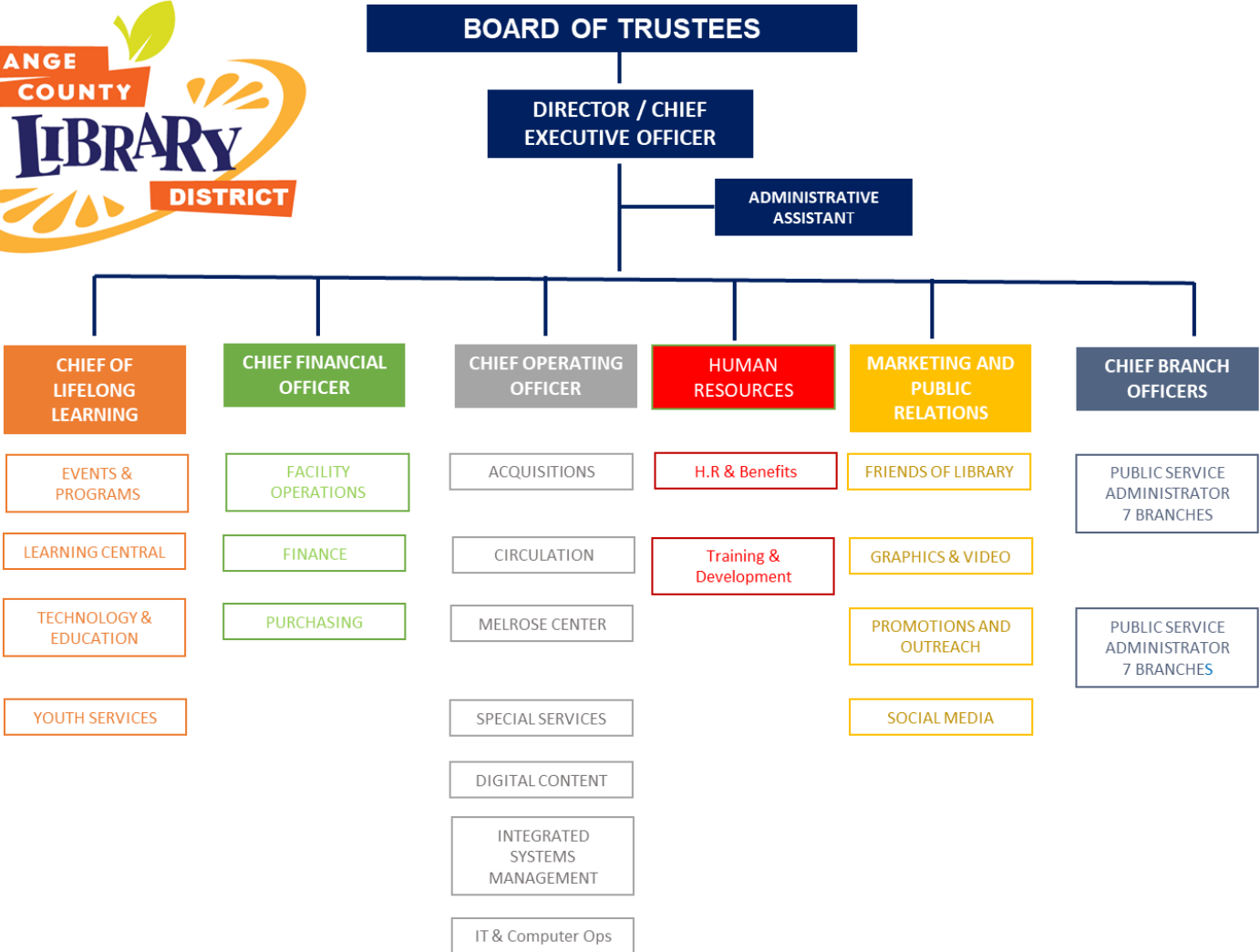
RECOMMENDATIONS:

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

- Approve FY 2022-23 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 2022-23.

c: Jerry L. Demings, Library District Governing Board Mayor
Nicole Wilson, Orange County Commissioner District 1
Christine Moore, Orange County Commissioner District 2
Mayra Uribe, Orange County Commissioner District 3
Maribel Gomez Cordero, Orange County Commissioner District 4
Emily Bonilla, Orange County Commissioner District 5
Victoria Siplin, Orange County Commissioner District 6
Ana Palenzuela, Human Resources Director, City of Orlando
Byron Brooks, County Administrator
Kurt Petersen, Director, Office of Management & Budget
Phil Diamond, Orange County Comptroller

Orange County Library District Organizational Chart



LEARN. GROW. CONNECT.

Orange County Library District Board of Trustees



**Crockett Bohannon,
President
County Appointee**



**Nicole Benjamin,
Vice President
City Appointee**



**Richard Maladecki,
Trustee
County Appointee**



**Danielle Levien,
Trustee
City Appointee**



**Lizannette Tam
Trustee
County Appointee**

Orange County Library District Governing Board



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

Accomplishments



Tax Calculation Example

Average Assessed Value	\$287,500
Homestead Exemption	(\$50,000)
Taxable Value	<hr/> \$237,500
Millage Rate (per \$1,000 of Taxable Value)	.3748
Library Tax	\$89

Operating Fund Revenues



Taxes
70%

Reserves
27%

Intergovernmental
2%

Fines
<1%

Charges for
Services / Misc
1%

Operating Fund Expenditures



Salaries and Benefits	36%
Reserves	32%
Operating	17%
Materials	5%
Capital Outlay	10%

Operating Fund Budget - Revenues

	<u>FY 21-22</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Change</u>	<u>FY 22-23</u> <u>Budget</u>
AD VALOREM TAXES	\$54,000,000	\$6,850,000	12.7%	\$60,850,000
INTERGOVERNMENTAL				
State and Federal Grants	\$85,000	\$550,000	647.1%	\$635,000
State Aid	600,000	(450,000)	-75.0%	150,000
County Grants	<u>100,000</u>	<u>(100,000)</u>	<u>-100.0%</u>	<u>0</u>
Total Intergovernmental	\$785,000	\$-0-	0.0%	\$785,000
CHARGES FOR SERVICES				
Fee Cards	\$23,000	(\$3,000)	-13.0%	\$20,000
PC Pass	2,000	(500)	-25.0%	1,500
PC Express	3,200	(1,200)	-37.5%	2,000
Classes	5,000	(2,000)	-40.0%	3,000
Copy & Prints	170,000	(20,000)	-11.8%	150,000
Meeting Rooms	40,000	(10,000)	-25.0%	30,000
Faxes	50,000	(15,000)	-30.0%	35,000
Scans	25,000	(13,600)	-54.4%	11,400
Ear Buds /Jump Drive	3,700	(2,100)	-56.8%	1,600
Bag Sales	2,500	(1,000)	-40.0%	1,500
Passport Facility & Photo Fees	6,500	5,500	84.6%	12,000
Library Card Replacement	11,000	(4,000)	-36.4%	7,000
Other	<u>600</u>	<u>(100)</u>	<u>-16.7%</u>	<u>500</u>
Total Charges For Services	\$342,500	(\$67,000)	-19.6%	\$275,500
FINES & LOST MATERIALS	\$440,000	(\$120,000)	-27.3%	\$320,000
MISCELLANEOUS				
Investment Earnings	\$125,000	\$0	0.0%	\$125,000
Sales of Surplus Property	10,000	(5,000)	-50.0%	5,000
Contributions - Friends of Library	50,000	(15,000)	-30.0%	35,000
Contributions - Others	10,000	4,000	40.0%	14,000
Miscellaneous	50,000	0	0.0%	50,000
Internet Rebate	75,000	0	0.0%	75,000
Grants & Awards	<u>50,000</u>	<u>(25,000)</u>	<u>-50.0%</u>	<u>25,000</u>
Total Miscellaneous	\$370,000	(\$41,000)	-11.1%	\$329,000
TRANSFER FM PROP APPRAISER	\$20,000	\$5,000	25.0%	\$25,000
TRANSFER FM TAX COLLECTOR	<u>400,000</u>	<u>70,000</u>	<u>17.5%</u>	<u>470,000</u>
Total Transfers	\$420,000	\$75,000	17.9%	\$495,000
Reserves/Fund Balance	\$21,689,000	\$1,933,000	8.9%	\$23,622,000
TOTAL REVENUES	<u>\$78,046,500</u>	<u>\$8,630,000</u>	<u>11.1%</u>	<u>\$86,676,500</u>

Operating Fund Budget Expenditures

	<u>FY 21-22</u> <u>Budget</u>	<u>Increase</u> <u>(Decrease)</u>	<u>% Change</u>	<u>FY 22-23</u> <u>Budget</u>
<u>SALARIES & BENEFITS:</u>				
Salaries	\$19,391,000	\$2,475,000	12.8%	\$21,866,000
Medicare Taxes	281,000	29,000	10.3%	310,000
Defined Contribution Pension Plan	1,455,000	145,000	10.0%	1,600,000
Defined Benefit Pension Plan	1,200,000	550,000	45.8%	1,750,000
Money Purchase Pension Plan	1,051,000	199,000	18.9%	1,250,000
Life & Health Insurance (Employees)	3,321,000	454,000	13.7%	3,775,000
Retiree Health Care (OPEB)	500,000	0	0.0%	500,000
Worker's Compensation	110,000	(10,000)	-9.1%	100,000
Unemployment Compensation	20,000	20,000	100.0%	40,000
Parking & Bus Passes	<u>200,000</u>	<u>25,000</u>	<u>12.5%</u>	<u>225,000</u>
Total Salaries & Benefits	\$27,529,000	\$3,887,000	14.1%	\$31,416,000
<u>OPERATING:</u>				
Professional Services	\$250,000	\$30,000	12.0%	\$280,000
Other Contractual Services	1,800,000	205,000	11.4%	2,005,000
Other Contract. Serv.- Janitorial	363,000	37,500	10.3%	400,500
Training & Travel	90,000	0	0.0%	90,000
Telecommunication	250,000	5,000	2.0%	255,000
Delivery & Postage	1,316,000	31,000	2.4%	1,347,000
Utilities	930,000	30,000	3.2%	960,000
Rentals & Leases	1,219,000	76,000	6.2%	1,295,000
Insurance	460,000	140,000	30.4%	600,000
Repair & Maintenance	1,380,000	207,000	15.0%	1,587,000
Repair & Maint. - Hardware/Software	1,535,000	(13,000)	-0.8%	1,522,000
Copying/Printing	303,500	37,500	12.4%	341,000
Promotional Activities	350,000	75,000	21.4%	425,000
Property Appraiser's Fee	425,000	122,000	28.7%	547,000
Tax Collector's Fee	1,080,000	135,000	12.5%	1,215,000
Supplies	850,000	50,000	5.9%	900,000
Supplies-Hardware/Software	350,000	250,000	71.4%	600,000
Memberships	<u>17,000</u>	<u>(2,000)</u>	<u>-11.8%</u>	<u>15,000</u>
Total Operating	\$12,968,500	\$1,416,000	10.9%	\$14,384,500
<u>CAPITAL OUTLAY:</u>				
Building & Improvements	\$1,750,000	\$600,000	34.3%	\$2,350,000
Equipment & Furniture	300,000	50,000	16.7%	350,000
Hardware/Software	<u>500,000</u>	<u>725,000</u>	<u>145.0%</u>	<u>1,225,000</u>
Total Capital Outlay	\$2,550,000	\$1,375,000	53.9%	\$3,925,000
<u>LIBRARY MATERIALS:</u>				
Materials - Rest. Contributions	\$14,000	\$0	0.0%	\$14,000
Materials - Other	<u>4,550,000</u>	<u>50,000</u>	<u>1.1%</u>	<u>4,600,000</u>
Total Materials	\$4,564,000	\$50,000	1.1%	\$4,614,000
TRANSFER TO CAPITAL PROJECTS	\$4,000,000	\$0	0.0%	\$4,000,000
TRANSFER TO SINKING/EARR FUND	<u>500,000</u>	<u>0</u>	<u>0.0%</u>	<u>500,000</u>
Total Transfers	\$4,500,000	\$0	0.0%	\$4,500,000
Sub-Total Expenditures	\$52,111,500	\$6,728,000	12.9%	\$58,839,500
Reserves	\$25,935,000	\$1,902,000	7.3%	\$27,837,000
Total Expenditures	<u>\$78,046,500</u>	<u>\$8,630,000</u>	<u>11.1%</u>	<u>\$86,676,500</u>

Operating Fund

Revenue Highlights

Ad Valorem Taxes (\$60,850,000)

Based on the information provided by the Property Appraiser's Office, property values are up **12.7%**. With this increase and no change in the millage rate of .3748, tax revenues are up **\$6,850,000**.

State Aid (\$150,000) and Federal/State Grants (\$635,000)

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 and Federal Aid for FY 2022-23. Thus, we are being conservative in the FY 2022-23 estimate for this account.

Charges For Services (\$275,500)

The \$67,000 decrease is based on an average of the last 5 fiscal years, due to the uncertain lingering effects of Covid-19 onto FY 2022-23 revenues.

Fines & Lost Materials (\$320,000)

The \$120,000 decrease is based on FY 2021-22 estimates and the uncertain lingering effects of Covid-19 onto FY 2022-23 revenues. Additionally, our digital collection utilization is increasing.

Investment Earnings (\$125,000)

Rates have been dropping and becoming more volatile and that is reflected in the lower investment earnings over the last several years. The budget for this account was kept the same as the FY 2021-22 budget.

Internet Rebate (\$75,000)

The Universal Service Schools and Libraries Program, which is a Federal program commonly known as "E-Rate," provides rebates up to 80% of qualified telecommunication and Internet access charges to assist schools and libraries in the United States to obtain affordable telecommunications and Internet access. The Library has received rebates on Internet and Metro-Ethernet network services. The budget for next year is the same as FY 2021-22 budget. This revenue stream varies year by year, based on which E-Rate eligible services the Library acquires during the year.

Reserves (\$23,622,000)

This is the amount of Reserves that are eligible for spending. This figure represents approximately five (5) months reserves which is in line with industry standards.

Operating Fund

Expenditure Highlights

Salaries & Benefits:

Salaries (\$21,866,000)

- ✓ The FY 2022-23 budget includes 300 full time and 146 part time positions. Sixteen (16) new positions are being requested for FY 2022-23. These include Grant Writer, DEIA Specialist, Outreach Coordinators and Social Workers.
- ✓ The FY 2022-23 Budget Guidelines from Mayor Demings includes a 4.0% salary increase for County staff, with the exception of staff earning below \$15.00 per hour. The Library has followed Mayor Demings Budget Guidelines, along with an additional funds to facilitate the Library's transition to the \$15 per hour Florida Minimum Wage by September 2026. Note: As of October 1, 2022 the Library will have achieved the \$15.00 minimum wage goal. The Library provides a merit component to high performers through incentives such as additional paid time off or part time leave and staff have the option of cashing out this leave at the time of their annual performance evaluation.
- ✓ The salaries include the salary for the new CEO/Director and approximately one (1) month overlap with the current Interim Director/CEO and COO.

Defined Contribution Pension Plan (\$1,600,000)

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 \$145,000 increase in this account is due to increased projected salaries.

Defined Benefit Pension Plan (\$1,750,000)

This Plan is a traditional retirement plan covering full time employees hired prior to January 1, 2007. The normal retirement benefit (2% of an employee's final five (5) year average earnings multiplied by years of service minus one year) is calculated at age 65. Employees who are vested and have at least 10 years of service may retire as early as 55 at a reduced benefit: 5% reduction for each year prior to age 65. As of January 1, 2022, 56 active employees were participants in this Plan.

Contributions to the Plan are actuarially determined at the beginning of each calendar year. The \$550,000 increase in projected contributions for next fiscal year is largely due to the anticipated investments valuation as of December 31, 2022. This Plan was closed to new employees starting in January 2007.

Money Purchase Pension Plan (\$1,250,000)

Effective January 1, 2007, new full time hires no longer participate in the Defined Benefit Pension Plan, but instead are enrolled in this Plan. The Plan requires that the Library contribute 9% of each employee's bi-weekly salary. The vesting period is one year and benefits are payable in a variety of forms, including lump sum and installments after retiring or departure. The \$199,000 increase is due to higher budgeted salaries.

Life and Health Insurance (\$3,775,000)

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 \$454,000 is a combination of the projected number of full and part time employees eligible for the coverage.

Retiree Health Care (\$500,000)

Local governments are required to reflect the true cost of retiree healthcare during the employee's tenure rather than the "Pay as You Go" system that was common up until 2007. A trust fund was established in 2007 and the Library has since been funding this benefit in a fashion similar to a pension. Contributions to the Plan are actuarially determined. The previous retiree health care benefit only covered full time employees hired before January 1, 2007. In April, 2019, the Board approved a new, limited benefit for employees hired after that date. The FY 2022-23 funding for this account, is primarily based on the actuarial report.

Parking and Bus Passes (\$225,000)

For Main Library employees, the Library anticipates leasing approximately 170 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 \$25,000 increase based on the new personnel positions.

Overall, salaries and benefits for next fiscal year are up \$3,887,000 or 14.1%.

Operating:

Professional Services (\$280,000)

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 \$30,000 increase in the budget for this account.

Other Contractual Services (\$2,005,000)

Services charged to this account include the following:

- ✓ Off duty police officer coverage (Main Library, South Trail, Fairview Shores, Hiawasse, Washington Park Branches)
- ✓ Collection agency (collection services and renewal notices)
- ✓ Programming
- ✓ Branch deliveries
- ✓ Bank/credit card fees
- ✓ 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 branch refreshes)
- ✓ Pre-employment background checks
- ✓ Exterminating services
- ✓ Digitization services
- ✓ General consulting services

The \$205,000 increase in the budget is primarily due to increase in off duty police officers, banking fees and overall inflationary pressure.

Other Contractual Services – Janitorial (\$400,500)

At the Main Library, the custodians are Library employees but in the branches we contract with a private vendor, 3-H Services, for janitorial cleaning services. The Library also has contracts with vendors to pressure clean exteriors of the branches, clean the carpets in the branches, and clean the windows in all of our facilities. The \$37,500 increase in the budget for this account is primarily due to contractual cost increase due to the increase in minimum wage effective October 1, 2022.

Training and Travel (\$90,000)

Charges to this account include:

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

There is no change in the budget from FY 2021-22.

Telecommunication (\$255,000)

Telecommunication services including Internet connections, Metro-Ethernet branch connections, and Voice-Over Internet Protocol are charged to this account. The \$5,000 increase is due to contractual obligations.

Delivery and Postage (\$1,347,000)

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 \$31,000 primarily as the result of the estimated amount being paid to Priority Express Parcel and the increased use of USPS for material delivery.

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 \$30,000 increase is based upon updated operating hours, estimated energy prices and the energy savings from installing LED lighting in several branches in FY 2021-22 .

Rentals and Leases (\$1,295,000)

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 \$76,000 increase is primarily due to contractual increases.

Insurance (\$600,000)

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 \$140,000 increase in this account is based on estimates provided by our insurance broker.

Repairs and Maintenance (\$1,587,000)

The Library System consists of the Main Library and 14 branches for a total of approximately 460,000 square feet. Repairs and routine maintenance include the following services:

- ✓ Plumbers
- ✓ Electricians
- ✓ Locksmiths
- ✓ Heating, ventilating, and air conditioning
- ✓ Elevators
- ✓ Painters
- ✓ Handyman
- ✓ Landscaping
- ✓ Roofers
- ✓ Fire alarms, sprinkler systems
- ✓ Building security and camera systems
- ✓ 3M self check out systems

The cost to maintain our facilities and equipment is partly a function of our size. Additionally, our facilities and equipment are well maintained and our goal is to keep them in that condition. The \$207,000 increase in the budget for this account is due to anticipated repairs to aging HVAC systems, camera replacements and overall costs increases.

Repairs and Maintenance – Hardware/Software (\$1,522,000)

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

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

The Library pays maintenance and service contracts for over 50 software applications. The budget for this account decreased by \$13,000.

Copying/Printing (\$341,000)

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. The \$37,500 increase is due to the inflationary pressure on the paper and printing supplies.

Promotional Activities (\$425,000)

The costs in this line primarily include television, social media, print and radio advertisements. The \$75,000 increase is related to the Library’s 100 year anniversary promotional campaign.

Property Appraiser’s Fee (\$547,000)

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 \$547,000, a \$122,000 increase over FY 2021-22.

Tax Collector’s Fee (\$1,215,000)

The Orange County Tax Collector collects taxes from property owners in the County and distributes the tax revenues to the appropriate taxing agencies. The Collector’s fee has historically been 2% of the taxes collected. Due to an increase in property tax revenues, the budget for this account is increasing \$135,000.

Supplies (\$900,000)

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

Of the \$50,000 increase, \$25,000 is related to the Library's 100 year anniversary promotional campaign and the balance of the increase is due mainly to increased cost for janitorial supplies, program supplies and paper.

Supplies – Hardware/Software (\$600,000)

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	\$350,000
✓ Replace printers, barcode scanners, & monitors	100,000
✓ Purchase tablets, software, and other supplies	100,000
✓ Other	50,000

The funding for this account increased by \$250,000 over FY 2021-22. The increase is due to the cost of computers nearly doubling in FY 2021-22.

Overall, operating expenditures for next fiscal year are up \$1,416,000 or 10.9%.

Capital Outlay:

Building and Improvements (\$2,350,000)

The proposed budget includes the following:

✓ Windermere Expansion	\$750,000
✓ Melrose Stage	387,000
✓ North Orange Roof Replacement	309,000
✓ Main HVAC Controls	182,000
✓ Washington Park Upgrade	175,000
✓ Main Roof Design	150,000
✓ Winter Garden HVAC	75,000
✓ West Oaks HVAC	75,000
✓ Camera Upgrades	25,000
✓ Other Projects	222,000

Equipment and Furniture (\$350,000)

The following are included in the budget for this account:

✓ Furniture and Fixtures at Branches	\$60,000
✓ Furniture and Fixtures at Main	40,000
✓ Other projects	250,000

Hardware/Software (\$1,225,000)

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

✓ Computer Replacement	\$401,000
✓ Servers/cloud storage & Network	200,000
✓ Web Site Enhancements	175,000
✓ Laptops	100,000
✓ Digital content enhancement	100,000
✓ Melrose Center iMac and Windows computers	100,000
✓ Early Technology AWE Stations	75,000
✓ Video equipment	25,000
✓ Sumer Reading Technology	25,000
✓ Other projects	24,000

Overall, capital outlay expenditures for next fiscal year are up \$1,375,000 or 53.9%.

Library Materials – Other (\$4,614,000)

The budget for this account covers the purchase of all materials, whether electronic or physical. There is a \$50,000 increase to reflect the anticipated mix of materials we will need to acquire for our customers.

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

To support future branch development, \$4,000,000 is being transferred to the Capital Projects Fund. The budget for this account is the same as FY 2021-22.

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

Previously, a Board member recommended that we annually set aside funds for futures repairs/replacements to both our facilities and technology. For example, the roof at the Main Library will need to be replaced and this cost easily will exceed \$2,100,000. 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. The Horizon West Branch Land Lease with Orange County requires a \$1 million set aside in this Fund to provide for immediate repairs to the Horizon West Branch while waiting on insurance proceeds. Thus, the target value for this Fund is 4% of the Library’s property plant and equipment value, plus the \$1 Million required by Horizon West Branch Land Lease with the County. Included in next year’s budget is \$500,000 for a transfer to the Sinking Fund.

Reserves (\$27,837,00)

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 \$1,902,000 in the next fiscal year. This provides OCLS with an estimated five (5) month reserve. Industry standards indicate a three (3) to six (6) month reserve is appropriate.

The FY 2022-23 General Fund budget reflects a \$8,630,000 increase, or 11.1%, compared to the current year budget.

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Capital Projects Fund

REVENUES	FY 2021-22 BUDGET	INCREASE (DECREASE)	FY 2022-23 BUDGET
Investment Earnings	\$22,000	36,000	\$58,000
Transfer from Operating Fund	4,000,000	-0-	4,000,000
Reserves	18,000,000	9,170,000	27,170,000
TOTAL REVENUES	\$22,022,000	\$9,206,000	\$31,228,000

EXPENDITURES	FY 2021-22 BUDGET	INCREASE (DECREASE)	FY 2022-23 BUDGET
New Branches	\$1,000,000	5,145,000	\$6,145,000
Reserves	\$21,022,000	4,061,000	\$25,083,000
TOTAL EXPENDITURES	\$22,022,000	\$9,206,000	\$31,228,000

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 2022-23 budget, we have included \$4,000,000 as a Transfer to the Capital Projects Fund, which is the same amount as in FY 2021-22 budget. The increase in reserves is a result of additional funding in FY 2020-21 and balances to the amount included in the FY 2020-21 Annual Financial Report. Given the dramatic growth in the Horizon West and Lake Nona areas, we are working with the City of Orlando and Orange County for partnerships to create branches in those areas of the County. These projects are just a little over a year away before starting construction. The FY 2022-23 funding reflects the design cost and other pre-construction cost associated with the two branches. The \$9,170,000 increase in reserves is related to funding from FY 2020-21 and balances to the anticipated amount in the FY 2021-22 Annual Financial Report.

We will continue to monitor growth and evaluate the need for future library needs throughout the County.

Sinking/EARR Fund

REVENUES	FY 2021-22 BUDGET	INCREASE (DECREASE)	FY 2022-23 BUDGET
Investment Earnings	2,000	8,000	10,000
Transfer from Operating Fund	500,000	-0-	500,000
Reserves	1,300,000	2,220,000	3,520,000
TOTAL REVENUES	\$1,802,000	\$2,228,000	\$4,030,000
EXPENDITURES	FY 2021-22 BUDGET	INCREASE (DECREASE)	FY 2022-23 BUDGET
Reserves - Building and Improvements	\$1,441,600	\$1,088,400	\$2,530,000
Reserves - Horizon West Contract	-0-	1,000,000	1,000,000
Reserves - Technology	360,400	139,600	500,000
TOTAL EXPENDITURES	\$1,802,000	\$2,228,000	\$4,030,000

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 \$2,100,000.

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 resumed setting aside money annually for this Sinking/EARR Fund. The Horizon West Branch Land Lease with Orange County requires a \$1 million set aside in this Fund to provide for immediate repairs to the Horizon West Branch while waiting on insurance proceeds. Thus, the target value for this Fund is 4% of the Library's property plant and equipment value, plus the \$1 Million required by Horizon West Branch Land Lease with the County. Included in the FY 2022-23 budget is \$500,000, which is the same amount we budgeted in FY 2021-22 budget. The \$2,220,000 increase in reserves is related to funding from FY 2020-21 and balances to the anticipated amount in the FY 2021-22 Annual Financial Report.

Permanent Fund

REVENUES	FY 2021-22 BUDGET	INCREASE (DECREASE)	FY 2022-23 BUDGET
Investment Earnings	25,000	(5,000)	20,000
Reserves	1,700,000	(252,000)	1,448,000
TOTAL REVENUES	\$1,725,000	(\$257,000)	\$1,468,000

EXPENDITURES	FY 2021-22 BUDGET	INCREASE (DECREASE)	FY 2022-23 BUDGET
Equipment	300,000	(175,000)	\$125,000
Reserves	1,425,000	(82,000)	1,343,000
TOTAL EXPENDITURES	\$1,725,000	(\$257,000)	\$1,468,000

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. The adjustment to the reserves balances to the anticipated amount in the FY 2021-22 Annual Financial Report.