

BUDGETS

Fiscal Year Ending September 30, 2011

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DATE: July 6, 2010

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, 2011

# Director's Message

## *Times Are Tough*

Property values in the Library District have dropped another **13%**, which equates to a \$4,152,000 loss of tax revenues. Property tax revenues have dropped 22.5% from \$36,007,000 in FY 09 to \$27,898,000 next year. The Operating Fund Budget for next year is noteworthy in that there are decreases in just about every account. 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 significantly lower tax revenues, our mission was to lower costs, avoid layoffs, and minimize the impact on services to our customers. We believe the FY 11 Operating Fund Budget accomplishes these goals. While every account in the budget was scrutinized, a significant portion of the needed savings was obtained through lower staffing levels, which fortunately were achieved through normal attrition and a voluntary separation incentive. The proposed budget reflects a reduction of 38 full time and 35 part time positions and no staff has been hired since March 2009. As a result of lower staffing levels, budgeted salaries next year were reduced by \$2,236,000, or 15%, which is illustrated in the graph on page 4. Although staff will again not receive raises next year, not one Library employee has been laid off.

Minimizing the impact of lower tax revenues on services we offer to the public was a top priority but one adjustment was necessary. Spending on materials (books, DVD's, CD's, databases, etc.) has been reduced by \$500,000 next fiscal year. While we are not planning to implement this change yet, a reduction in hours for some locations may be necessary as we continue to lose staff. Currently, 10 branch locations are open until 9:00 pm, Monday through Thursday. We will continue to evaluate the need to close some or all of these facilities an hour earlier at 8:00 pm.

The proposed FY 11 Operating Fund Budget reflects an **11%** reduction compared to the current year, well in excess of Mayor Crotty's FY 11 Budget Guidelines which called for a 7% budget reduction. Also, no staff raises have been included in the proposed budget in accordance with the Mayor's Budget Guidelines.

Former New York City Mayor Ed Koch was fond of asking, "How am I doing?" Well, how is the Orange County Library System doing? The table shown on page 5 provides some objective information to help answer that question. Like many organizations, we benchmark our key usage and financial statistics with our peers across the country. The public libraries listed in the table range in size from a service population of about 600,000 to over 4,000,000. The information in the table, which is the most recent data currently available, illustrates the following key points:

- With the exception of only one library system (Palm Beach County Library) which serves a smaller population, we have the fewest number of branches. Fewer branches translates into fewer staff, which means lower personnel costs. During these very difficult financial times, library systems with a larger number of branches are more likely to have to close branches, layoff staff, or both.
- Our circulation, which is another name for the number of items patrons check out, is very healthy. In fact, it is larger than several systems which serve much greater populations. Chicago is a good example.
- With the average revenue per capita at \$48, our own is much lower at \$39.
- The portion of our budget dedicated to salaries and benefits is definitely on the low side compared to our peers. The average for 2008 was 65% yet we were only at 52%.

Our customers also give us feedback on how we are doing. Here are some recent comments:

*"Hi. I just wanted to say, "thank you." I think the Orange County Library system is amazing.....absolutely amazing. There are so many great programs that you have initiated.*

- *I love home delivery.*
- *I love the on-line database so I can access Consumer Reports and Morningstar publications.*
- *I love being able to chat to a knowledgeable librarian, and get help with my questions very, very quickly.*
- *I love your live lectures.*
- *It is fantastic that you provide tax experts to help the seniors.*
- *I loved the emergency pet care lecture.*
- *I love that I can use your library computer, or if I have my lap top, I can use the free WiFi and print from my personal computer.*
- *Everyone in the Orange County Library system is so polite, efficient and professional.*
- *Your organization amazes me. It truly amazes me.*

- *Have you ever thought of going into politics? We need you to show other governmental organizations... "how's its suppose to be done."*

*Thank you for using your gifts, skills and all your hard work to benefit the people in Orange County. We are so fortunate to live here.*

*God greatest blessings to all of you. Yours sincerely," - Patricia*

*"OCLS is one of the best in the nation. I've lived lots of places and ALWAYS use the library system; love the library! But yours is top-notch - from inventory to customer service, programs, and special events. I am very thankful for all that you guys do! In fact, the main branch is one of two reasons my husband and I moved downtown, the other? Lake Eola, I'm a runner. Thanks so much and keep up the good work! I promise to visit more regularly.*

*With warm regards", - Robin, Happy patron and local resident*

*"Incidentally, and especially in this troubled economy, taxes are hard. Very hard. But when my tax dollars go to the OCLS, I feel confident that I'm getting my money's worth. In fact, I consistently tell Librarians (and others) that the taxes that go to assist OCLS are the only taxes I'm happy to pay." - Paul*

We take great pride in these comments and others we receive from residents who indicate the Library is the best use of their tax dollars. We address specific issues and concerns in a timely manner and strive to make our Library a vibrant and responsive community partner.

## RECOMMENDATIONS

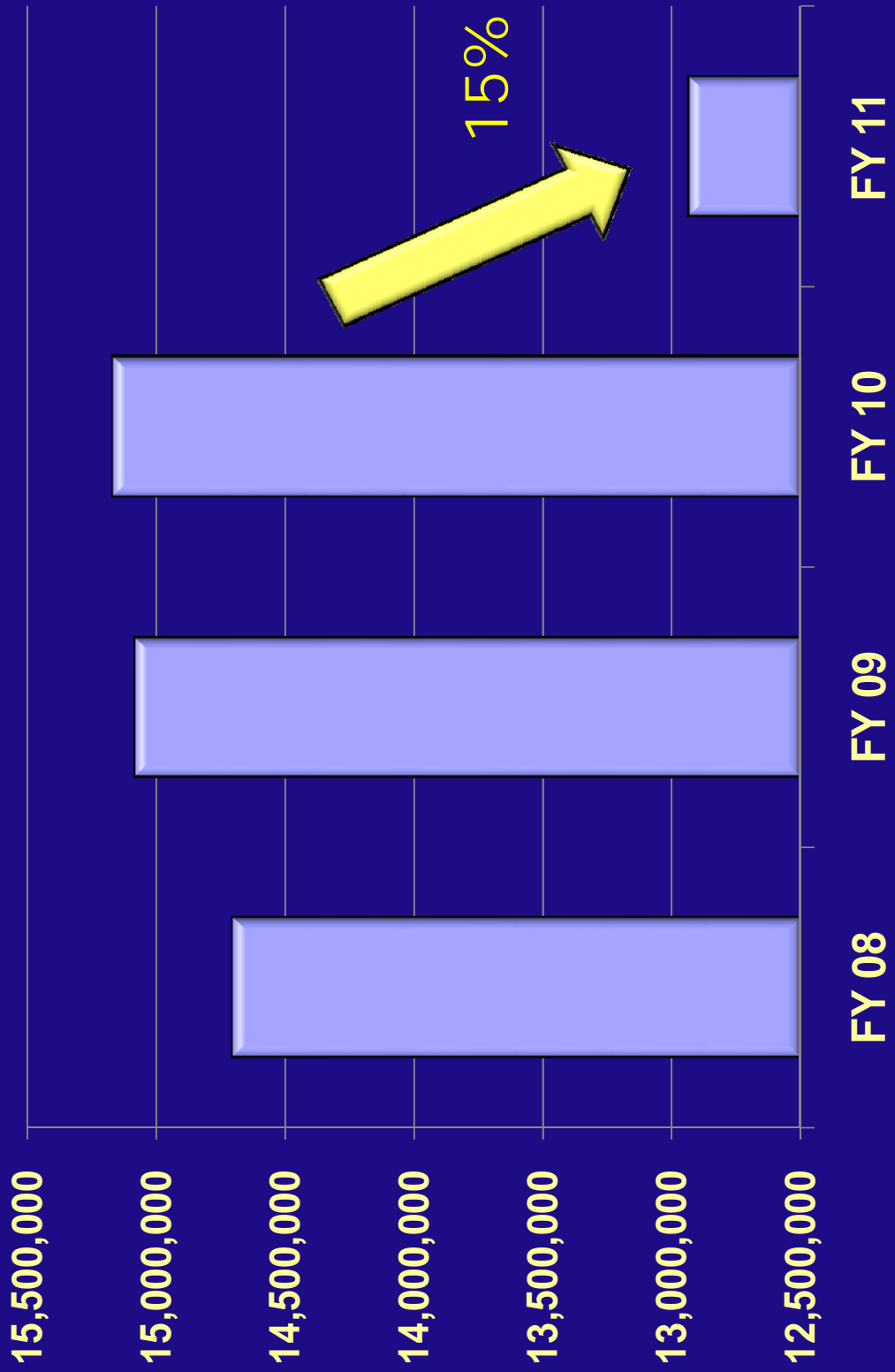
We recommend the Library Board of Trustees take the following action:

- Approve FY 11 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 11.

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

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

# Budgeted Salaries



# Peer Comparison

(Data from Public Libraries Survey Fiscal Year: 2008)

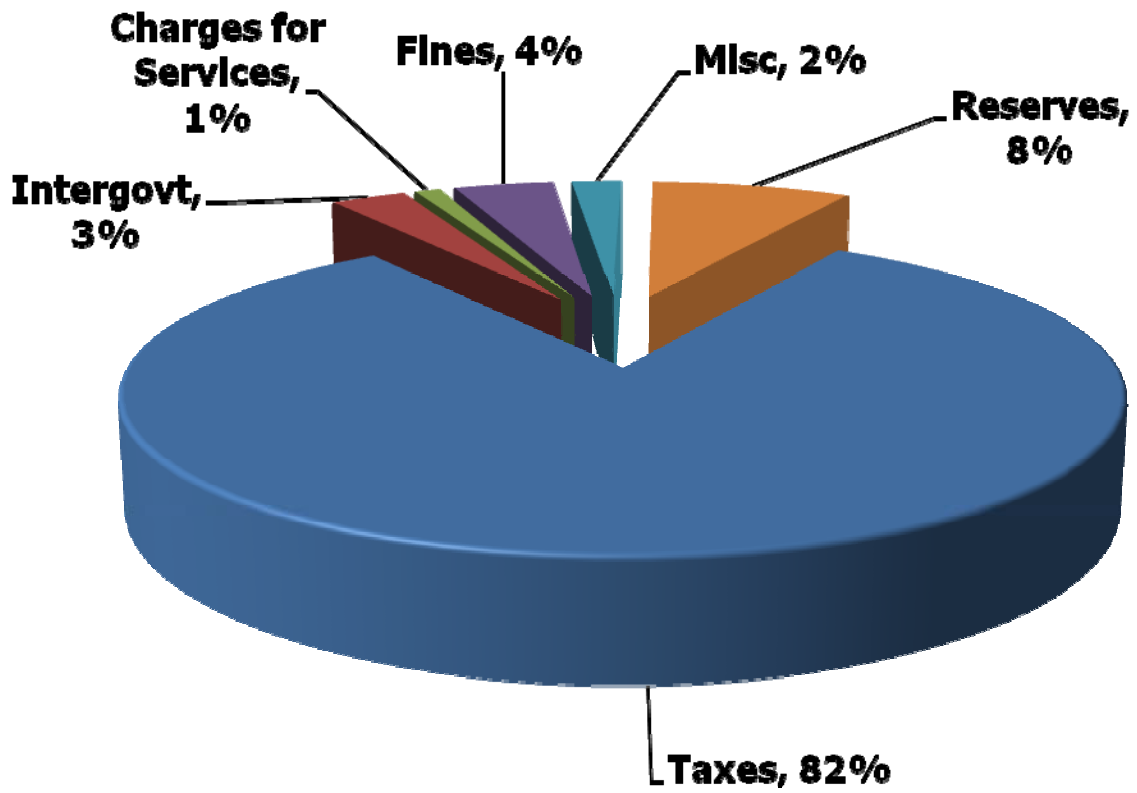
Name	Number of Branches	Population	Circulation	Revenue per Capita	Staff Exp as % of Total Exp
SEATTLE PUBLIC LIBRARY, WA	26	592,800	11,196,338	\$85.73	75.70%
BOSTON PUBLIC LIBRARY, MA	28	599,351	3,140,162	\$65.46	58.30%
ENOCH PRATT FREE LIBRARY, MD	21	635,815	1,328,972	\$65.38	58.30%
BALTIMORE COUNTY PUBLIC LIBRARY, MD	17	786,113	9,579,090	\$53.98	62.10%
ATLANTA FULTON PUBLIC LIBRARY SYSTEM, GA	33	794,230	3,508,141	\$47.80	66.30%
SAN FRANCISCO PUBLIC LIBRARY, CA	27	824,525	8,334,391	\$95.45	74.10%
INDIANAPOLIS-MARION COUNTY PUBLIC LIBRARY, IN	22	832,693	15,904,690	\$35.69	51.00%
COLUMBUS METROPOLITAN LIBRARY, OH	20	843,582	17,404,840	\$58.21	64.80%
PALM BEACH COUNTY LIBRARY SYSTEM, FL	14	850,440	7,505,255	\$57.01	58.90%
PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY, NC	23	863,147	6,773,992	\$44.56	71.00%
SAINT LOUIS COUNTY LIBRARY, MO	19	873,483	9,146,577	\$36.88	69.00%
JACKSONVILLE PUBLIC LIBRARY, FL	20	904,971	8,824,972	\$44.03	51.20%
MONTGOMERY COUNTY PUBLIC LIBRARIES, MD	21	927,583	11,451,481	\$48.22	78.40%
PIMA COUNTY PUBLIC LIBRARY, AZ	24	949,187	5,339,034	\$41.19	60.00%
DETROIT PUBLIC LIBRARY, MI	22	951,270	1,498,039	\$50.52	67.20%
SAN JOSE PUBLIC LIBRARY, CA	20	989,496	14,399,685	\$39.43	74.10%
FAIRFAX COUNTY PUBLIC LIBRARY, VA	21	1,039,269	13,065,309	\$41.41	75.20%
<b>ORANGE COUNTY LIBRARY DISTRICT, FL</b>	<b>14</b>	<b>1,069,849</b>	<b>10,149,812</b>	<b>\$38.57</b>	<b>51.50%</b>
HENNEPIN COUNTY LIBRARY, MN	40	1,122,093	16,603,635	\$60.26	65.50%
HILLSBOROUGH COUNTY PUBLIC LIBRARY COOPERATIVE, FL	26	1,200,541	8,791,169	\$45.96	52.90%
KING COUNTY LIBRARY SYSTEM, WA	44	1,221,320	20,186,630	\$69.85	58.20%
SACRAMENTO PUBLIC LIBRARY, CA	26	1,351,825	6,806,754	\$27.24	68.90%
LAS VEGAS-CLARK COUNTY LIBRARY DISTRICT, NV	24	1,482,833	12,170,182	\$43.07	57.70%
FREE LIBRARY OF PHILADELPHIA, PA	53	1,517,550	7,387,245	\$55.61	71.30%
SAN ANTONIO PUBLIC LIBRARY, TX	23	1,548,267	6,374,109	\$18.80	63.70%
BROWARD COUNTY LIBRARIES DIVISION, FL	36	1,758,494	10,113,705	\$39.79	66.20%
MIAMI-DADE PUBLIC LIBRARY SYSTEM, FL	46	2,123,688	7,834,828	\$39.45	58.10%
QUEENS BOROUGH PUBLIC LIBRARY, NY	61	2,229,379	23,239,871	\$40.92	74.50%
BROOKLYN PUBLIC LIBRARY, NY	59	2,465,326	16,823,608	\$38.42	73.20%
CHICAGO PUBLIC LIBRARY, IL	78	2,896,016	7,771,541	\$34.37	72.10%
COUNTY OF LOS ANGELES PUBLIC LIBRARY, CA	84	3,671,064	14,139,359	\$33.16	63.10%
LOS ANGELES PUBLIC LIBRARY, CA	71	4,045,873	17,234,888	\$30.66	64.30%
<b>Average</b>					<b>64.90%</b>
				<b>\$47.72</b>	

# Tax Calculation Example

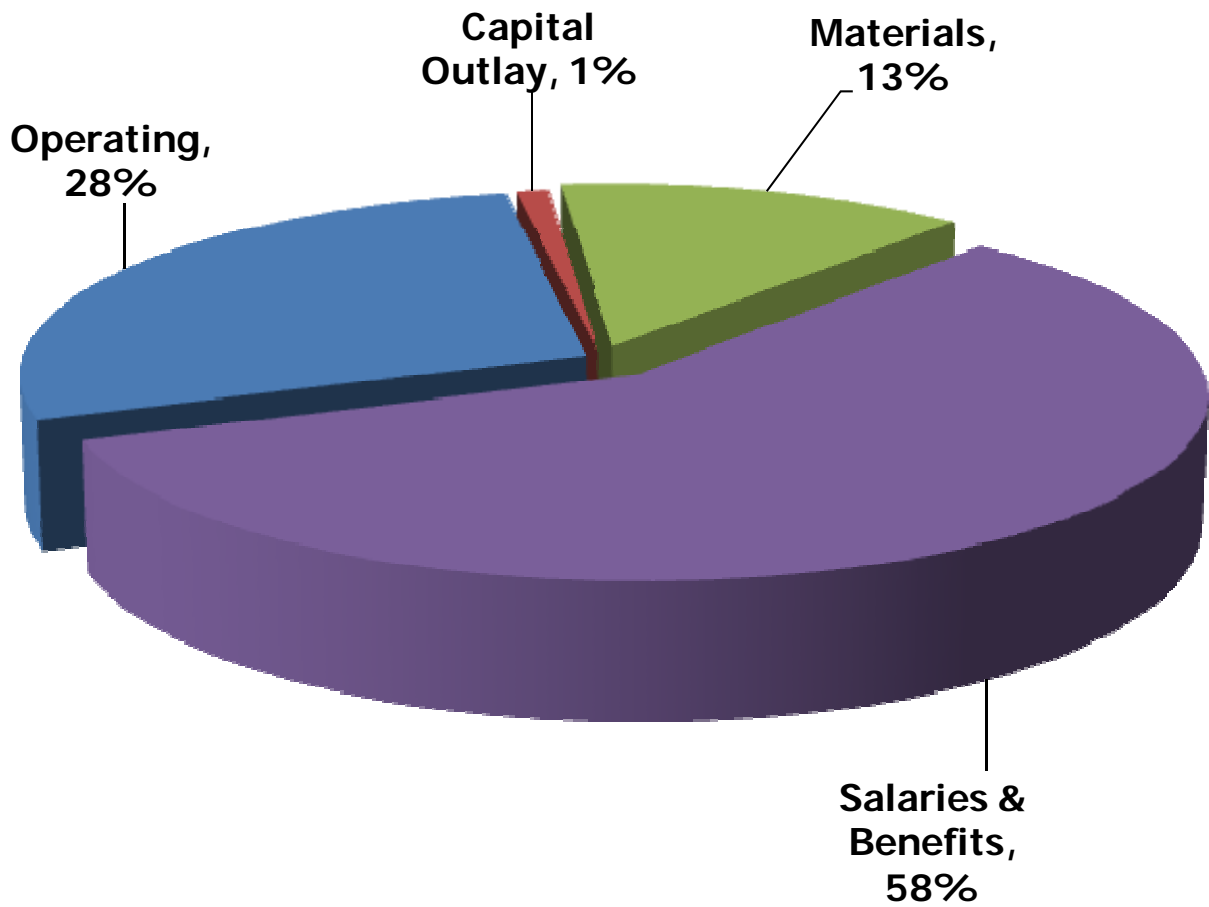
Assessed Value	\$200,000
Homestead Exemption	(\$50,000)
Taxable Value	<hr/> \$150,000
Times Millage Rate (per \$1,000 of Taxable Value)	.3748
<b>Library Tax</b>	<b>\$56</b>



# Operating Fund Revenues



# Operating Fund Expenditures



# Operating Fund Budget

## Revenues

REVENUES	FY 2010 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2011 BUDGET
<b>AD VALOREM TAXES</b>	<b>32,049,516</b>	<b>(4,151,476)</b>	-12.95%	<b>27,898,040</b>
<b>INTERGOVERNMENTAL</b>				
State and Federal Grants	100,000	146,000		246,000
State Aid	925,000	(175,000)		750,000
	<b>1,025,000</b>	<b>(29,000)</b>	-2.8%	<b>996,000</b>
<b>CHARGES FOR SERVICES</b>				
Fee Cards	12,000	2,000		14,000
PC Pass	15,000	(1,000)		14,000
PC Express	20,000	(2,000)		18,000
Classes	2,000	1,000		3,000
Meeting Rooms	50,000	(15,000)		35,000
Faxes	15,000	5,000		20,000
Disks Sales	2,500	(2,500)		-
Orange Bag Sales	15,000	(7,000)		8,000
Ear Bud & Jump Drive Sales	9,000	(2,000)		7,000
Scanners	300	-		300
Booklets & Online Book Sales	800	(400)		400
Reference Charges	400	(400)		-
ILL Charges	1,000	(1,000)		-
MAYL Ads	5,000	(5,000)		-
Copy and Vending	187,000	(1,700)		185,300
	<b>335,000</b>	<b>(30,000)</b>	-9.0%	<b>305,000</b>
<b>FINES</b>				
Fines and Lost Materials	1,865,000	(365,000)	-19.6%	1,500,000
<b>MISCELLANEOUS</b>				
Investment Earnings	225,000	(150,000)		75,000
Rents	6,000	(2,000)		4,000
Contributions - FOL	75,000	(11,000)		64,000
Contributions - Other	30,000	(5,000)		25,000
Miscellaneous	50,000	-		50,000
	<b>386,000</b>	<b>(168,000)</b>	-43.5%	<b>218,000</b>
<b>TRANSFER FROM BRANCH DEBT SERVICE FUND</b>	-	10,000		10,000
<b>TRANSFER FROM PROPERTY APPRAISER</b>	35,000	(6,000)	-17.1%	29,000
<b>TRANSFER FROM TAX COLLECTOR</b>	350,000	(23,000)	-6.6%	327,000
<b>RESERVES</b>	2,166,883	599,551	27.7%	2,766,434
<b>TOTAL REVENUES</b>	<b>38,212,399</b>	<b>(4,162,925)</b>	<b>-10.9%</b>	<b>34,049,474</b>

# Operating Fund Budget

## Expenditures

EXPENDITURES	FY 2010 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2011 BUDGET
<b>SALARIES &amp; BENEFITS</b>				
Salaries	15,169,718	(2,235,780)		12,933,938
Medicare Taxes	219,960	(32,418)		187,542
Defined Contribution Pension Plan	1,137,729	(167,684)		970,045
Defined Benefit Pension Plan	1,650,045	(423,396)		1,226,649
Money Purchase Pension Plan	391,471	(29,205)		362,266
Life and Health Insurance (Employees)	2,420,166	(253,884)		2,166,282
Retiree Health Care (OPEB)	1,124,658	344,644		1,469,302
Worker's Compensation	125,665	(29,257)		96,408
Unemployment Compensation	12,000	20,000		32,000
Parking and Bus Passes	235,987	(50,945)		185,042
	<b>22,487,399</b>	<b>(2,857,925)</b>	<b>-12.7%</b>	<b>19,629,474</b>
<b>OPERATING</b>				
Professional Services	310,000	(10,000)		300,000
Other Contractual Services	926,000	224,000		1,150,000
Other Contract. Serv.- Janitorial	340,000	(20,000)		320,000
Training and Travel	55,000	(5,000)		50,000
Telecommunication	320,000	0		320,000
Delivery and Postage	1,576,000	(216,000)		1,360,000
Utilities	1,200,000	0		1,200,000
Rentals and Leases	1,051,000	24,000		1,075,000
Insurance	285,000	0		285,000
Repairs and Maintenance	1,200,000	(28,000)		1,172,000
Repairs and Maint.-Hardware/Software	430,000	(30,000)		400,000
Copying/Printing	346,000	(76,000)		270,000
Property Appraiser's Fee	274,000	(22,000)		252,000
Tax Collector's Fee	641,000	(77,000)		564,000
Supplies	982,000	(257,000)		725,000
Supplies-Hardware/Software	300,000	0		300,000
Memberships	30,000	0		30,000
	<b>10,266,000</b>	<b>(493,000)</b>	<b>-4.8%</b>	<b>9,773,000</b>
<b>CAPITAL OUTLAY</b>				
Building and Improvements	465,000	(425,000)		40,000
Equipment and Furniture	55,000	(15,000)		40,000
Hardware/Software	175,000	0		175,000
	<b>695,000</b>	<b>(440,000)</b>	<b>-63.3%</b>	<b>255,000</b>
<b>LIBRARY MATERIALS</b>				
Materials - CD Grant	-	135,000		135,000
Materials - Restricted Contributions	14,000	(7,000)		7,000
Materials - Other	4,750,000	(500,000)		4,250,000
	<b>4,764,000</b>	<b>(372,000)</b>	<b>-7.8%</b>	<b>4,392,000</b>
<b>TOTAL EXPENDITURES</b>	<b>38,212,399</b>	<b>(4,162,925)</b>	<b>-10.9%</b>	<b>34,049,474</b>

# Operating Fund Revenue Highlights

## Ad Valorem Taxes (\$27,898,040)

Based on information provided by the Property Appraiser's Office, property values are down 13%. With this decrease and no change in the millage rate of .3748, tax revenues will be down the same 13%, or \$4,152,000.

## State & Federal Grants (\$246,000)

As part of the \$500,000 Congressionally Directed Grant obtained through Congressman Grayson's office, we will receive \$224,000 next year. In addition, we will receive a \$22,000 IMLS grant as a sub recipient through King County.

## State Aid (\$750,000)

While the amount in the budget is only a guess, the receipt of this Aid for another year is very good news.

## Fines & Lost Materials (\$1,500,000)

The FY 10 budget amount of \$1,865,000 was overly optimistic. Realistically, we expect to receive about \$1,500,000 this fiscal year and that is the same amount we are budgeting for next year.

## Investment Earnings (\$75,000)

Rates are at historic lows and the budgeted revenue reflects this.

## Reserves (\$2,766,434)

In order to fund the preliminary budget, approximately \$2,800,000 of our reserves will need to be used. Even if we use all of this, our reserves will still be healthy for the subsequent fiscal year.

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

# Operating Fund Expenditure Highlights

## Salaries (\$12,933,938)

- FY 11 budget includes 234 full time and 137 part time positions, which represents a reduction of 38 full time and 35 part time positions.
- Through normal attrition and the voluntary separation incentive, budgeted salaries have been reduced 15%, or \$2,236,000.
- For the second year in a row, staff will not receive raises.

## Defined Contribution Pension Plan (\$970,045)

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 (\$1,226,649)

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. 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.

Contributions to the Plan are actuarially determined at the beginning of each calendar year. The \$423,000 decrease in projected contributions for next fiscal year is largely due to the increase in the value of the Plan's investments.

## Money Purchase Pension Plan (\$362,266)

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 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.

## Life and Health Insurance (\$2,166,282)

The Library pays the entire cost of 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 15% increase over the current premiums. The main reason for the \$254,000 decrease for this account is fewer employees are covered by health insurance due to attrition over the last year. 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 (\$1,469,302)

The accounting standard, GASB # 45, 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 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 recently completed January 1, 2010 actuarial valuation is used to determine the funding level for next fiscal year. The \$345,000 increase is mostly due to the faster than projected increase in the cost of the Medicare Advantage Plan and the greater than projected number of retirements during the past year due to the voluntary separation incentive.

## Parking and Bus Passes (\$185,042)

For Main Library employees, the Library pays for 124 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, 26 employees use the bus passes. The reduction in staffing levels is the reason for the \$51,000 decline in this account.

*Overall, salaries and benefits for next fiscal year are down 12.7%*

## Professional Services (\$300,000)

Examples of payments charged to this account include the following:

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

The budget for this account was reduced by \$10,000.

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

Examples of payments charged to this account include the following:

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

The \$224,000 increase for this account reflects a change of where some services are charged in the budget. In the current year's budget, the delivery costs for our Mail Access to Your Library (MAYL) program as well as other services, such as the cost to deliver items between branches and the Main Library were all included in the Delivery and Postage account. In an effort to isolate the delivery and postage costs associated with the MAYL program, the cost of non MAYL services will be reallocated to the Other Contractual Services account next fiscal year. The net effect of this adjustment is the budget for the Other Contractual Services account will reflect an increase for next year and the Delivery and Postage account will reflect a similar decrease.

## Other Contractual Services – Janitorial (\$320,000)

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 clean the carpets in the branches, and clean the windows in all of our facilities. Due to lower than projected costs of the branch janitorial contract, the budget for this account was reduced by \$20,000.



## 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.

## Telecommunication (\$320,000)

Telecommunication services including Internet connections, wide area network (WAN), long distance, and local service are all charged to this account. There is no change to the budget for this account.

## Delivery and Postage (\$1,360,000)

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 explained above, the cost of non MAYL services, which had been included in the budget for this account in the current fiscal year, were reclassified to the Other Contractual Services account and thus, the reason for the \$216,000 reduction in this account.

## Utilities (\$1,200,000)

Included in this account are charges for water, sewer, trash, and electricity for all of our facilities. While the new chillers in the Main Library are far more efficient than the original equipment, we anticipate the savings will be offset by higher rates. No change was made in the budget for this account.

## Rentals and Leases (\$1,075,000)

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 \$24,000 increase in the account is due to normal increases provided by the lease agreements as well as a three month overlap in the event we end up paying rent on both the existing

South Trail Branch location and the possible new one in the South Gate Shopping Center. At this point, no deal has been reached with the owners of the South Gate Shopping Center.

## Insurance (\$285,000)

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, rates have remained stable and thus, there is no change in the budget for this account.

## Repairs and Maintenance (\$1,172,000)

The Library System consists of the Main Library, 14 branches and the Chickasaw location for a total of almost 470,000 square feet. Although Chickasaw is not open to the public, the building still requires maintenance. 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 been adding in recent years. Our facilities and equipment are well maintained and our goal is to keep them in that condition. The budget for this account reflects a small decrease in the amount of \$28,000.

## 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
- ✓ Performance evaluation software
- ✓ Technology backbone (routers, switches, and firewall)
- ✓ Accounting, payroll, and financial 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 \$30,000 decrease in this account is due to the elimination of some maintenance agreements which were no longer needed.

## Copying/Printing (\$270,000)

We contract with a vendor, EGP, to provide copy machines throughout the system. We pay EGP 1.4 cents 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 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 1.4 cents for each black and white print, 9 cents for each color print. In addition to the per copy charges, we previously paid EGP a monthly lease charge for each copy machine and printer. However, the lease charges expired and are one of the reasons for the reduction in the budget for this account.

In addition to the contract with EGP, large print jobs sent to external printers are charged to this account. One of the largest print jobs sent to an external printer is the monthly newsletter, Books and Beyond. We are eliminating the pages containing the class listings and this is the other reason for the \$76,000 reduction in the budget for this account.

## Property Appraiser's Fee (\$252,000)

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 \$252,000 next fiscal year.

## Tax Collector's Fee (\$564,000)

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 2% of the taxes collected which equates to about \$564,000 next fiscal year. Given the lower tax revenues, the budget for this account has been reduced by \$77,000.

## Supplies (\$725,000)

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 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 \$257,000 reduction in this account is a reflection of reduced spending across the board, including smaller purchases of KWIK cases and RFID tags.

## Supplies-Hardware/Software (\$300,000)

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)

There is no change in the budget for this account.

*Overall, Operating Expenditures for next fiscal year are down 4.8%*

### Building and Improvements (\$40,000)

While no specific projects have been identified, a minimal amount of \$40,000 has been included in the budget for unanticipated projects which invariably come up every year.

### Equipment and Furniture (\$40,000)

In addition to \$3,000 for an electric pallet jack for the Mailroom and \$3,500 for some shelving related to a grant, we have included \$33,500 for unanticipated purchases.

### Hardware/Software (\$175,000)

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

✓	Open source programming	\$30,000
✓	New “Olive” platform	\$10,000
✓	Replace out of warranty laptops	\$25,000
✓	Replace out of warranty servers	\$35,000
✓	Additional data storage	\$25,000
✓	Network enhancements (switches, routers)	\$50,000

### Library Materials - CD Grant (\$135,000)

Of the \$224,000 to be received from the Congressionally Directed Grant next fiscal year, \$135,000 will be used to purchase Spanish books and media for the Southeast and South Creek branches.

### Library Materials - Other (\$4,250,000)

While we have worked very hard to limit the impact of lower tax revenues on our customers, the budget for this account is definitely one of the casualties. The budget for next fiscal year has been reduced by \$500,000 as a cost savings measure.

*The FY11 budget reflects a 10.9% decrease compared to the current year budget.*

# Capital Projects Fund

<u>REVENUES</u>	<u>FY 2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>% CHANGE</u>	<u>FY 2011 BUDGET</u>
Investment Earnings	55,000	(35,000)		20,000
Reserves	945,000	35,000		980,000
<b>TOTAL REVENUES</b>	<b><u>1,000,000</u></b>	<b><u>0</u></b>	0.0%	<b><u>1,000,000</u></b>

<u>EXPENDITURES</u>	<u>FY 2010 BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>% CHANGE</u>	<u>FY 2011 BUDGET</u>
<u>FUTURE BRANCHES</u>				
Land	1,000,000	0		1,000,000
<b>TOTAL EXPENDITURES</b>	<b><u>1,000,000</u></b>	<b><u>0</u></b>	0.0%	<b><u>1,000,000</u></b>

# Sinking Fund

REVENUES	FY 2010 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2011 BUDGET
Investment Earnings	6,000	(4,000)		2,000
<b>TOTAL REVENUES</b>	<b>6,000</b>	<b>(4,000)</b>	<b>-66.7%</b>	<b>2,000</b>

EXPENDITURES	FY 2010 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2011 BUDGET
Reserves - Building and Improvements	3,300	(2,200)		1,100
Reserves - Technology	2,700	(1,800)		900
<b>TOTAL EXPENDITURES</b>	<b>6,000</b>	<b>(4,000)</b>	<b>-66.7%</b>	<b>2,000</b>

# Branch Debt Service Fund

REVENUES	FY 2010 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2011 BUDGET
Investment Earnings	6,200	(6,200)		-
Reserves	403,320	(393,320)		10,000
<b>TOTAL REVENUES</b>	<b>409,520</b>	<b>(399,520)</b>	<b>-97.6%</b>	<b>10,000</b>

EXPENDITURES	FY 2010 BUDGET	INCREASE (DECREASE)	% CHANGE	FY 2011 BUDGET
Principal	399,600	(399,600)		-
Interest	9,920	(9,920)		-
Transfer to Operating Fund	-	10,000		10,000
<b>TOTAL EXPENDITURES</b>	<b>409,520</b>	<b>(399,520)</b>	<b>-97.6%</b>	<b>10,000</b>



