



September 15, 2010

TO THE HONORABLE CHAIRMAN AND MEMBERS OF THE ALACHUA COUNTY LIBRARY DISTRICT GOVERNING BOARD AND RESIDENTS OF ALACHUA COUNTY:

In accordance with Florida law, Trustees and staff are pleased to submit the FY 2010 - 2011 recommended budget for the Alachua County Library District. Chapter 98-502, as amended by Chapter 03-375, Laws of Florida, establishes the Alachua County Library District, an independent special taxing district, as the sole provider of public library services in Alachua County. The District and Alachua County's boundaries are congruent.

The mission and values of the Library District define its primary purposes that include education, information, excellent and innovative service, and free and equal access. These principles guide the planning processes for the Library District and provide focus when prioritizing library services especially during periods of economic concern.

The long term prudent fiscal management of the Library District continues to result in stable or increased service levels during periods when less than expected revenue is received. In times when tax revenues exceeded need or expectation, the Library District millage has been reduced.

In 2011, persons who owned the same homestead exemption residence since 2000 will pay approximately 23% less in Library District tax than in 2000. In the past ten (10) years, total Library District millage including debt service decreased from 1.900 to 1.4736 mills, or 22.5%.

Local governance of the Library District has been responsive to the needs of the community in a fiscally responsible manner that has been exemplary. In spring 2008, Standard & Poor's upgraded the Library District's bond rating from A to AA, an increase of three (3) levels at a time when most Florida local government's bond ratings were decreasing or unchanged.

Once more, the Library District's long-range capital development plan has been revised to account for projected reduced revenues. Unlike most other local governments, the Library District is almost totally dependent on its property tax based revenues for both operating and

capital expenditures. As a result, nearly all construction projects have been deferred to ensure that projected revenues from this one source will be available to sustain the current service level and construct and operate any new and/or expanded facility. Currently, there are sufficient capital and projected operating funds to complete and operate a future Eastside Branch Library.

Local property tax revenue restrictions imposed by the state legislature and by Amendment 1 continue to be compounded by minimum funding for the State Aid to Libraries grant program and the elimination of funding for Public Library Construction grants. State legislative budget reductions for these programs the past four years have resulted in the loss of approximately \$1.8 million to the Library District.

The Library District expects to receive approximately \$360,000 in State Aid in FY 2011, about \$30,000 more than in FY 2010, but \$120,000 less than received in 2008, and \$440,000 less than received in FY 2001. State Aid funds are used by the Library District to purchase library materials. Reductions to this state grant program result in the Library District using local funds to offset the loss in order to sustain current service levels.

The FY 2011 Library District recommended budget was prepared with staff participation from each Branch Manager and Headquarters Department Head. They presented their respective budget requests with concern for cost-efficient services and defended their budgets well. Staff budget proposals exhibited the highest level of public service commitment from each presenter.

The proposed budget builds on existing Library District assets with enhancements to public services, attention to our dedicated staff, and a cost-effective approach to managing financial resources we receive from our citizens that addresses short and long-term library service needs.

Without a doubt, this continues to be the finest public library in Florida combining a dedicated staff with exceptional support from the Board of Governors, the Board of Trustees, Friends of the Library, and the Library District Foundation. Most importantly, our community values the educational, informational, and recreational services their Library District provides.

Proposed Budget

The proposed operating millage rate for FY 2011 is 1.3638, the roll-back millage rate, which generates the same property tax revenue as in FY 2010 plus revenue for millage applied to any new construction. Due to the decrease in the countywide tax roll, the roll-back millage rate is 6.01% higher than the current year. The Florida Department of Revenue considers the roll-back millage rate as no tax increase because it generates the same revenue as the prior year. The Governing Board can approve the roll-back rate with a simple majority vote.

In FY 2010, the Library District opted not to adjust its millage by an additional 2.5% for the growth in per capita Florida personal income (calculated by the Florida Department of Revenue) and forego the additional \$405,000 in property tax dollars the adjustment would have generated. In FY 2011, per capita Florida personal income is -1.89% and the original roll-back millage was lowered to reflect this decrease.

The Library District overall FY 2011 expenditure budget is \$17,987,228, 1% less than the current year, despite modest service enhancements through staff realignments. Grants and cost saving measures in personnel services and energy resulted in more than anticipated cash carry-forward and recurring expense reductions.

The operating budget includes a transfer of \$1.272 million to the Capital Projects Fund from General Fund Reserves and carry-forward funds to support the capital budget and to save for future new library construction or expansion of existing libraries identified in the Facilities Development Plan. Also included in the operating budget are a 5% expenditure reserve and a forty-five (45) day ending cash balance reserve.

The proposed millages to fund the Long Range Facilities & Service Plan for FY 2010 – 2011 compared to FY 2009 - 2010 are:

FY 2009 - 2010

1.2856 mills for Operations and Capital
Improvements
0.0915 mill for Bond Debt (debt retired in 2017)
1.3771 TOTAL DISTRICT MILLAGE

FY 2010 - 2011

1.3638 mills for Operations and Capital
Improvements
0.1098 mill for Bond Debt (debt retires in 2017)
1.4736 TOTAL DISTRICT MILLAGE

Proposed Budget Highlights

In accordance with the Long Range Facilities & Service Plan FY 2010 - 2015 adopted by the Governing Board and Board of Trustees, the proposed FY 2011 budget supports the following:

- Provide 538 open hours of library service per week at the eleven (11) Library District locations. Sunday service hours are offered at all Alachua County Library District agencies except The Library Partnership.

Library Facility	FY 2009-10 Hours Per Week	Proposed FY 2010-11 Hours Per Week
Headquarters	66	66
Millhopper Branch	60.5	63
Tower Road Branch	60.5	63
Alachua Branch	48	48
Hawthorne Branch	48	48
High Springs Branch	49	49
Archer Branch	40	40
Micanopy Branch	30	30
Newberry Branch	48	58
Waldo Branch	30	30
The Library Partnership	43	43

- Provide service levels at the eleven (11) library facilities in accordance with the Long Range Facilities & Service Plan FY 2010-2015 "Projected Library Service Levels."
- Transfer \$1.272 million to the Capital Projects Fund.
- Open the Millhopper and Tower Road Branch Libraries a fourth evening.
- Provide library services from the Eastside Recreation Center at Cone Park.
- Expand input to the Long Range Planning process by including Alachua County residents of all ages through community discussion forums and online surveys.

- Realign public service staff to balance work loads and better reflect operational needs.
- Continue to upgrade computer equipment and networks to create a “virtual” server environment, maximize data flow, review of network configuration, and Quality of Service (QOS) initiatives to prioritize network traffic.
- Continue energy/resource conservation programs to generate savings and/or revenues.
- Complete transition to easier to use and less expensive security cases for CD/DVD materials.
- Redesign the Headquarters 3rd floor to provide better access to materials and computers and make more effective use of staff.
- Initiate design phase to expand the Headquarters Youth Services area, redesign 1st floor work spaces, create a staging area to shelve returned materials, and install an automated library materials handling/sorting system.
- Renovate the Micanopy Branch and remodel the Tower Road Branch Libraries
- Initiate floating collection to reduce handling of library materials by staff and reduce the cost of courier services
- Identify recurring revenue opportunities through leases of Library District space and state and federal grants.
- Continue to develop core competencies for all job classifications to clearly define performance expectations.
- Continue to enhance virtual user services through a highly interactive website and catalog access, and more Library District generated content.
- Continue the Internet Safety program for library users of all ages that includes an online module and presentations at each library location.

- Enhance programming by collaborating with other community organizations and jointly promoting and sponsoring events directed to families, the general public, children, teens, adults, seniors, or groups with special interests.
- Develop a RFP and select a vendor to provide the next generation Integrated Library System.
- Continue bookmobile, Books-By-Mail, and deposit collection operations to serve patrons with limited access to a branch library.
- Revise the Collection Development and Maintenance Policy and include criteria to cost effectively select materials in electronic formats to provide the community with 24-hour access to a wider array of resources.
- Continue use of volunteers to assist staff in providing library service.
- Appropriate \$1,370,000 in the General Fund for books and other library materials. With anticipated State Aid, Brady Trust funds, and a generous donation by the Friends of the Library added to the general fund appropriation, the materials budget is approximately \$1,800,000, or 10% of the total expenditure budget.
- Expand the use of outsourcing to more efficiently process library materials.

About the Alachua County Library District

The District's Governing Board is composed of three members of the Board of Alachua County Commissioners, two members of the Gainesville City Commission and one member of the Alachua County School Board. Governors are selected by their respective Commissions or Board to serve on the Library District Governing Board.

According to the Special Act creating the District, the Governing Board has the power to adopt an annual budget, establish service levels, adopt a long range facilities and service plan, lease or purchase property, contract for services, receive grants, and take any other action necessary to provide public library services to the people of Alachua County.

The Governing Board may levy ad valorem taxes for operational expenses and all millage necessary to pay the principal and interest on general obligation bonds. The District's authority to levy 0.5 mills for capital improvements ended April 2001. New authority to levy a capital improvements millage would require voter approval. The District also has authority to issue limited tax bonds for capital improvement purposes and General Obligation Bonds with referendum approval.

The Governing Board appoints the seven-member Board of Trustees, a citizen volunteer board that is part of the governing structure of the Library District. Three of the seven members are Alachua County representatives, three are City of Gainesville representatives, and one is a representative of the League of Cities.

Responsibilities of the Board of Trustees include developing recommendations for policy, budget, and plans for the Library District, reporting at meetings on matters that may affect the District, responding to requests by the Governing Board for various recommendations, reporting information about Library issues, advocacy for state and national library funding, and listening and responding to citizens who have questions related to the Library District and libraries in general.

The Alachua County Library District provides public library service to a countywide population of approximately 252,388. The District is a centralized system with a Headquarters Library located in downtown Gainesville and ten branch libraries.

One large library (Millhopper Branch) is located in northwest Gainesville and a newly opened storefront library operating in collaboration with the Partnership for Strong Families (The Library Partnership) is located in northeast Gainesville. Another large library (Tower Road Branch) is located in unincorporated Alachua County southwest of Gainesville, just outside of the city limits. The municipalities of Alachua, Archer, Hawthorne, High Springs, Micanopy, Newberry, and Waldo each have a branch library. In addition to these facilities, the District operates two bookmobiles and provides library service to the inmates of the Alachua County Jail through an interlocal agreement with the Alachua County Sheriff.

Starting in mid-FY 2011, library services will be provided from the Eastside Recreation Center located at Cone Park. Eventually, the Library District plans to operate a standalone branch library at this site.

Any resident of the State of Florida may register for a free Alachua County Library District borrower's card. Citizens of Alachua County may in turn receive a borrower's card free of charge through reciprocal borrowing agreements with the following counties: Baker, Bradford, Clay, Columbia, Dixie, Gilchrist, Lafayette, Levy, Marion, Putnam, St. Johns, and Union. These agreements are designed to facilitate access to the most conveniently located library facility regardless of an individual's county of residence. Alachua County residents may receive a free borrower's card from the Nassau and Hendry County Public Libraries, which also offer free library services to all Florida residents.

State Aid to Libraries Program

State Aid is a continuing state grant authorized by Chapter 257, Florida Statutes. It is the only substantial revenue source the District has outside of ad valorem taxes. Eligibility for state aid is contingent upon the provision of "free library service" defined in Chapter 257.25, Florida Statutes as: "Free library service shall constitute as a minimum the free lending of library materials that are made available for circulation and the free provision of reference and information services."

The goal of the State Aid to Libraries Program is to assist local government in maintaining and developing free professional library service for all Floridians as a part of the educational infrastructure. Grants are awarded through an application process and the amount received from the total state appropriation is proportional to the amount of local funds spent providing library service in Alachua County. State Aid is used to purchase materials for the library collection.

In FY 2011, the Library District expects to participate in the newly forming Putnam-Alachua-Levy (PAL) Library Cooperative. The inter-local agreement creating the PAL Library Cooperative must be approved by the Putnam and Levy County Commissions and the Library District Governing Board prior to September 30, 2010 to be eligible for state funds in FY 2011.

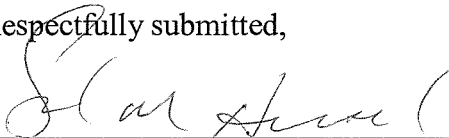
The Cooperative will identify and coordinate the provision of selected library services across the region agreed upon by the three (3) county library members. The Cooperative is funded solely

through the State Aid to Public Libraries grant program and would be eligible to receive an annual grant of \$350,000. The Library District will receive approximately \$60,000 of materials or services in FY 2011 by being a PAL member.

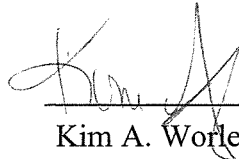
The PAL Library Cooperative provides an opportunity for the Library District to receive State Aid grant funded materials and services in addition to its operating grant. The additional library materials and services received by Putnam and Levy County residents greatly improve the quality of information services accessible throughout this region.

In closing, we wish to acknowledge the excellent support received from the staff and Trustees in the preparation of this budget.

Respectfully submitted,



Sol M. Hirsch
Library Director



Kim A. Worley
Chair, Library Board of Trustees