

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 3/15/2018

AGENDA ITEM NUMBER: E.2.b.

Budget & Finance Committee, Preliminary
Financials for the Month Ending **12/31/2017**

BACKGROUND:

The attached report provides a summary of revenue and expenditure performance in the Library's Operating Budget for the year as of December 31, 2017 preliminary year-end close. Final figures are subject to change as the outside audit process proceeds. The report also details monthly activity for December. Overall, the Library operated within its budget for the period. Revenue, excluding budgeted use of fund balance, ended the year at \$27,254,158 (99.9% of the budget for those items). Operating expenditures, excluding encumbrances and funds reservations, ended the year at **\$27,330,020** (94.5% of budget). Including encumbrances and funds reservations, we ended the year at 96.2%. Items of note include:

REVENUE:

- ✓ **Library Charges - Fines:** Ended the year at 83.1% of budget reflecting the continued shift to e-content, which "expires" at the end of the loan period, and therefore never overdue combined with overall circulation, which ran 4.8% below the same period in 2016.
- ✓ **Property Tax for Library Proceeds:** The full \$23,474,134 Library Tax allocation was booked to the Library Fund in January.
- ✓ **Initial New York State Library Aid payments received in July, final payment received in September.** Library aid payments are normally released by the State beginning two to three months after the State's budget is adopted, with the balance transmitted in the late fall. Receipt of the last payment in September is earlier than usual.
- ✓ **Refunds - P/Y Expenses** revenue represents reimbursable expenses occurring in the prior year for which reimbursements were received in the current year. The year-to-date amount is from contract library reimbursement of that portion of their 2016 salary and benefits covered by locally collected fine and fee revenue (payroll and benefits for all libraries' personnel is processed through the Library System, utilizing Erie County's SAP financial system). The amounts were credited after the cut-off for 2016 year-end accruals.
- ✓ **Refunds - Contract Library** revenue represents a return of fine revenue collected by contracting member libraries in excess of local expenses of those libraries. The revenue is transmitted as part of the year-end closing process.

EXPENSE :

- ✓ **Salaries and wage expense ended under budget.** Turnover contributed to the under-budget condition with net salary and wage expense consuming 96.9% and net Personal Services ending at 98.4% of the budget. Within these totals, the Other Employee Payments line ended over budget in part due to one-time contract settlement payments associated with new agreements for the Contracting Library Clerical and Maintenance Union (CMU) and AFSCME union (\$11,500 and \$42,417 respectively) and higher than anticipated retirement payouts as well as vacation buy-back payments.
- ✓ **Fringe Benefit expense also ended the year under budget at 92.8% overall.** Vacancies result in below budget charges for payroll taxes. Usage changes and negotiated increased employee contributions contributed to Active Employee Health insurance cost being under budget at 92.0% (YTD costs ended 1.9% above 2016 charges). NY State Retirement charges ended slightly under budget at 98.3% as the Library labor pool continues to shift to the lower cost Tier 6 plan via turnover. Finally, retiree medical charges continue to moderate, ending the year at 89.0% of budget (4.9% above 2016 results).
- ✓ **Contractual Payments to Member Libraries adjusted budget** reflects budgeting the expense side of New York State bullet aid allocations to libraries within the districts of State Senators Jacobs, Gallivan and Ranzenhofer.
- ✓ **A mild winter and summer helped counter higher Natural Gas rates to yield utility savings.** Natural gas charges of \$106,319 ended the year at 87.1% of the 2017 annual budget reflecting seasonality and significantly higher rates. This expense was 32.1% higher than the \$91,543 paid in 2016. Electricity charges of \$542,801 came in at 88.2% of the 2017 annual budget. This expense was 0.1% lower than the \$542,801 paid in 2016. This year's relatively mild temperatures helped, along with ongoing conversion to LED lighting at multiple locations utilizing utility energy incentive programs. **Combined 2017 interfund utility charges of \$663,306 were below budget (88.0% of budget), however they were \$28,961 (4.6%) above those incurred in 2016.** The Library participates in Erie County's aggregated utility purchasing pool, which saves costs compared to retail pricing.

ACTION REQUIRED: None - Informational Report

**BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2017 OPERATING BUDGET**

Revenue Detail as of 12/31/2017

100.0% of Budget Year

SAP Account Number	Account Description	Adopted Budget	Adjust- ments	Adjusted Budget	Revenue December	YTD Revenue	To Be Realized	% of Budget Collected
REVENUE FROM LIBRARY OPERATIONS								
419000	Library Charges - Fines	317,592	0	317,592	28,449	292,913.02	24,679	92.2%
422000	Copies	19,844	0	19,844	2,478	24,579.06	(4,735)	123.9%
466040	Printing	57,957	0	57,957	5,338	62,171.09	(4,214)	107.3%
466030	Book Bags	1,300	0	1,300	71	1,029.00	271	79.2%
466020	Minor Sale - Other	6,361	0	6,361	483	4,565.43	1,796	71.8%
420510	Rent - Real Prop - Auditorium	21,100	0	21,100	1,778	19,772.43	1,328	93.7%
420530	Comm - Tel Booth Food Svs	17,680	0	17,680	1,690	14,923.12	2,757	84.4%
	TOTAL REVENUE FROM LIBRARY OPERATIONS	441,834	0	441,834	40,287	419,953.15	21,881	95.0%
REVENUE FROM STATE & COUNTY GOVT.								
400020	Library Real Prop Tax	23,943,617	0	23,943,617		23,943,616.98	0	100.0%
408140	NYS Aid-Lib Incl Incent	1,942,679	1,048	1,943,727		1,943,727.00	0	100.0%
408150	NYS Aid to Member Libraries	284,530	153	284,683		284,683.00	0	100.0%
408160	State Aid - Special	0	206,500	206,500		206,500.00	0	100.0%
409010	State Aid - Other	0	0	0		0.00	0	0.0%
486000	Interfund - Subsidy	0	0	0		0.00	0	0.0%
	TOTAL REVENUE FROM STATE & COUNTY GOVT.	26,170,826	207,701	26,378,527	0	26,378,526.98	0	100.0%
OTHER REVENUE								
419010	Refunds - Cont Library	375,483	0	375,483	354,807	354,807.00	20,676	94.5%
423000	Refund P/Y Expenses	10,000	0	10,000		33,940.26	(23,940)	339.4%
466170	Refund Contract Lib Retire	0	0	0		0.00	0	0.0%
466070	Refund P/Y Expenses	0		0		0.00	0	0.0%
445030	Int & Earn - Gen Inv	2,000	0	2,000	196	2,574.47	(574)	128.7%
466000	Misc Receipts	0	0	0		252.63	(253)	0.0%
466010	NSF Check Fees	15	0	15		0.00	15	0.0%
467000	Misc Depart Income	5,000	0	5,000	205	4,103.40	897	82.1%
479100	Other Contributions	60,000	0	60,000	60,000	60,000.00	0	100.0%
	TOTAL OTHER REVENUE	452,498	0	452,498	415,208	455,677.76	(3,180)	100.7%
USE OF FUND BALANCE								
402190	Appropriated Fund Balance	485,186	282,176	767,362		0.00	767,362	0.0%
	TOTAL USE OF FUND BALANCE	485,186	282,176	767,362	0	0.00	767,362	0.0%
	GRAND TOTAL OPERATING REVENUE	27,550,344	489,877	28,040,221	455,496	27,254,157.89	786,063	97.2%

Expenditure Detail as of 12/31/2017

100.0% of Budget Year

% Current Budget

SAP Acct. Nbr.	Account Description	2017 Adopted Budget	Encumbe red & PY Capital Project Balances	2017 Budget Adjust-ments/ Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	YTD Expend	YTD Expend/ & Encumb
OPERATING EXPENDITURES													
PERSONAL SERVICES													
Regular Salaries & Wages													
500000	Full Time - Salaries	9,418,289		0	9,418,289	783,359	9,292,528.40			9,292,528.40	125,761	98.7%	98.7%
500010	Part Time - Wages	3,980,282		0	3,980,282	270,769	3,676,700.77			3,676,700.77	303,581	92.4%	92.4%
500020	Regular PT - Wages	813,694		0	813,694	55,960	704,030.00			704,030.00	109,664	86.5%	86.5%
500300	Shift Differential	16,000		0	16,000	2,432	18,565.98			18,565.98	(2,566)	116.0%	116.0%
500330	Holiday Worked	18,000		0	18,000	2,903	17,236.38			17,236.38	764	95.8%	95.8%
500350	Other Employee Payments	91,000		0	91,000	78,379	172,232.07			172,232.07	(81,232)	189.3%	189.3%
	Salaries & Wages	14,337,265	0	0	14,337,265	1,193,802	13,881,293.60	0.00	0	13,881,293.60	455,971	96.8%	96.8%
501000	Overtime Salaries & Wages	220,000		0	220,000	19,161	227,618.45			227,618.45	(7,618)	103.5%	103.5%
	TOTAL, PERSONAL SERVICES	14,557,265	0	0	14,557,265	1,212,964	14,108,912.05	0.00	0	14,108,912.05	448,353	96.9%	96.9%
504990	Reduction From Personal Services	(350,511)		0	(350,511)		0.00			0.00	(350,511)	0.0%	0.0%
504992	Contractual Salary Reserves	125,033		0	125,033		0.00			0.00	125,033	0.0%	0.0%
	NET PERSONAL SERVICES	14,331,787	0	0	14,331,787	1,212,964	14,108,912.05	0.00	0	14,108,912.05	222,875	98.4%	98.4%
FRINGE BENEFITS													
502000	Fringe Benefits	0		0	0		0.00			0.00	0	0.0%	0.0%
502010	Employer FICA - REGULAR	902,547		0	902,547	73,697	854,896.28			854,896.28	47,651	94.7%	94.7%
502020	Employer FICA - MEDICARE	211,067		0	211,067	17,221	200,198.99			200,198.99	10,868	94.9%	94.9%
502030	Employee Health Insurance	2,715,691		0	2,715,691	259,249	2,497,442.34			2,497,442.34	218,249	92.0%	92.0%
502040	Dental Plan	98,636		0	98,636	10,394	87,560.81			87,560.81	11,075	88.8%	88.8%
502050	Workers Compensation	48,310		0	48,310	8,301	56,346.04			56,346.04	(8,036)	116.6%	116.6%
502060	Unemployment Insurance	21,339		0	21,339	378	9,424.76			9,424.76	11,914	44.2%	44.2%
502070	Hospital & Medical - Retirees	1,608,584		0	1,608,584	91,708	1,430,947.99			1,430,947.99	177,636	89.0%	89.0%
502090	Health Insurance Waiver (Incl: 117)	34,008		0	34,008	2,535	28,350.50			28,350.50	5,658	83.4%	83.4%
502100	Retirement	1,704,743		0	1,704,743	155,081	1,674,966.53			1,674,966.53	29,776	98.3%	98.3%
502000	Unallocated Fringe Benefits	25,232		0	25,232		0.00			0.00	25,232	0.0%	0.0%
	TOTAL, FRINGE BENEFITS	7,370,157	0	0	7,370,157	618,564	6,840,134.24	0.00	0	6,840,134.24	530,023	92.8%	92.8%
	TOTAL COMPENSATION RELATED	21,701,944	0	0	21,701,944	1,831,528	20,949,046.29	0.00	0	20,949,046.29	752,898	96.5%	96.5%
505000	Office Supplies	166,335		5,000	171,335	16,135	168,794.89	14.77		168,809.66	2,525	98.5%	98.5%
505200	Clothing Supplies	4,000	814	0	4,814	502	2,201.48	1,406.50		3,607.98	1,206	45.7%	74.9%
505600	Auto Truck & Heavy Equip Supplies	9,750		1,000	10,750	895	9,995.73			9,995.73	754	93.0%	93.0%

**BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2017 OPERATING BUDGET**

Expenditure Detail as of 12/31/2017

100.0% of Budget Year

% Current Budget

SAP Acct. Nbr.	Account Description	2017 Adopted Budget	Encumbe red & PY Capital Balances	2017 Budget Adjust-ments/ Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	YTD Expend/ & Encumb	YTD Expend/ & Encumb
505800	Medical & Health Supplies	1,100		200	1,300	537	778.26	275.31		1,053.57	246	59.9%	81.0%
506200	Maintenance & Repair	104,300	8,876	30,000	143,176	29,999	123,717.39		16,523	140,240.39	2,936	86.4%	97.9%
506400	Highway Supplies (Rock Salt)	14,000		0	14,000	2,916	8,637.65			8,637.65	5,362	61.7%	61.7%
510000	Local Mileage Reimbursement	13,000		0	13,000	2,483	10,979.76			10,979.76	2,020	84.5%	84.5%
510100	Out of Area Travel	15,000		0	15,000	552	14,455.82			14,455.82	544	96.4%	96.4%
510200	Training and Education	59,133		0	59,133	12,155	55,658.88			55,658.88	3,474	94.1%	94.1%
515000	Utility Charges (Telecom/water/sewer)												
	Water/Sewer	31,936			31,936	5,339	31,675.46			31,675.46	261	99.2%	99.2%
	Fuel Oil	1,000			1,000		0.00			0.00	1,000	0.0%	0.0%
	Telephone & Internet Service	62,476		3,200	65,676	718	66,746.03			66,746.03	(1,070)	101.6%	101.6%
515000	Total Utility Charges	95,412		3,200	98,612	6,057	98,421.49	0.00	0	98,421.49	191	99.8%	99.8%
516010	CONTRACTUAL PAYMENTS												
	Newstead Public - Akron	239		9,000	9,239		9,239.00			9,239.00	0	100.0%	100.0%
	Ewell Free - Alden	1,376		2,500	3,876		3,876.00			3,876.00	0	100.0%	100.0%
	Amherst Public	0		36,000	36,000		36,000.00			36,000.00	0	100.0%	100.0%
	Angola Public	0		10,000	10,000		10,000.00			10,000.00	0	100.0%	100.0%
	Aurora Public	0		2,500	2,500		2,500.00			2,500.00	0	100.0%	100.0%
	Boston Free	1,642		2,500	4,142		4,142.00			4,142.00	0	100.0%	100.0%
	Clarence Public	0		9,000	9,000		9,000.00			9,000.00	0	100.0%	100.0%
	Collins Public	0		2,500	2,500		2,500.00			2,500.00	0	100.0%	100.0%
	Concord Public	0		2,500	2,500		2,500.00			2,500.00	0	100.0%	100.0%
	Eden Library	0		2,500	2,500		2,500.00			2,500.00	0	100.0%	100.0%
	Elma Public	0		2,500	2,500		2,500.00			2,500.00	0	100.0%	100.0%
	Grand Island Memorial	0		10,000	10,000		10,000.00			10,000.00	0	100.0%	100.0%
	Hamburg Public	0		20,000	20,000		20,000.00			20,000.00	0	100.0%	100.0%
	Lackawanna Public	12,436		0	12,436		12,436.00			12,436.00	0	100.0%	100.0%
	Lancaster Public	0		5,000	5,000		5,000.00			5,000.00	0	100.0%	100.0%
	Marilla Free	441		2,500	2,941		2,941.00			2,941.00	0	100.0%	100.0%
	North Collins Public	682		2,500	3,182		3,182.00			3,182.00	0	100.0%	100.0%
	Orchard Park Public	0		10,000	10,000		10,000.00			10,000.00	0	100.0%	100.0%
	City of Tonawanda Public	0		10,000	10,000		10,000.00			10,000.00	0	100.0%	100.0%
	Town of Tonawanda Public	0		20,000	20,000		20,000.00			20,000.00	0	100.0%	100.0%
	West Seneca Public	0		5,000	5,000		5,000.00			5,000.00	0	100.0%	100.0%
	Total Cnt Pmts-NP Pur Svs	16,816	0	166,500	183,316	0	183,316.00	0.00	0	183,316.00	0	100.0%	100.0%

PRELIMINARY

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2017 OPERATING BUDGET

PRELIMINARY

Expenditure Detail as of 12/31/2017

100.0% of Budget Year

% Current Budget

SAP Acct. Nbr.	Account Description	2017 Adopted Budget	Encumbe red & PY Capital Project Balances	2017 Budget Adjust-ments/ Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	YTD Expend	YTD Expend/ & Encumb
516020	Professional Services Contracts & Fees	850,637	75,829	(5,000)	921,466	100,678	833,688.21	53,848.94		887,537.15	33,929	90.5%	96.3%
516030	Maintenance Contracts	120,517	1,583	50,000	172,100	17,285	94,458.50	44,589.28		139,047.78	33,052	54.9%	80.8%
530000	Other Expenses	187,950	15,341	26,172	229,463	9,259	149,884.85	1,356.75	48,492	199,733.60	29,730	65.3%	87.0%
545000	Rental Charges	4,725		0	4,725	219	2,973.56			2,973.56	1,751	62.9%	62.9%
555050	Insurance Premiums	139,100		0	139,100	2,310	132,863.29			132,863.29	6,237	95.5%	95.5%
561410	Lab & Technical Equipment	77,060	91,848	158,377	327,285	9,957	261,830.62	7,838.04	52,981	322,649.66	4,636	80.0%	98.6%
561420	Office Equip, Furn & Fixtures			116,428	116,428	10,419	47,280.48		69,147	116,427.48	1	40.6%	100.0%
561430	Building, Grounds and Heavy Equip			18,000	18,000	(5,160)	7,868.74		10,131	17,999.74	0	43.7%	100.0%
561440	Motor Vehicles			0	0		0.00			0.00	0	0.0%	0.0%
561450	Library Books and Media	3,009,000	170,805	0	3,179,805	134,236	2,956,125.33		175,955	3,132,080.33	47,725	93.0%	98.5%
575040	Interfund Exp - Utilities												
	Fuel Oil	0		0	0		0.00			0.00	0	0.0%	0.0%
	Natural Gas	148,790		(10,000)	138,790	14,619	120,938.30			120,938.30	17,852	87.1%	87.1%
	Electricity	684,829		(70,000)	614,829	34,994	542,367.26			542,367.26	72,462	88.2%	88.2%
	Total Interfund Exp - Utilites	833,619	0	(80,000)	753,619	49,613	663,305.56	0.00	0	663,305.56	90,313	88.0%	88.0%
942000	Interfund - Holding Center	(90,865)		0	(90,865)	(8,518)	(91,811.13)			(91,811.13)	946	101.0%	101.0%
	Interfund - Correctional Facility	(104,461)		0	(104,461)	(8,535)	(104,290.88)			(104,290.88)	(170)	99.8%	99.8%
	Interfund - Court Storage	(8,598)		0	(8,598)	(717)	(8,598.00)			(8,598.00)	0	100.0%	100.0%
	Total ID Library Services	(203,924)	0	0	(203,924)	(17,770)	(204,700.01)			(204,700.01)	776	100.4%	100.4%
910600	Intefund Expense - Purchasing Services	27,638		0	27,638	\$5,358	28,258.05			28,258.05	(620)	102.2%	102.2%
910700	Interfund Expnese - Fleet Services	34,787		0	34,787	\$13,117	28,432.07			28,432.07	6,355	81.7%	81.7%
980000	Interdepart Services DISS	268,445		0	268,445	(26,886)	219,188.84			219,188.84	49,256	81.7%	81.7%
	System Operating Grand Totals	27,550,344	365,096	489,877	28,405,317	2,206,393	26,847,461.73	109,329.59	373,229	27,330,020.32	1,075,297	94.5%	96.2%

Updated 3-15-2018 (increase of \$14,972.84)

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
 2017 OPERATING BUDGET
 Expenditure Detail as of 12/31/2017
 100.0% of Budget Year

SAP Acct. Nbr.	Account Description	2017 Adopted Budget	Encumbe red & PY Capital Project Balances	2017 Budget Adjust- ments/ Revisions	Adjusted Budget	December Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget		
												YTD Expend	YTD Expend/ & Encumb	
<u>ERIE COUNTY CAPITAL FUNDING FOR LIBRARY</u>														
	Library Debt Service	956,761			956,761	0	956,761.28			956,761.28	0	100.0%	100.0%	
490	General Obligation Bond Proceeds													
561250	Building Improvements		24,189		24,189		24,188.96			24,188.96	0	100.0%	100.0%	
	Total General Obligations	0	24,189	0	24,189	0	24,188.96	0.00	0	24,188.96	0	100.0%	100.0%	
	Total Erie County Capital for Library	956,761	24,189	0	980,950	0	980,950.24	0.00	0	980,950.24	0	100.0%	100.0%	
	Grand Total Operating and Erie County Capital	28,507,105	389,285	489,877	29,386,267	2,191,420	27,813,439.13	109,329.59	373,229	28,295,997.72	1,090,270	94.6%	96.3%	

Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending December 31, 2017

Main Trust	\$1,079,133.31
Encore Editions Proceeds (Invested per resolution 2006-19)	\$91,653.97
2016 Ending Balance	\$1,170,787.28

2017 Activity and Balances

Restricted Donations	\$258,209.37
(Donations received with instructions restricting them to the Buffalo & Erie County Public Library direct uses and fundraising for identified program use)	
Unrestricted Donations	\$8,158.00
Interest Income	\$705.00
Total 2017 Revenue	
	\$267,072.37

Less Disbursements

Year-to-date Disbursements Pursuant to Resolution 2010-8 Include:

Library material purchases (direct from trust)	(\$14,296.73)
To Library Operating Fund to support Library material purchases	(\$60,000.00)
Programming support	(\$59,356.83)
Equipment, furnishings & supplies	(\$21,120.22)
Exhibit/display preparation and support/Rare Book Room	(\$37,389.47)
Preservation/Conservation (Audubon Birds)	(\$45,550.00)
Construction Grant Match	\$0.00
Raiser's Edge Software and General Fundraising Expense	(\$18,127.85)
Fundraiser Event Expense	(\$493.96)
Other	(\$363.10)

Subtotal Disbursements per Resolution 2010-8	(\$256,698.16)
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Other Disbursements (Describe)	\$0.00
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Total 2017 Disbursements	(\$256,698.16)
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Balance, 2017 Activity	\$10,374.21
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Cumulative Balance Library Trust	\$1,181,161.49
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