

Erie County Legislature
Mid-Year Budget Hearing
Tuesday, July 13, 2021

11:30 am (Moved that morning from the previously scheduled time on July 14th as the hearings were progressing more quickly than originally anticipated)

JEANNINE DOYLE, INTERIM DIRECTOR: Good morning and thank you for having us here today. On behalf of the Library, please accept my sincerest appreciation for your time. As always, I must express the Library's gratitude for your ongoing support and confidence in the services we provide to the residents of Erie County.

Today, we will be speaking to the status of the 2021 budget.

Looking at the Library's financials for the month ending

May 31, 2021, you will note that overall we are running within

budget. There may be a few categories for which you might have questions, and we will be glad to answer these following our report.

On behalf of the B&ECPL, thank you for listening to us today and, as always, thank you for your ongoing support of library services.

You have heard us say for several years that libraries are being used differently. We are constantly adjusting our resources to meet the changing demands. There is no better demonstration of the libraries ability to adapt than 2020 and 2021!

We led libraries in NYS and across the country in reopening safely, reinstating services and providing new services. I am happy to say that the residents of Erie County are being provided with nearly 1,600 hours of service per week. Every library continues to work to determine the best hours of operation and to identify specific community needs in the areas of collections, programming and services.

A few accomplishments of our libraries that we are so proud of:

- We started a Library by Mail service for homebound individuals in February;
- We have increased our collection of electronic materials, adding nearly 30 thousand titles in 2020 and over 20 thousand so far this year;
- In 2020 we hit a milestone by surpassing a million circulations of e materials. We have already circulated nearly 700 thousand this year so far;
- We expanded external WiFi at multiple locations to allow for increased access during closed hours
- We created and distributed make and take craft kits for families across Erie County; and
- We recently began a pilot of loaning of Hotspots and Chromebooks.

At the Central Library, construction on our auditorium is complete and we are in the final stages of completing our upgraded PA system. All of our libraries have returned to live programming, while continuing some virtual programming for those who have learned to enjoy it or who just aren't ready to return yet. This summer our offerings are broad and meet the needs of so many. Several of our Buffalo Branches are Summer Meals distribution sites for the Buffalo Public Schools, who is a sponsor of the United States Department of Agriculture's (USDA) *Summer Food Service Program*.

I am very proud of the efforts of our libraries and staff. 2021 has not been about the libraries return to normal, it's been about how we can continue our efforts to adapt and improve offerings to the communities we serve.

I will now turn this over to Chief Financial Officer Ken Stone who will provide you with mid-year budget information; following, we will be happy to answer any questions.

KEN STONE: Good morning. Thank you for the opportunity to provide an update of the Library's year-to-date budget status. I will briefly review the Library's Operating Financial Report as of May 31, 2021. The information is based upon the Budget Consumption report you received. Our full report which contains more information will be emailed for future distribution. I will briefly cover the highlights from that report.

On the revenue side, County Library Tax revenue shows at 100% as the full \$25,917,341 allocation was booked to the Library Fund in January. County support, which includes the 2% increase recommended by the County Executive and approved by your

body, provides the foundational support critical to the Library's existence. The resulting programs and services flow from the County's funding.

Turning to New York State, the Legislature restored state aid for libraries to last year's funding level, avoiding a 7.5% reduction that had been recommended by the Governor. Furthermore, subsequent to the U.S. Congress' March 11th passage of the *American Rescue Plan Act of 2021*, New York State released the 20% of Library Aid they had withheld throughout 2020 due to concerns regarding COVID-19 pandemic revenue impacts.

While not a part of the operating budget, State Legislators also recognized the ongoing need to modernize and rehabilitate library facilities, providing Library Construction Aid funding at \$34 million statewide, restoring a \$20 million cut to Library

Construction Aid in the prior year's Budget. Total base funding available to support projects proposed amongst the 37 public library facilities located within Erie County now total \$1,558,806, up from \$641,863 last year.

In the 2020-21 funding cycle, recommended program awards will substantially help fund three projects. First, \$618,543 to support Phase 1 of a 2 phase project to rehabilitate the Isaias Gonzalez-Soto Branch Library (formerly the Niagara Branch), with phase 1 replacing the leaking roof, single pane windows, 1st floor asbestos floor tiles & circulation area. Next, \$5,455 to replace interior lighting fixtures at the North Collins Library with LEDs; and finally \$17,865 for sidewalk and light pole replacements at the Grand Island Library. Since 2006, this program has provided \$12.1 million in funding for 32 of our public libraries!

We are most grateful for Construction Program interest and support provided by our State Legislators and, equally as importantly, the Erie County Executive, Erie County Legislators and City and Town officials who provide the local share for these projects! You make these good works possible.

On the expenditure side, with 41.4 % of the budget year elapsed, expenditures are running well under budget as we continue to restore services in response to our patrons gradually returning to the Library as the pandemic wanes.

Net Personal Services expense is running under budget, at 33.0%, reflecting controlled hiring; extended vacancy controls; and reduced part-time workhours to meet operational needs as patron physical visits gradually recover.

Fringe benefits are also running below budget at 30.5% overall, however, the picture is a bit more complex. Vacancies resulted in below-budget charges for payroll taxes as they are assessed as a fixed percentage of payroll. Usage changes and negotiated employee contributions contributed to active employee health insurance costs year-to-date coming in below budget at 36.3% (however this is 7.8% above year-to-date charges for the same period last year). Retiree medical charges so far this year are also running below budget, coming in at 36.2% of budget (but 2.7% above the same period in 2020). This expense is subject to significant swings due to changes in usage by retirees.

Unemployment insurance expense stands at a net credit of \$377,437 reflecting the operating budget share of credits received. The Federal CARES Act passed in March 2020 provided for a 50% offset of unemployment insurance expense through December 31,

2020. Additionally on January 14, 2021 the New York State Department of Labor (DOL) Commissioner signed an order to effectively credit back all pandemic related unemployment expenses for self-insured employers. Erie County and the Library are self-insured for Unemployment and Workers Compensation.

Moving on to other operating accounts, most accounts above 41.4% reflect seasonal or timing differences and overall, are expected to end year within budget.

Inter-fund Utility Charges for Natural Gas and Electricity comprise one of the largest categories of other operating expense, with year-to-date charges of \$255,525 coming in at 33.3% of budget. Natural gas charges of \$99,095 came in at 58.6% of the 2021 annual budget, reflecting a winter season less mild than the year before and natural gas rates averaging 12.8% higher than

they were in January-May 2020. Natural Gas expense was 14.9% above the \$86,250 paid in January – May 2020. Electricity charges of \$156,430 came in at 26.1% of the 2021 annual budget and were 13.7% above the \$137,527 paid in January – May 2020. Electricity rates averaged 13.2% higher than January-May 2020. A significant portion of the area's electricity generation utilizes natural gas and is impacted by changes in Natural Gas rates. The Library participates in Erie County's aggregated utility purchasing pool which saves costs compared to retail pricing.

I hope you found the presentation useful. We are pleased to answer any questions you may have.