

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 10/15/2009

AGENDA ITEM NUMBER: E.2.b. Budget & Finance Committee
Preliminary Financials for the Month Ending
08/31/2009

BACKGROUND:

The attached reports provide a summary of revenues and expenditures in the Library's Operating Budget for the year as of August 31, 2009 month-end close (66.6% of the budget year elapsed). The report also details monthly activity for August. Overall, the Library operated within its budget for the period and expects to remain within overall budget totals through year-end.

Items of note include:

REVENUE:

- ✓ **Library SAP based fine revenue at 64.5% collected through August.** For patron convenience library fine revenue is collected at the local library or online through B&ECPL's e-commerce system. The SAP budget reflects the anticipated collections of the Central Library, 8 Buffalo Branches and the e-commerce system, budgeted at \$379,330 in the 2009 adopted budget. Over \$69,000 of the \$244,524 collected through August came from the online payment system. Revenue collected in the 28 libraries outside the City of Buffalo is not part of the SAP system and was estimated at \$659,220 for a combined total revenue estimate of \$1,038,550. Overall, the combined year-to-date revenue for all 37 libraries is slightly ahead of budget.
- ✓ **Initial New York State Library Aid payment finally received in August.** Library aid payments are normally released by the State beginning two to three months after the State's budget is adopted. The initial payment normally represents over 90% of the total for the year. This year, the payment process has been strung out. The library did not receive its first aid payment until August, amounting to \$1,485,067 (roughly 73% of the annual budget). The Library's 2009 adopted budget anticipated a reduction in state aid. The actual reduction implemented by New York State in its 2009-10 adopted budget was roughly 3+% less severe than the Library anticipated. However, we face the prospect of additional mid-year state aid reductions due to economic conditions.
- ✓ **Refunds - Contract Library** revenue represents a return of fine revenue collected by suburban contracting member libraries in excess of local expenses of those libraries. The revenue is transmitted as part of the year-end closing process.
- ✓ **Interest earnings are running below budget,** reflecting dramatically lower interest rates engineered by the US Federal Reserve to counter extreme recessionary forces. E-rate reimbursements from the prior year (refund P/Y expense revenue line) have helped to offset reduced interest earnings.

EXPENSE:

- ✓ **Salaries and wage expense running under budget.** Retirements and other turnover contribute to the under-budget condition with year-to-date salary and wage expense consuming 62.9% of the budget. The Library anticipated an aggressive turnover management process this year, budgeting an offsetting credit of \$440,000 in the "Reduction From Personal Services" account. Factoring in the credit budget, net labor costs are running at 64.8% of budget with 66.6% of the year over.
- ✓ **Fringe Benefits - Health insurance costs continue to perform better than budget.** Continuing a trend from last year, the County's experienced rated single provider system, in which the Library participates, has experienced lower than expected costs. The increasingly popular prescription by mail service which incentivizes employees to utilize this contract and generics where possible remains a factor in lowering these costs. Year-to-date results also include a correction to the allocation of prior period costs between the active employee plan and the retiree medical plan. These savings more than offset above budget conditions in the retirement and unemployment insurance accounts.
- ✓ **Contractual payments to member libraries** include \$220,015 in library system grant match funding that combined with local municipal contributions to leverage \$443,606 in New York State Library Construction Grant proceeds for improvements at those libraries. This process was also utilized for projects to benefit the Central Library and Buffalo's Dudley library, utilizing \$198,460 in library system grant match funding that combined with local municipal contributions to leverage \$237,759 in New York State Library Construction Grant proceeds for improvements at those libraries. The Central and Dudley funds are budgeted in the Library Grants cost center. Exhibit 1 at the end of the attached budget monitoring report details the projects funded.
- ✓ **Utility cost mitigated by lower recessionary demand moderating rates.** Year-to-date charges for natural gas, at \$160,829, consumed 49.6% of the annual budget). As a significant portion of electricity supply is generated by natural gas, electric supply cost has also moderated (year-to-date electric expense came in at 48.7%). The library participates in Erie County's aggregated utility purchasing pool which also saves cost compared to traditional retail pricing. This report includes all utility charges for service with an "end read date" through August (including those that had not yet been paid in SAP in August).
- ✓ **Library books and media** are ordered using the library's automated acquisition module and through vendor electronic interfaces. These systems are not tied into SAP so activity at the encumbrance and goods receipt stages is not included in SAP reports. As of the end of August \$432,393 in items encumbered in the Library System had not yet been paid in SAP. Adding this to the SAP expended total would place library materials expenditures at \$2,640,460 or 63..50% of budget.
- ✓ **Interfund billings for services provided to the Correctional Facility, Holding Center, and utility expense of the Court storage area:** are now billed on a quarterly basis with the last billing made in June.

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2009 OPERATING BUDGET
Revenue Detail as of 8/31/2009
66.6% of Budget Year

SAP Account Number	Account Description	Adopted Budget	Adjustments	Adjusted Budget	Revenue August	YTD Revenue	To Be Realized	Budget Collected
REVENUE FROM LIBRARY OPERATIONS								
419000	Library Charges - Fines	\$379,330	\$0	\$379,330	\$29,928	\$244,524	\$134,806	64.5%
422000	Copies	21,385	0	21,385	1,835	\$16,402	4,983	76.7%
466040	Printing	26,898	0	26,898	2,943	\$22,662	4,236	84.3%
466030	Book Bags	1,000	0	1,000	360	\$2,379	(1,379)	237.9%
466020	Minor Sale - Other	38,000	0	38,000	1,058	\$26,475	11,525	69.7%
419020	InterLibrary Loan Shipping	2,100	0	2,100		\$0	2,100	0.0%
420510	Rent - Real Prop - Auditorium	7,000	0	7,000	625	\$4,775	2,225	68.2%
420530	Comm - Tel Booth Food Svs	18,368	0	18,368	262	\$13,103	5,265	71.3%
TOTAL REVENUE FROM LIBRARY OPERATIONS		\$494,081	\$0	\$494,081	\$37,012	\$330,320	\$163,761	66.9%
REVENUE FROM STATE & COUNTY GOVT.								
400020	Library Real Prop Tax	\$22,171,833	\$0	\$22,171,833		\$22,171,833	\$0	100.0%
408140	NYS Aid-Lib Incl Incent	1,769,160	0	1,769,160	1,485,067	\$1,485,067	284,093	83.9%
408150	NYS Aid to Member Libraries	254,674	0	254,674		\$0	254,674	0.0%
408160	State Aid - Special		0	0		\$0	0	0.0%
486000	Interfund - Subsidy	0	0	0		\$0	0	0.0%
TOTAL REVENUE FROM STATE & COUNTY GOVT.		\$24,195,667	\$0	\$24,195,667	\$1,485,067	\$23,656,900	\$538,767	97.8%
OTHER REVENUE								
419010	Refunds - Cont Library	\$564,595	\$0	\$564,595		\$0	\$564,595	0.0%
423000	Refund P/Y Expenses	10,000	0	\$10,000		\$34,348	(24,348)	343.5%
466170	Refund Contract Lib Retire	0	0	0	681	\$681	(681)	0.0%
466070	Refund P/Y Expenses			0		\$0	0	0.0%
445030	Int & Earn - Gen Inv	90,000	0	90,000	2,039	\$14,441	75,559	16.0%
466000	Misc Receipts		0	0	45	\$474	(474)	0.0%
466010	NSF Check Fees	15	0	15		\$55	(40)	366.7%
467000	Misc Depart Income	3,500	0	3,500	132	\$4,540	(1,040)	129.7%
499100	Accrued Invest Interest			0		\$0	0	0.0%
TOTAL OTHER REVENUE		\$668,110	\$0	\$668,110	\$2,897	\$54,539	\$613,571	8.2%
USE OF FUND BALANCE								
402190	Appropriated Fund Balance	\$1,344,583	\$491,540	\$1,836,123		\$0	\$1,836,123	0.0%
TOTAL USE OF FUND BALANCE		\$1,344,583	\$491,540	\$1,836,123	\$0	\$0	\$1,836,123	0.0%
GRAND TOTAL OPERATING REVENUE		\$26,702,441	\$491,540	\$27,193,981	\$1,524,975	\$24,041,757	\$3,152,222	88.4%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2009 OPERATING BUDGET
 Expenditure Detail as of 8/31/2009
 66.6% of Budget Year

SAP Account Number	Account Description	2008			Adjusted Budget	August Expended	Year-to-Date Expended	Encumb. Encumbrances	Total Expenditures & Remaining Balance	YTD % Expend
		2009 Adopted Budget	2008 Encumbered & PY Capital Project Balances	2009 Budget Adjustments/ Revisions						
OPERATING EXPENDITURES										
PERSONAL SERVICES										
Regular Salaries & Wages										
500000	Full Time - Salaries	\$9,960,442		\$0	\$9,960,442	\$758,612	\$6,326,875	\$6,326,875	\$3,633,567	63.5%
500010	Part Time - Wages	3,596,329		\$0	3,596,329	306,518	\$2,259,757	2,259,757	1,336,572	62.8%
500020	Regular PT - Wages	750,417		\$0	750,417	64,419	\$497,811	497,811	252,606	66.3%
500030	Seasonal Emp. Wages	67,121		\$0	67,121	13,481	\$52,562	52,562	14,559	78.3%
500300	Shift Differential	17,500		\$0	17,500	1,241	\$11,496	11,496	6,004	65.7%
500330	Holiday Worked	18,000		\$0	18,000	149	\$9,778	9,778	8,222	54.3%
500350	Other Employee Payments	30,000		\$0	30,000	960	\$13,830	13,830	16,170	46.1%
	Salaries & Wages	\$14,439,809	\$0	\$0	\$14,439,809	\$1,145,379	\$9,172,110	\$9,172,110	\$5,267,699	63.5%
501000	OVERTIME SALARIES & WAGES	\$325,000		\$0	\$325,000	\$7,603	\$115,533	\$115,533	\$209,467	35.5%
	TOTAL, PERSONAL SERVICES	\$14,764,809	\$0	\$0	\$14,764,809	\$1,152,983	\$9,287,643	\$9,287,643	\$5,477,166	62.9%
504990	REDUCTION FROM PERSONAL SERVICES	(\$440,000)		\$0	(\$440,000)		\$0	\$0	(\$440,000)	0.0%
504992	Contractual Salary Reserves	\$0		\$0	\$0		\$0	\$0	\$0	0.0%
	NET PERSONAL SERVICES	\$14,324,809			\$14,324,809		\$9,287,643	\$9,287,643	\$5,037,166	64.8%
FRINGE BENEFITS										
502000	Fringe Benefits			\$0	\$0		\$0	\$0	\$0	0.0%
502010	Employer FICA - REGULAR	\$902,361		\$0	902,361	71,415	\$575,427	575,427	326,934	63.8%
502020	Employer FICA - MEDICARE	\$211,036		\$0	211,036	16,705	\$134,576	134,576	76,460	63.8%
502030	Employee Health Insurance	\$2,085,349		\$0	2,085,349	176,986	\$1,202,360	1,202,360	882,989	57.7%
502040	Dental Plan	\$120,260		\$0	120,260	9,300	\$56,130	56,130	64,130	46.7%
502050	Workers Compensation	\$124,226		\$0	124,226	6,349	\$31,414	31,414	92,812	25.3%
502060	Unemployment Insurance	\$13,153		\$0	13,153	742	\$14,298	14,298	(1,145)	108.7%
502070	Hospital & Medical - Retirees	\$1,138,494		\$0	1,138,494	(23,066)	\$340,472	340,472	798,022	29.9%
502090	Health Insurance Waiver (Incl: 117)	\$42,000		\$0	42,000	4,267	\$30,486	30,486	11,514	72.6%
502100	Retirement	\$995,757		\$0	995,757	75,815	\$764,793	764,793	230,964	76.8%
502110	Flex Benefit Spending	\$2,000		\$0	2,000		\$0	0	2,000	0.0%
	TOTAL, FRINGE BENEFITS	\$5,634,636	\$0	\$0	\$5,634,636	\$338,514	\$3,149,956	\$3,149,956	\$2,484,680	55.9%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2009 OPERATING BUDGET
 Expenditure Detail as of 8/31/2009
 66.6% of Budget Year

SAP Account Number	Account Description	2009 Adopted Budget	2008		Adjusted Budget	August Expended	Year-to-Date Expended	Encumb. Encumbrances	Total Expenditures & Encumbrances	Remaining Balance	YTD % Expend
			Encumbered & PY Capital Project Balances	2009 Budget Adjustments/ Revisions							
505000	Office Supplies	144,350	5,188	0	149,538	3,791	\$41,387	20,231	61,618	87,920	27.7%
505200	Clothing Supplies	3,350		0	3,350		\$0		0	3,350	0.0%
505600	Auto Truck & Heavy Equip Supplies	7,300		5,000	12,300	933	\$7,982		7,982	4,318	64.9%
505800	Medical & Health Supplies	2,400		0	2,400		\$52		52	2,348	2.2%
506200	Maintenance & Repair	91,400	7,819	0	99,219	321	\$47,710	15,922	63,632	35,587	48.1%
506400	Highway Supplies (Rock Salt)	8,000		0	8,000		\$4,805	497	5,303	2,697	60.1%
510000	Local Mileage Reimbursement	6,600		0	6,600	463	\$3,103		3,103	3,497	47.0%
510100	Out of Area Travel	34,525		0	34,525	1,867	\$15,592		15,592	18,933	45.2%
510200	Training and Education	35,675		0	35,675	350	\$11,661	375	12,036	23,639	32.7%
515000	Total Utility Charges	156,360		0	156,360	21,970	87,553	0	87,553	68,807	56.0%
CONTRACTUAL PAYMENTS											
516010	Newstead Public - Akron	\$0		0	0		\$0		0	0	0.0%
	Ewell Free - Alden	\$0		0	0		\$0		0	0	0.0%
	Amherst Public	\$0		61,280	61,280		\$55,152	6,128	61,280	0	90.0%
	Angola Public	\$0		0	0		\$0		0	0	0.0%
	Aurora Public	\$0		0	0		\$0		0	0	0.0%
	Boston Free	\$0		5,690	5,690		\$5,121	569	5,690	0	90.0%
	Cheektowaga Public	\$0		107,417	107,417		\$96,675	10,742	107,417	0	90.0%
	Clarence Public	\$0		1,242	1,242		\$1,118	124	1,242	0	90.0%
	Collins Public	\$0		0	0		\$0		0	0	0.0%
	Concord Public	\$0		0	0		\$0		0	0	0.0%
	Eden Library	\$0		0	0		\$0		0	0	0.0%
	Elma Public	\$0		7,500	7,500		\$6,750	750	7,500	0	90.0%
	Grand Island Memorial	\$0		19,998	19,998		\$17,998	2,000	19,998	0	90.0%
	Hamburg Public	\$0		0	0		\$0		0	0	0.0%
	Lackawanna Public	\$0		0	0		\$0		0	0	0.0%
	Lancaster Public	\$0		0	0		\$0		0	0	0.0%
	Marilla Free	\$946		0	946		\$946		946	0	100.0%
	North Collins Public	\$0		0	0		\$0		0	0	0.0%
	Orchard Park Public	\$0		0	0		\$0		0	0	0.0%
	City of Tonawanda Public	\$0		16,888	16,888		\$15,199	1,689	16,888	0	90.0%
	Town of Tonawanda Public	\$0		0	0		\$0		0	0	0.0%
	West Seneca Public	\$0		0	0		\$0		0	0	0.0%
	Total Cnt Pmts-NP Pur Svs	\$946	\$0	\$220,015	\$220,961	\$0	\$198,959	\$22,002	\$220,961	\$0	90.0%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2009 OPERATING BUDGET
 Expenditure Detail as of 8/31/2009
66.6% of Budget Year

SAP Account Number	Account Description	2009 Adopted Budget	2008		Adjusted Budget	August Expended	Year-to-Date Expended	Encumb. Encumbrances	Total Expenditures & Encumbrances	Remaining Balance	YTD % Expend
			Encumbered & PY Capital Project Balances	2009 Budget Adjustments/ Revisions							
516020	Professional Services Contracts & Fees	691,985	154,509	30,000	876,494	61,877	\$517,093	320,040	837,133	39,361	59.0%
516030	Maintenance Contracts	151,678	12,459	0	164,137	5,678	\$72,471	25,488	97,959	66,178	44.2%
530000	Other Expenses	189,054	4,662	39,415	233,131	3,886	\$87,533	3,007	90,540	142,590	37.5%
545000	Rental Charges	1,719		0	1,719	62	\$1,081	461	1,542	177	62.9%
555050	Insurance Premiums	45,000		0	45,000		\$17,433		17,433	27,567	38.7%
559000	County Share Grants			0	0		\$0		0	0	0.0%
561250	Acq: Building Improvements			0	0		\$0		0	0	0.0%
561410	Lab & Technical Equipment	139,181	9,244	152,110	300,535	(928)	\$206,325	13,130	219,456	81,079	68.7%
561420	Office Equip, Furn & Fixtures		96,865	45,000	141,865	3,633	\$97,646	32,110	129,755	12,109	68.8%
561430	Building, Grounds and Heavy Equip			0	0		\$0		0	0	0.0%
561450	Library Books and Media	3,759,182	399,076	0	4,158,258	177,698	\$2,208,030	38	2,208,067	1,950,191	53.1%
570000	Interfund Trans - Subs						\$0		0	0	0.0%
570040	Interfund Subsidy Debt Svc (2002 Erly Retir	0		0	0		\$0		0	0	0.0%
575040	Interfund Exp - Utilities										
	Fuel Oil	0		0	0		\$15,964		15,964	(15,964)	0.0%
	Natural Gas	323,971		0	323,971	1,084	160,829		160,829	163,142	49.6%
	Electricity	1,034,303		0	1,034,303	70,315	\$503,304		503,304	530,999	48.7%
	Total Interfund Exp - Utilites	1,358,274	0	0	1,358,274	71,399	680,097	0	680,097	678,177	50.1%
942000	Interfund - Holding Center	(117,229)		0	(117,229)		(\$58,615)		(58,615)	(58,615)	50.0%
	Interfund - Correctional Facility	(174,119)			(174,119)		(\$87,060)		(87,060)	(87,060)	50.0%
	Interfund - Court Storage	(8,598)			(8,598)		(\$4,299)		(4,299)	(4,299)	50.0%
	Total ID Library Services	(\$299,946)	\$0	\$0	(\$299,946)	\$0	(\$149,973)	\$0	(\$149,973)	(\$149,973)	50.0%
980000	Interdepart Services DISS	215,963		0	215,963	24,122	\$123,221		123,221	92,742	57.1%
	System Operating Grand Totals	\$26,702,441	\$689,821	\$491,540	\$27,883,802	\$1,868,618	\$16,717,360	\$453,301	\$17,170,662	\$10,713,141	60.0%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2009 OPERATING BUDGET
 Expenditure Detail as of 8/31/2009
 66.6% of Budget Year

SAP Account Number	Account Description	2009 Adopted Budget	2008 Encumbered & PY Capital Project Balances	2009 Budget Adjustments/ Revisions	Adjusted Budget	August Expended	Year-to-Date Expended	Encumb.	Total Expenditures & Encumbrances	Remaining Balance	YTD % Expend
<u>ERIE COUNTY CAPITAL FUNDING FOR LIBRARY</u>											
	Library Debt Service	1,481,391			1,481,391	120,002	\$1,065,988		1,065,988	415,403	72.0%
490	General Obligation Bond Proceeds										
561250	Building Improvements		36,795		36,795		\$0		0	36,795	0.0%
	Total General Obligations	\$0	\$36,795	\$0	\$36,795	\$0	\$0	\$0	\$0	\$36,795	0.0%
	Total Erie County Capital for Library	\$1,481,391	\$36,795	\$0	\$1,518,186	\$120,002	\$1,065,988	\$0	\$1,065,988	\$452,198	70.2%
	Grand Total Operating and Erie County Capital	\$28,183,832	\$726,616	\$491,540	\$29,401,989	\$1,988,621	\$17,783,348	\$453,301	\$18,236,650	\$11,165,339	60.5%

**Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending August 31, 2009**

2008 Ending Balance **\$716,504.49**

2009 Activity and Balances

Restricted Donations **\$71,049.83**

(Donations received with specific instructions restricting them to the Buffalo & Erie County Public Library direct uses)

Unrestricted Donations

Pending Board Action	\$47,934.75
Board Directed to Direct Library Programs	\$0.00
Board Directed to Library Foundation	\$0.00

Total Unrestricted Donations **\$47,934.75**

Interest Income **\$3,957.88**

Less Disbursements

Direct For Library Programs	(\$81,038.16)
To Library Foundation	\$0.00

Total Disbursements **(\$81,038.16)**

Balance, 2009 Activity **\$41,904.30**

Cumulative Balance Library Trust **\$758,408.79**

	Beg Balance	Net Deposits (Withdrawals)	Interest	Ending Balance
Encore Editions Proceeds				
Invested Per Resolution 2006-19	\$73,285.41	\$993.73	\$354.56	\$74,633.70

Combined Balance Trust and Invested Encore Proceeds: **\$833,042.49**

Notes:

Year-To-Date Disbursements include: **\$172.24** for library material purchases per donor instructions as authorized by Resolution 2001-54; **\$693.18** for Purchases for the Riverside and Niagara Libraries per Res 2005-28 and 2006-42; **\$66,767.61** for purchases up to \$10,000 per activity as authorized by Resolution 2009-3; **\$486.00** use of Gates hardware/software grant proceeds per Res 2006-10; and **\$12,919.13** for 2008 annual campaign mailer expense.