



**Erie County Legislature 2015 Proposed Budget Hearing
Monday November 24, 2014 @ 3:30 pm**

Elaine Panty, Trustee:

Good afternoon and thank you for having us here today. On behalf of the Buffalo and Erie County Public Library System, please accept my sincerest appreciation for your time.

[Recognize any Trustees in attendance]

Libraries are critical to our communities. Through October this year nearly 2.9 million patrons that have crossed our threshold, 6.7 million items have circulated, 700+ thousand public computer sessions logged and access to our WiFi has surpassed 168,000 logins. Programs are in high demand and have become a key focus of our services.

On behalf of the Buffalo & Erie County Public Library System I would like to express our gratitude to Erie

County Executive Mark Poloncarz for recommending an increase in operating funds to Erie County's 37 public libraries in his 2015 proposed budget. I hope you will support the County Executive's proposed budget. Thank you.

Mary Jean

Mary Jean Jakubowski:

Good Afternoon, thank you Elaine and thank you to members of the Erie County Legislature for providing this opportunity to comment on the proposed budget.

I would like to publically express our thanks for all of the work being done and coordinated by our elected officials, first responders, plow and payload drivers, throughout Erie County with regard to the recent unprecedented snowfall and now threat of flooding. Thank you for all you have done and continue to do for the residents of Erie County. A very special heartfelt thanks as well to all who have come from near and far to assist in cleanup efforts.

Back to the budget....I too wish to thank the County Executive for his recommendation of increased funding in his 2015 proposed budget. Funds for the Library will be used to strengthen our programs and technology services – areas in which we are seeing an increased demand – particularly in individualized computer training sessions, children’s and young adult activities and job training programs.

Libraries are economic incubators, educational centers and cultural institutions. They are gathering places, they are respites and they are safe havens. As Andrew Carnegie said Library’s ARE the great equalizers.....where all are welcome and where anyone can transform their life.

Let me assure you the Boards of Trustees, Library Administration and staff will work to maximize the impact of its funding and ensure that each of our 37 libraries across the County will continue to provide your constituents with cost-effective services, a fundamental destination for information, as well as educational

programming, workforce development training,
technology access and opportunities to enrich their lives.

I therefore again urge you to support the County
Executives proposed 2015 budget.

Mr. Stone will provide you with our budgetary details.

Thank you.

2015 ERIE COUNTY LEGISLATURE BUDGET HEARINGS
11/24/2014

Testimony of
Deputy Director-CFO, Ken Stone

Greetings Honorable Legislators,

Thank you for the opportunity to provide an overview of the 2015 budget request.

The 2015 operating and grants budget maintains current service levels, with a 1.8% increase over 2014. Further, it incorporates the impacts of recently settled contracts for Library CSEA and Librarians' Association members which provide modest wage adjustments, the first since 2006, as well as employee contributions towards the cost of health care and provisions lowering the employer share of both active and retiree health care costs over the longer term.

Given that the property tax base is estimated to grow by approximately 2.6% the 2015 Library Tax rate will actually decrease slightly while the combined County rate is unchanged.

The Library's proposed budget is summarized in the Budget Funding and Performance Charts handout which I will now briefly review:

Turning to Page 2 you will see a bottom line summary of Library Operating and Recurring Grant funding.

Combined funding under the proposed budget would increase 1.8% while consumer prices are anticipated to increase 1.7%.

On Page 3 you will see county funding for the library going back to the turn of the century (the year 2000).

Library funding experienced significant swings, with three major budget cutbacks in the last decade. Meanwhile, consumer prices have increased over 40% since 2000.

The **chart on page 4** details the County and New York State support provided to the library from 2009 through 2013 plus the estimated budget amounts for 2014 and 2015. County funding recovered from the 2011 budget cut, with 2015 proposed funding up 4% from 2010's amount. Over the same period, consumer prices have increased approximately 13%.

Page 5's chart shows the change in contractually obligated expenses for health care, retirement and utilities over the same period. 2015 expenses for these costs, despite reductions in library staffing levels, have increased 44% over 2009.

The impact on B&ECPL **personnel costs and staffing over the period are discussed on pages 6-8.**

The chart on page 6 shows the dichotomy between the salaries and wages, which are lower than they were in 2009 and the cost of fringe benefits which increased substantially.

Page 7 provides detail on salary and wage changes. Overall, the 2015 Proposed Budget's salary and wage expense is \$168,598 (1.2%) LESS than 2009 actual expenditures. Increases in 2013 and 2014 include the impacts of service restoration funding provided by Erie County, while 2014 also includes the impact of a 10.3% (\$0.75 per hour) increase in New York State's minimum wage. This affected Page and Sr. Page wage scales, increasing them by \$0.50 per hour. Salaries and wages in the 2015 Proposed Budget reflect the impact of contract settlements and a 9.4% (\$0.75 per hour) increase in the minimum wage (increasing the Page and Sr. Page wage scales by \$0.75 per hour). Had the minimum wage not changed, 2015 part-time expense would be below 2009.

Page 8 provides line item detail for fringe benefit expense. 2015 proposed budget expense is below the 2014 adopted budget by \$235,142 (3.5%). Key factors in this decrease are Library CSEA and Librarian's Association contract settlement provisions providing for employee contributions towards health insurance costs; a reduction in NYS Retirement employer contribution rates for all Tiers; and a continued turnover related shift in the employee base towards the new, lower cost NYS retirement Tier 6.

Over the longer term fringe benefit has increased \$1,807,537 (38.2%) MORE than 2009. This schedule dramatically illustrates the impact of rate increases in key contractually obligated fringe benefit accounts, active employee health care, retiree health care, and New York State retirement.

Had the Library not experienced staffing reductions, the increases would have been dramatically higher.

Which leads to the charts on pages 9 through 11, which detail the staffing and service impacts of 2011 funding reductions.

Page 9 shows the change in Full-time equivalent positions since 2009. 2013 and 2014 funding restorations have partially mitigated the impact of 2011 budget cuts, while operating and grant FTE are still 79 (16%) lower than in 2009.

Page 10 shows a similar pattern for Weekly Open Hours.

Page 11 shows the impact on the Library Materials Budget.

Meanwhile, Library use since the recession began remains strong. Library use tends to be counter-cyclical increasing during tough economic times and moderating when the economy improves. While weekly open hours are lower, **Library visits and Circulation, shown on page 12,** are still above 2007 levels (the recession officially began in December 2007 and "officially" ended in June 2009).

Patron program attendance and use of Library technology remain at dramatically higher levels. As the chart on **page 13** shows, program attendance has grown 59% over 2007, while computer use has doubled. Additionally, all libraries provide free Wi-Fi which in 2013 was accessed almost 164,000 times.

The chart on pages 14 places the Library property tax support in context. The Library Property Tax share of a typical property owner's total property taxes paid is very small. The charts shows the proportions a village property owner paid in taxes by entity in 2014 for which the Library Tax is 1.6% of the total.

Pages 15-17 focus on the 2015 Proposed Operating Budget, with **page 15** showing revenue composition, **page 16** showing expenditures by type; and **page 17** showing expenditures by function.

Peer institution Comparison data is presented on **pages 18-19**.

The data is derived from the Public Library Data Service (PLDS) 2013 report (2012 FY data) for reporting libraries serving populations between 800,000 and 1 million shows that out of the 23 major comparison library systems, B&ECPL:

- Had the sixth largest service area - 1,043 square miles;
- Had an average branch size that is well below the median, 18th out of 22;
- Featured a cost per yearly open hour that was the 2nd lowest of the group (22 out of 23); and
- Operating expenditures, both in actual dollars and per-capita are in the lower third of the group (17th and 18th out of 23).

The final chart shows the value of library services returned to the community in 2013 - a ratio of \$6.29 per library tax dollar.

Thank you for your interest and support. Trustee Panty, Director Jakubowski and I would be happy to answer your questions.