

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 7/21/2016

AGENDA ITEM NUMBER: E.2.c.

Budget & Finance Committee
Financials for the Month Ending **05/31/2016**

BACKGROUND:

The attached report provides a summary of revenue and expenditure performance in the Library's Operating Budget for the year as of May 31, 2016 month-end. The report also details monthly activity for May. Overall, with 41.5% of the budget year elapsed, year-to-date Library revenue, at 86.4% collected, is well within budget and year-to-date expense, at 39.6%, is also within budget. Items of note include:

REVENUE:

- ✓ **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 normally occur in June-July.** Library aid payments are normally released by the State beginning two to three months after the State's budget is adopted. The initial payment represents approximately 90% of the total for the year. The Library's 2016 budget assumed state library aid at 2015's funding level. The enacted NY State 2015-16 budget actually increased library aid by 4.3% which, if distributed in the same manner as last year's increase, would provide an additional \$92,105 in the Operating fund and \$28,456 in the Grants fund. The state library will issue revised aid charts, probably sometime in the late spring-early summer.
- ✓ **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 2015 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 2015 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 running under budget.** Turnover contributed to the under-budget condition with year-to-date salary and wage expense consuming 39.0% of the budget.
- ✓ **Fringe Benefit expense is running under budget at 37.2% overall.**
Vacancies resulted in below budget charges for payroll taxes. Usage changes and negotiated increased employee contributions contributed to Active Employee Health insurance cost being under budget (and 1.7% under Year-to-date charges for the same period last year). NY State Retirement charges are also running under budget, reflecting a decrease in rates and the continued shift to the lower cost Tier 6 plan via turnover. Finally, the rate of growth in retiree medical charges so far this year continues to moderate, coming in at 40.7% of budget (and up 5.0% over the same period in 2015).

Active and retiree health insurance expense is subject to significant month to month swings due to changes in amount and type of usage by participants. For example, while as noted above the year-to-date totals for these accounts are within +/- 5% of 2015, expense for Active Employee health charged in the month of May 2016 was \$29,574 / 15.5% above the amount paid in May 2015. For retiree health, those amounts were \$24,209 / 23.7% above May 2015. We will closely monitor this situation.
- ✓ **Telephone and Internet Service charges show at 46.3% pending receipt of e-Rate reimbursements.** The federal e-Rate program covers up to 90% of eligible services in this expense category. While our Internet Access provider directly discounts this amount from our bill, our phone and data lines contractor, Time Warner Cable Business Class, processes e-Rate discounts on a reimbursement basis. Factoring in payment timing and anticipated reimbursements, these charges are expected to end the year within budget.
- ✓ **Contractual Payments to Member Libraries combined show at 80%.** The above budget variance results from the distribution of “bullet aid” sponsored by Senator Patrick Gallivan in 2015 to support the libraries within his district. The funding was received in early 2016.

EXPENSE (continued):

- ✓ **Insurance premiums shows at 67.0 %**
Reflects timing of policy renewal payments, the account is expected to end the year within budget.
- ✓ **Several remaining operating accounts above 41.5% reflect timing differences.**
These accounts, including Office Supplies, Travel, Professional Services, Maintenance Contracts and Lab/Tech equipment reflect timing variations and are expected to end the year within budget.
- ✓ **A mild winter and continued moderate rates again generate electric and natural gas savings.**
Natural gas charges of \$61,507, came in at 36.6% of the 2016 annual budget, however they were 36.5% LOWER than the \$96,929 paid in January - May 2015. Electricity charges of \$182,996 came in at 25.8% of the 2016 annual budget and were 13.9% BELOW the \$212,573 paid in January - May 2015. The winter season's relatively mild temperatures reduced usage and rates remain moderate. This reduced the budget impact for both natural gas and electricity (as natural gas is used for both heating and electrical generation). **Combined, interfund utility charges were \$64,999 (21.0%) BELOW those incurred for the same months in 2015.** Some or all of the combined year-to-date savings may be offset by the warmer than normal temperatures experienced this spring and so far this summer. 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
2016 OPERATING BUDGET**

Revenue Detail as of 5/31/2016

41.5% of Budget Year

SAP Account Number	Account Description	Adopted Budget	Adjustments	Adjusted Budget	Revenue May	YTD Revenue	To Be Realized	% of Budget Collected
REVENUE FROM LIBRARY OPERATIONS								
419000	Library Charges - Fines	336,493	0	336,493	22,439	134,946	201,547	40.1%
422000	Copies	18,839	0	18,839	2,322	9,174	9,665	48.7%
466040	Printing	52,217	0	52,217	4,874	25,177	27,040	48.2%
466030	Book Bags	1,300	0	1,300	92	491	810	37.7%
466020	Minor Sale - Other	8,000	0	8,000	480	2,624	5,376	32.8%
420510	Rent - Real Prop - Auditorium	18,000	0	18,000	1,796	7,328	10,672	40.7%
420530	Comm - Tel Booth Food Svs	18,240	0	18,240	2,084	6,213	12,027	34.1%
	TOTAL REVENUE FROM LIBRARY OPERATIONS	453,089	0	453,089	34,086	185,953	267,136	41.0%
REVENUE FROM STATE & COUNTY GOVT.								
400020	Library Real Prop Tax	23,474,134	0	23,474,134		23,474,134	(0)	100.0%
408140	NYS Aid-Lib Incl Incent	1,862,346	0	1,862,346		0	1,862,346	0.0%
408150	NYS Aid to Member Libraries	272,758	0	272,758		0	272,758	0.0%
408160	State Aid - Special	0	16,500	16,500		16,500	0	100.0%
409010	State Aid - Other	0	0	0		0	0	0.0%
486000	Interfund - Subsidy	0	0	0		0	0	0.0%
	TOTAL REVENUE FROM STATE & COUNTY GOVT.	25,609,238	16,500	25,625,738	0	23,490,634	2,135,104	91.7%
OTHER REVENUE								
419010	Refunds - Cont Library	407,906	0	407,906		0	407,906	0.0%
423000	Refund P/Y Expenses	10,000	0	10,000		28,332	(18,332)	283.3%
466170	Refund Contract Lib Retire	0	0	0		0	0	0.0%
466070	Refund P/Y Expenses	0		0		0	0	0.0%
445030	Int & Earn - Gen Inv	3,000	0	3,000	192	955	2,045	31.8%
466000	Misc Receipts	0	0	0		217	(217)	0.0%
466010	NSF Check Fees	15	0	15		0	15	0.0%
467000	Misc Depart Income	3,000	0	3,000	138	1,360	1,640	45.3%
479100	Other Contributions	60,000	0	60,000		0	60,000	0.0%
	TOTAL OTHER REVENUE	483,921	0	483,921	330	30,865	453,056	6.4%
USE OF FUND BALANCE								
402190	Appropriated Fund Balance	714,843	170,000	884,843		0	884,843	0.0%
	TOTAL USE OF FUND BALANCE	714,843	170,000	884,843	0	0	884,843	0.0%
	GRAND TOTAL OPERATING REVENUE	27,261,091	186,500	27,447,591	34,416	23,707,453	3,740,138	86.4%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 5/31/2016
 41.5% of Budget Year

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	Encumbered & PY Capital Project Balances	2016 Budget Adjustments/ Revisions	Adjusted Budget	May Expended	Year-to-Date Expended	Encumb.	Funds Reservations	Total Expenditures & Encumbrances	Remaining Balance	YTD Expend/ & Encumb	
												YTD Expend	% Current Budget
OPERATING EXPENDITURES													
PERSONAL SERVICES													
Regular Salaries & Wages													
500000	Full Time - Salaries	9,085,418		0	9,085,418	\$754,444	3,625,561.35			3,625,561.35	5,459,857	39.9%	39.9%
500010	Part Time - Wages	4,024,053		0	4,024,053	311,735	1,502,910.33			1,502,910.33	2,521,143	37.3%	37.3%
500020	Regular PT - Wages	1,062,824		0	1,062,824	60,414	386,692.28			386,692.28	676,132	36.4%	36.4%
500300	Shift Differential	15,000		0	15,000	1,202	6,140.22			6,140.22	8,860	40.9%	40.9%
500330	Holiday Worked	15,000		0	15,000		6,060.78			6,060.78	8,939	40.4%	40.4%
500350	Other Employee Payments	60,000		0	60,000	1,100	12,030.00			12,030.00	47,970	20.1%	20.1%
	Salaries & Wages	14,262,295	0	0	14,262,295	\$1,128,895	5,539,394.96	0.00	0	5,539,394.96	8,722,900	38.8%	38.8%
501000	Overtime Salaries & Wages	195,000		0	195,000	\$18,206	101,968.13			101,968.13	93,032	52.3%	52.3%
	TOTAL, PERSONAL SERVICES	14,457,295	0	0	14,457,295	\$1,147,101	5,641,363.09	0.00	0	5,641,363.09	8,815,932	39.0%	39.0%
504990	Reduction From Personal Services	(318,881)		0	(318,881)		0.00			0.00	(318,881)	0.0%	0.0%
504992	Contractual Salary Reserves	51,557		0	51,557		0.00			0.00	51,557	0.0%	0.0%
	NET PERSONAL SERVICES	14,189,971	0	0	14,189,971	1,147,101	5,641,363.09	0.00	0	5,641,363.09	8,548,608	39.8%	39.8%
FRINGE BENEFITS													
502000	Fringe Benefits	0		0	0		0.00			0.00	0	0.0%	0.0%
502010	Employer FICA - REGULAR	896,354		0	896,354	68,574	344,439.49			344,439.49	551,915	38.4%	38.4%
502020	Employer FICA - MEDICARE	209,672		0	209,672	16,038	80,554.54			80,554.54	129,117	38.4%	38.4%
502030	Employee Health Insurance	2,586,136		0	2,586,136	219,869	956,710.51			956,710.51	1,629,425	37.0%	37.0%
502040	Dental Plan	117,436		0	117,436	7,076	34,770.60			34,770.60	82,665	29.6%	29.6%
502050	Workers Compensation	51,034		0	51,034	9,970	9,406.34			9,406.34	41,628	18.4%	18.4%
502060	Unemployment Insurance	17,055		0	17,055	2,034	10,074.04			10,074.04	6,981	59.1%	59.1%
502070	Hospital & Medical - Retirees	1,522,245		0	1,522,245	126,535	619,442.33			619,442.33	902,803	40.7%	40.7%
502090	Health Insurance Waiver (Incl: 117)	40,008		0	40,008	2,751	12,855.00			12,855.00	27,153	32.1%	32.1%
502100	Retirement	1,762,233		0	1,762,233	119,463	609,129.69			609,129.69	1,153,103	34.6%	34.6%
502000	Unallocated Fringe Benefits	3,617		0	3,617		0.00			0.00	3,617	0.0%	0.0%
	TOTAL, FRINGE BENEFITS	7,205,790	0	0	7,205,790	572,310	2,677,382.54	0.00	0	2,677,382.54	4,528,407	37.2%	37.2%
	TOTAL COMPENSATION RELATED	21,395,761	0	0	21,395,761	1,719,411	8,318,745.63	0.00	0	8,318,745.63	13,077,015	38.9%	38.9%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 5/31/2016
 41.5% of Budget Year

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	Encumbe red & PY Capital Project Balances	2016 Budget Adjust- ments/ Revisions	Adjusted Budget	May Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	<u>% Current Budget</u>	
												YTD Expend	YTD & Encumb
505000	Office Supplies	140,350		0	140,350	11,862	64,226.76	58,355.37		122,582.13	17,768	45.8%	87.3%
505200	Clothing Supplies	4,000	226	0	4,226	23	91.40	225.50		316.90	3,909	2.2%	7.5%
505600	Auto Truck & Heavy Equip Supplies	8,550		0	8,550	184	1,307.50			1,307.50	7,243	15.3%	15.3%
505800	Medical & Health Supplies	1,000		0	1,000		0.00			0.00	1,000	0.0%	0.0%
506200	Maintenance & Repair	102,500	702	0	103,202	7,068	34,768.67	30,036.23		64,804.90	38,397	33.7%	62.8%
506400	Highway Supplies (Rock Salt)	14,000		0	14,000		5,465.46	3,993.99		9,459.45	4,541	39.0%	67.6%
510000	Local Mileage Reimbursement	14,200		0	14,200	498	3,579.88			3,579.88	10,620	25.2%	25.2%
510100	Out of Area Travel	15,000		0	15,000	2,603	9,060.03			9,060.03	5,940	60.4%	60.4%
510200	Training and Education	54,755		0	54,755	1,121	19,056.50	1,250.00		20,306.50	34,449	34.8%	37.1%
515000	Utility Charges (Telecom/water/sewer)												
	Water/Sewer	33,975			33,975	2,932	11,186.47			11,186.47	22,789	32.9%	32.9%
	Fuel Oil	1,000			1,000					0.00	1,000	0.0%	0.0%
	Telephone & Internet Service	74,159		0	74,159	2,648	34,309.09			34,309.09	39,850	46.3%	46.3%
515000	Total Utility Charges	109,134		0	109,134	5,580	45,495.56	0.00	0	45,495.56	63,638	41.7%	41.7%
516010	CONTRACTUAL PAYMENTS												
	Ewell Free - Alden	1,153		1,500	2,653		2,653.00			2,653.00	0	100.0%	100.0%
	Aurora Public	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	Boston Free	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	Collins Public	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	Concord Public	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	Eden Library	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	Elma Public	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	Lackawanna Public	11,749		0	11,749		5,874.60	5,874.40		11,749.00	0	50.0%	100.0%
	Lancaster Public	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	Marilla Free	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	North Collins Public	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	West Seneca Public	0		1,500	1,500		1,500.00			1,500.00	0	100.0%	100.0%
	Total Cnt Pmts-NP Pur Svs	12,902	0	16,500	29,402	\$0	23,527.60	5,874.40	0	29,402.00	0	80.0%	100.0%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 5/31/2016
 41.5% of Budget Year

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	Encumbe red & PY Capital Project Balances	2016 Budget Adjust- ments/ Revisions	Adjusted Budget	May Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
												YTD Expended	YTD & Encumb
516020	Professional Services Contracts & Fees	864,427	82,687	0	947,114	119,981	540,233.42	292,764.59		832,998.01	114,116	57.0%	88.0%
516030	Maintenance Contracts	121,857	1,564	0	123,421	4,337	74,883.85	33,352.46		108,236.31	15,185	60.7%	87.7%
530000	Other Expenses	177,050	21,072	0	198,122	4,203	67,529.20	1,691.88		69,221.08	128,901	34.1%	34.9%
545000	Rental Charges	4,725		0	4,725	389	1,493.26	2,987.14		4,480.40	245	31.6%	94.8%
555050	Insurance Premiums	119,550		0	119,550		80,140.14			80,140.14	39,410	67.0%	67.0%
559000	County Share Grants			0	0		0.00			0.00	0	0.0%	0.0%
561410	Lab & Technical Equipment	75,145	32,013	170,000	277,158	95,945	138,261.33	3,034.78		141,296.11	135,862	49.9%	51.0%
561420	Office Equip, Furn & Fixtures			0	0		0.00			0.00	0	0.0%	0.0%
561430	Building, Grounds and Heavy Equip			0	0		0.00			0.00	0	0.0%	0.0%
561440	Motor Vehicles			0	0		0.00			0.00	0	0.0%	0.0%
561450	Library Books and Media	3,009,000	178,970	0	3,187,970	211,827	1,272,304.11	0.00	178,970	1,451,274.11	1,736,696	39.9%	45.5%
575040	Interfund Exp - Utilities												
	Fuel Oil	0		0	0		0.00			0.00	0	0.0%	0.0%
	Natural Gas	167,911		0	167,911	1,728.65	61,506.74			61,506.74	106,404	36.6%	36.6%
	Electricity	710,479		0	710,479	42,214	182,995.69			182,995.69	527,483	25.8%	25.8%
	Total Interfund Exp - Utilites	878,390	0	0	878,390	43,943	244,502.43	0.00	0	244,502.43	633,888	27.8%	27.8%
942000	Interfund - Holding Center	(90,865)		0	(90,865)	(7,572)	(37,860.41)			(37,860.41)	(53,005)	41.7%	41.7%
	Interfund - Correctional Facility	(104,461)			(104,461)	(8,705)	(43,525.41)			(43,525.41)	(60,936)	41.7%	41.7%
	Interfund - Court Storage	(8,598)			(8,598)	(717)	(3,582.50)			(3,582.50)	(5,016)	41.7%	41.7%
	Total ID Library Services	(203,924)	0	0	(203,924)	(\$16,994)	(84,968.32)			(84,968.32)	(118,956)	41.7%	41.7%
910600	Intefund Expense - Purchasing Services	33,120		0	33,120	\$2,284	11,417.50			11,417.50	21,703	34.5%	34.5%
910700	Interfund Expnese - Fleet Services	40,510		0	40,510	\$890	4,692.20			4,692.20	35,818	11.6%	11.6%
980000	Interdepart Services DISS	269,089		0	269,089	22,424	112,120.40			112,120.40	156,969	41.7%	41.7%
	System Operating Grand Totals	27,261,091	317,234	186,500	27,764,825	2,237,577	10,987,934.51	433,566.34	178,970	11,600,470.85	16,164,354	39.6%	41.8%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 5/31/2016
 41.5% of Budget Year

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	Encumbe red & PY Capital Project Balances	2016 Budget Adjust- ments/ Revisions	Adjusted Budget	May Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
												YTD Expend	YTD & Encumb
<u>ERIE COUNTY CAPITAL FUNDING FOR LIBRARY</u>													
	Library Debt Service	940,143			940,143	28,709	791,619.53			791,619.53	148,524	84.2%	84.2%
490	General Obligation Bond Proceeds												
561250	Building Improvements		26,699		26,699		0.00			0.00	26,699	0.0%	0.0%
	Total General Obligations	0	26,699	0	26,699	\$0	0.00	0.00	0	0.00	26,699	0.0%	0.0%
	Total Erie County Capital for Library	940,143	26,699	0	966,842	\$28,709	791,619.53	0.00	0	791,619.53	175,223	81.9%	81.9%
	Grand Total Operating and Erie County Capital	28,201,234	343,933	186,500	28,731,667	\$2,266,286	11,779,554.04	433,566.34	178,970	12,392,090.38	16,339,577	41.0%	43.1%

Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending May 31, 2016

Main Trust	\$1,066,784.93
Encore Editions Proceeds (Invested per resolution 2006-19)	\$92,647.26
2015 Ending Balance	\$1,159,432.19

2016 Activity and Balances

Restricted Donations	\$49,912.38
(Donations received with instructions restricting them to the Buffalo & Erie County Public Library direct uses and fundraising for identified program use)	
Unrestricted Donations	
Pending Board Action	\$43,012.65
Board Directed to Direct Library Programs	\$0.00
Board Directed to Library Foundation	\$0.00
Total Unrestricted Donations	\$43,012.65
Interest Income	\$295.96
Less Disbursements	
Direct For Library Programs/Services/Support	(\$68,797.67)
To Library Foundation	\$0.00
Total Disbursements	(\$68,797.67)
Balance, 2016 Activity	\$24,423.32

Cumulative Balance Library Trust **\$1,183,855.51**

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

Library material purchases (direct from trust)	(\$116.45)
To Library Operating Fund to support Library material purchases	\$0.00
Programming support	(\$21,777.07)
Equipment, furnishings & supplies	(\$1,916.00)
Exhibit/display preparation and support/Rare Book Room	(\$10,251.46)
Preservation/Conservation (Audubon Birds)	(\$22,698.00)
Construction Grant Match	\$0.00
Raiser's Edge Software and General Fundraising Expense	(\$7,446.10)
Fundraiser Event Expense	\$0.00
Other	(\$4,592.59)
Total	(\$68,797.67)