

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 11/17/2016

AGENDA ITEM NUMBER: E.2.c.

Budget & Finance Committee
Financials for the Month Ending 09/30/2016

BACKGROUND:

The attached report provides a summary of revenue and expenditure performance in the Library's Operating Budget for the year as of September 30, 2016 month-end. The report also details monthly activity for September. Overall, with 74.9% of the budget year elapsed, year-to-date Library revenue, at 94.8% collected, is well within budget and year-to date expense, at 70.5%, 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 received in July.** Library aid payments are normally released by the State beginning two to three months after the State's budget is adopted. The final payment for the year was received in September.
- ✓ **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 70.5% of the budget.
- ✓ **Fringe Benefit expense is running under budget at 70.8% overall.**
Vacancies resulted in below budget charges for payroll taxes. Vacancies, usage changes and negotiated increased employee contributions contributed to Active Employee Health insurance cost being slightly under budget (it was still 7.7% above 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. Workers compensation and unemployment insurance expense are both running above budget. For both accounts, the Library is charged based upon actual expense incurred which, is usually relatively low. The small budgeted amount for these accounts can lead to an over budget condition at times. Overall savings in other accounts are more than sufficient to offset the overage. Finally, the rate of growth in retiree medical charges so far this year have begun to moderate, coming in under budget at 71.5% of budget (1.2% above than the same period in 2015). Said expense is subject to significant swings due to changes in usage by retirees. We will closely monitor this situation.
- ✓ **Telephone and Internet Service charges show at 107.3% 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 100%.** The above budget variance results from the distribution of “bullet aid” sponsored by Senators Patrick Gallivan and Michael Ranzenhofer to support the libraries within their districts.

EXPENSE (continued):

- ✓ **Insurance premiums shows at 98.0 %**
Reflects timing of policy renewal payments and the addition of cyber liability coverage, the account is expected to end the year within budget including budget transfers authorized by Resolution 2016-19.

- ✓ **Several remaining operating accounts above 74.9% reflect principally timing differences.**
These accounts, including Office Supplies, and Maintenance Contracts reflect timing variations and are expected to end the year within budget. The Out of Area Travel account is also impacted by the locations of recurring training and conferences. Budget transfers will be needed to complete the year for this account, with other training and local mileage accounts running well below budget providing sufficient funds for any transfers needed.

- ✓ **A mild winter and continued moderate rates again generate electric and natural gas savings.**
Natural gas charges of \$65,423, came in at 39.0% of the 2016 annual budget, however they were 35.3% LOWER than the \$101,093 paid in January – September 2015. Electricity charges of \$428,115 came in at 60.3% of the 2016 annual budget and were 7.7% BELOW the \$463,892 paid in January – September 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 \$71,448 (12.6%) BELOW those incurred for the same months in 2015.** Some, but not all of the previous year-to-date savings for electricity were offset by the warmer than normal temperatures experienced this spring and 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 9/30/2016

74.9% of Budget Year

SAP Account Number	Account Description	Adopted Budget	Adjustments	Adjusted Budget	Revenue September	YTD Revenue	To Be Realized	% of Budget Collected
REVENUE FROM LIBRARY OPERATIONS								
419000	Library Charges - Fines	336,493	0	336,493	22,094	226,954	109,539	67.4%
422000	Copies	18,839	0	18,839	2,001	17,030	1,809	90.4%
466040	Printing	52,217	0	52,217	6,096	46,031	6,186	88.2%
466030	Book Bags	1,300	0	1,300	80	804	497	61.8%
466020	Minor Sale - Other	8,000	0	8,000	730	4,782	3,218	59.8%
420510	Rent - Real Prop - Auditorium	18,000	0	18,000	2,634	14,845	3,155	82.5%
420530	Comm - Tel Booth Food Svs	18,240	0	18,240	1,133	12,568	5,672	68.9%
	TOTAL REVENUE FROM LIBRARY OPERATIONS	453,089	0	453,089	34,768	323,013	130,076	71.3%
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	80,333	1,942,679	20,064	1,942,679	0	100.0%
408150	NYS Aid to Member Libraries	272,758	11,772	284,530	28,453	284,530	0	100.0%
408160	State Aid - Special	0	111,500	111,500	95,000	111,500	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	203,605	25,812,843	143,517	25,812,843	(0)	100.0%
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		37,048	(27,048)	370.5%
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	190	1,773	1,227	59.1%
466000	Misc Receipts	0	0	0	163	380	(380)	0.0%
466010	NSF Check Fees	15	0	15	0	0	15	0.0%
467000	Misc Depart Income	3,000	0	3,000	1,218	4,967	(1,967)	165.6%
479100	Other Contributions	60,000	0	60,000		0	60,000	0.0%
	TOTAL OTHER REVENUE	483,921	0	483,921	1,571	44,167	439,754	9.1%
USE OF FUND BALANCE								
402190	Appropriated Fund Balance	714,843	152,895	867,738		0	867,738	0.0%
	TOTAL USE OF FUND BALANCE	714,843	152,895	867,738	0	0	867,738	0.0%
	GRAND TOTAL OPERATING REVENUE	27,261,091	356,500	27,617,591	179,856	26,180,024	1,437,567	94.8%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 9/30/2016
 74.9% of Budget Year

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	2015 Encumbered & PY Capital Project Balances	2016 Budget Adjust- ments/ Revisions	Adjusted Budget	September Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	<u>% Current Budget</u>		
												YTD Expended	YTD & Encumb	
<u>OPERATING EXPENDITURES</u>														
PERSONAL SERVICES														
Regular Salaries & Wages														
500000	Full Time - Salaries	9,085,418		0	9,085,418	\$753,540	6,675,626.44			6,675,626.44	2,409,792	73.5%	73.5%	
500010	Part Time - Wages	4,024,053		0	4,024,053	282,953	2,716,533.88			2,716,533.88	1,307,519	67.5%	67.5%	
500020	Regular PT - Wages	1,062,824		0	1,062,824	55,295	618,613.33			618,613.33	444,211	58.2%	58.2%	
500300	Shift Differential	15,000		0	15,000	1,308	11,361.71			11,361.71	3,638	75.7%	75.7%	
500330	Holiday Worked	15,000		0	15,000	1,383	10,407.51			10,407.51	4,592	69.4%	69.4%	
500350	Other Employee Payments	60,000		0	60,000	700	21,130.00			21,130.00	38,870	35.2%	35.2%	
	Salaries & Wages	14,262,295	0	0	14,262,295	1,095,179	10,053,672.87	0.00	0	10,053,672.87	4,208,622	70.5%	70.5%	
501000	Overtime Salaries & Wages	195,000		0	195,000	17,824	144,359.34			144,359.34	50,641	74.0%	74.0%	
	TOTAL, PERSONAL SERVICES	14,457,295	0	0	14,457,295	1,113,003	10,198,032.21	0.00	0	10,198,032.21	4,259,263	70.5%	70.5%	
504990	Reduction From Personal Servic	(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	1,113,003	10,198,032.21	0.00	0	10,198,032.21	3,991,939	71.9%	71.9%	
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	66,911	623,161.33			623,161.33	273,193	69.5%	69.5%	
502020	Employer FICA - MEDICARE	209,672		0	209,672	15,649	145,739.49			145,739.49	63,933	69.5%	69.5%	
502030	Employee Health Insurance	2,586,136		0	2,586,136	203,863	1,886,644.14			1,886,644.14	699,492	73.0%	73.0%	
502040	Dental Plan	117,436		0	117,436	6,780	65,733.18			65,733.18	51,703	56.0%	56.0%	
502050	Workers Compensation	51,034		0	51,034	5,505	56,466.61			56,466.61	(5,433)	110.6%	110.6%	
502060	Unemployment Insurance	17,055		0	17,055	(70)	17,393.89			17,393.89	(339)	102.0%	102.0%	
502070	Hospital & Medical - Retirees	1,522,245		0	1,522,245	111,735	1,088,603.55			1,088,603.55	433,641	71.5%	71.5%	
502090	Health Insurance Waiver	40,008		0	40,008	2,834	24,091.00			24,091.00	15,917	60.2%	60.2%	
502100	Retirement	1,762,233		0	1,762,233	134,905	1,193,807.41			1,193,807.41	568,426	67.7%	67.7%	
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	548,111	5,101,640.60	0.00	0	5,101,640.60	2,104,149	70.8%	70.8%	
	TOTAL COMPENSATION RELATE	21,395,761	0	0	21,395,761	1,661,114	15,299,672.81	0.00	0	15,299,672.81	6,096,088	71.5%	71.5%	

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 9/30/2016
 74.9% of Budget Year

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												YTD Expend	YTD Expend/ & Encumb	
505000	Office Supplies	140,350		0	140,350	11,380	110,404.73	29,144.18		139,548.91	801	78.7%	99.4%	
505200	Clothing Supplies	4,000	226	0	4,226		91.40	225.50		316.90	3,909	2.2%	7.5%	
505600	Auto Truck & Heavy Equip Supplii	8,550		0	8,550	443	3,628.18	123.06		3,751.24	4,799	42.4%	43.9%	
505800	Medical & Health Supplies	1,000		0	1,000	188	188.40			188.40	812	18.8%	18.8%	
506200	Maintenance & Repair	102,500	702	15,000	118,202	6,705	60,568.13	17,621.78		78,189.91	40,012	51.2%	66.1%	
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		(2,500)	11,700	1,634	7,453.63			7,453.63	4,246	63.7%	63.7%	
510100	Out of Area Travel	15,000		2,500	17,500	238	14,849.59			14,849.59	2,650	84.9%	84.9%	
510200	Training and Education	54,755		0	54,755	738	23,813.50	345.00		24,158.50	30,597	43.5%	44.1%	
515000	Utility Charges (Telecom/water/sewer)													
	Water/Sewer	33,975			33,975	2,279	20,271.43			20,271.43	13,704	59.7%	59.7%	
	Fuel Oil	1,000			1,000					0.00	1,000	0.0%	0.0%	
	Telephone & Internet Service	74,159		0	74,159	4,404	79,605.51			79,605.51	(5,447)	107.3%	107.3%	
515000	Total Utility Charges	109,134		0	109,134	6,684	99,876.94	0.00	0	99,876.94	9,257	91.5%	91.5%	
516010	CONTRACTUAL PAYMENTS													
	Ewell Free - Alden	1,153		4,000	5,153	2,500	5,153.00			5,153.00	0	100.0%	100.0%	
	Amherst Public	0		44,000	44,000	44,000	44,000.00			44,000.00	0	100.0%	100.0%	
	Aurora Public	0		4,000	4,000	2,500	4,000.00			4,000.00	0	100.0%	100.0%	
	Boston Free	0		4,000	4,000	2,500	4,000.00			4,000.00	0	100.0%	100.0%	
	Clarence Public	0		10,000	10,000	10,000	10,000.00			10,000.00	0	100.0%	100.0%	
	Collins Public	0		4,000	4,000	2,500	4,000.00			4,000.00	0	100.0%	100.0%	
	Concord Public	0		4,000	4,000	2,500	4,000.00			4,000.00	0	100.0%	100.0%	
	Eden Library	0		4,000	4,000	2,500	4,000.00			4,000.00	0	100.0%	100.0%	
	Elma Public	0		4,500	4,500	3,000	4,500.00			4,500.00	0	100.0%	100.0%	
	Lackawanna Public	11,749		0	11,749	2,937	11,749.00			11,749.00	0	100.0%	100.0%	
	Lancaster Public	0		5,500	5,500	4,000	5,500.00			5,500.00	0	100.0%	100.0%	
	Marilla Free	0		4,000	4,000	2,500	4,000.00			4,000.00	0	100.0%	100.0%	
	Newstead Public - Akron	0		10,000	10,000	10,000	10,000.00			10,000.00	0	100.0%	100.0%	
	North Collins Public	0		4,000	4,000	2,500	4,000.00			4,000.00	0	100.0%	100.0%	
	West Seneca Public	0		5,500	5,500	4,000	5,500.00			5,500.00	0	100.0%	100.0%	
	Total Cnt Pmts-NP Pur Svs	12,902	0	111,500	124,402	\$97,937	124,402.00	0.00	0	124,402.00	0	100.0%	100.0%	

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
 Expenditure Detail as of 9/30/2016
 74.9% of Budget Year

SAP Acct. Nbr.	Account Description	2016 Adopted Budget	2015 Encumbered & PY Capital Project Balances	2016 Budget Adjust- ments/ Revisions	Adjusted Budget	September Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
												YTD Expend	YTD Expend/ & Encumb
516020	Professional Services Contracts & Fees	864,427	82,687	0	947,114	64,682	658,283.21	167,096.09		825,379.30	121,735	69.5%	87.1%
516030	Maintenance Contracts	121,857	1,564	0	123,421	9,200	100,876.43	14,924.04		115,800.47	7,621	81.7%	93.8%
530000	Other Expenses	177,050	21,072	(2,500)	195,622	17,657	120,909.72	1,696.57		122,606.29	73,016	61.8%	62.7%
545000	Rental Charges	4,725		0	4,725	509	3,291.25	851.12		4,142.37	583	69.7%	87.7%
555050	Insurance Premiums	119,550		2,500	122,050	10,212	119,550.00			119,550.00	2,500	98.0%	98.0%
559000	County Share Grants			0	0		0.00			0.00	0	0.0%	0.0%
561410	Lab & Technical Equipment	75,145	32,013	230,000	337,158	38,376	229,745.37	18,259.98		248,005.35	89,153	68.1%	73.6%
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	225,695	2,134,998.04	0.00	178,970	2,313,968.04	874,002	67.0%	72.6%
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	1,246	65,422.70			65,422.70	102,488	39.0%	39.0%
	Electricity	710,479		0	710,479	60,075	428,115.05			428,115.05	282,364	60.3%	60.3%
	Total Interfund Exp - Utilites	878,390	0	0	878,390	61,321	493,537.75	0.00	0	493,537.75	384,852	56.2%	56.2%
942000	Interfund - Holding Center	(90,865)		0	(90,865)	(7,572)	(68,148.73)			(68,148.73)	(22,716)	75.0%	75.0%
	Interfund - Correctional Facility	(104,461)			(104,461)	(8,705)	(78,345.73)			(78,345.73)	(26,115)	75.0%	75.0%
	Interfund - Court Storage	(8,598)			(8,598)	(717)	(6,448.50)			(6,448.50)	(2,150)	75.0%	75.0%
	Total ID Library Services	(203,924)	0	0	(203,924)	(\$16,994)	(152,942.96)			(152,942.96)	(50,981)	75.0%	75.0%
910600	Intefund Expense - Purchasing Services	33,120		0	33,120	\$2,284	20,551.50			20,551.50	12,569	62.1%	62.1%
910700	Interfund Expense - Fleet Service	40,510		0	40,510	\$1,047	8,893.06			8,893.06	31,617	22.0%	22.0%
980000	Interdepart Services DISS	269,089		0	269,089	22,424	201,816.72			201,816.72	67,272	75.0%	75.0%
	System Operating Grand Totals	27,261,091	317,234	356,500	27,934,825	2,223,473	19,689,924.86	254,281.31	178,970	20,123,176.17	7,811,649	70.5%	72.0%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2016 OPERATING BUDGET
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 74.9% of Budget Year

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												YTD Expend	YTD & Encumb	
<u>ERIE COUNTY CAPITAL FUNDING FOR LIBRARY</u>														
	Library Debt Service	940,143			940,143	113,271	908,346.82			908,346.82	31,796.25	96.6%	96.6%	
490	General Obligation Bond Proceeds													
561250	Building Improvements		26,699		26,699		0			21,700	4,999	0.0%	81.3%	
	Total General Obligations	0	26,699	0	26,699	\$0	0.00	0.00	0	21,699.60	4,999	0.0%	81.3%	
	Total Erie County Capital for Library	940,143	26,699	0	966,842	113,271	908,346.82	0.00	0	930,046.42	36,796	93.9%	96.2%	
	Grand Total Operating and Erie County Capital	28,201,234	343,933	356,500	28,901,667	2,336,744	20,598,271.68	254,281.31	178,970	21,053,222.59	7,848,445	71.3%	72.8%	

Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending September 30, 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	\$79,395.97
(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	\$43,312.65	
Board Directed to Direct Library Programs	\$0.00	
Board Directed to Library Foundation	\$0.00	
Total Unrestricted Donations		\$43,312.65

Interest Income		\$532.66
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Less Disbursements		
Direct For Library Programs/Services/Support	(\$111,733.13)	
To Library Foundation	\$0.00	
Total Disbursements		(\$111,733.13)

Balance, 2016 Activity		\$11,508.15
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Cumulative Balance Library Trust		\$1,170,940.34
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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	(\$65,340.51)
Equipment, furnishings & supplies	(\$1,916.00)
Exhibit/display preparation and support/Rare Book Room	(\$10,493.48)
Preservation/Conservation (Audubon Birds)	(\$20,990.00)
Construction Grant Match	\$0.00
Raiser's Edge Software and General Fundraising Expense	(\$7,446.10)
Fundraiser Event Expense	(\$838.00)
Other	(\$4,592.59)
Total	(\$111,733.13)