

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 5/18/2017

AGENDA ITEM NUMBER: E.2.c.

Budget & Finance Committee
Financials for the Month Ending **3/31/2017**

BACKGROUND:

The attached report provides a summary of revenue and expenditure performance in the Library's Operating Budget for the year as of the March 31, 2017 month-end close. This is the first report for 2017 as the Library uses Erie County's SAP financial system and the County does not issue January and February month end close reports. The report also details monthly activity for January, February and March. Overall, with 24.7% of the budget year elapsed, year-to-date Library revenues at 87.4% collected are well within budget and year-to date expenditures, at 25.0%, were also within budget when adjusted for payment timing issues. Items of note include:

REVENUE:

- ✓ **Property Tax for Library Proceeds Booked.** The full \$23,943,617 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 2017 budget assumed state library aid at 2016's funding level. The enacted NY State 2016-17 budget maintained this level of support.
- ✓ **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 2016 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 2016 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 24.0% of the budget.
- ✓ **Fringe Benefit expense is running under budget at 22.1% overall.**
Vacancies result in below budget charges for payroll taxes. Usage changes and negotiated increased employee contributions contributed to Active Employee Health insurance cost being under budget (YTD costs are 4.0% 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. Finally, retiree medical charges so far this year continue to moderate, coming in at 21.4% of budget (and 0.2% below the same period in 2016). Said expense is subject to significant swings due to changes in usage by retirees. We will closely monitor this situation.
- ✓ **Highway Supplies (rock salt) shows at 26.3%**
This relatively small account (\$14,000 annual budget) is very seasonal in nature with the next set of purchases taking place in the fall. The fact that expense is so close to 24.7% is another confirmation of the relatively mild winter earlier this year.
- ✓ **Telephone and Internet Service charges show at 29.9% 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 (now Spectrum), 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 63.0%.** The above budget variance reflects the contract provision that small dollar amounts are transmitted at the beginning of the year rather than quarterly in advance. Five of the six amounts at 100% are below \$2,000.
- ✓ **Insurance premiums shows at 68.6 %**
Reflects timing of policy renewal payments, current services contracted in this account are expected to end the year within budget.
- ✓ **Several remaining operating accounts above 24.7% reflect timing differences.**
These accounts, including Office Supplies, Training, Professional Services, Lab/Tech equipment, and Library Materials reflect timing variations and are expected to end the year within budget.

EXPENSE (continued):

✓ **A mild winter helped counter higher Natural Gas rates to yield modest utility savings.**

Natural gas charges of \$70,620, came in at 47.5% of the 2017 annual budget, reflecting seasonality and significantly higher rates. Expense was 40.1% higher than the \$50,413 paid in January - March 2016. Electricity charges of \$119,862 came in at 17.5% of the 2017 annual budget. However, they were 15.7% above the \$103,603 paid in January - March 2016. The season's relatively mild temperatures helped, however rates increased significantly in 2017. Natural Gas supply rates for January-March 2017 averaged up over 70%, while electricity supply rates averaged up over 11% over the same period in 2016 (Natural Gas is one of several fuels and alternate energy sources used to provide electricity). **Combined, 2017 interfund utility charges of \$190,483 were below budget (22.9% of budget), however they were \$36,467 (23.7%) above those incurred for the same months in 2016.** 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

2017 OPERATING BUDGET

Revenue Detail as of 3/31/2017

24.7% of Budget Year

SAP Account Number	Account Description	Adopted Budget	Adjust- ments	Adjusted Budget	Revenue January	Revenue February	Revenue March	YTD Revenue	To Be Realized	% of Budget Collected
REVENUE FROM LIBRARY OPERATIONS										
419000	Library Charges - Fines	317,592	0	317,592	22,664	23,242	29,310	75,215.99	242,376	23.7%
422000	Copies	19,844	0	19,844	1,576	1,559	2,675	5,808.75	14,035	29.3%
466040	Printing	57,957	0	57,957	3,819	5,027	5,952	14,798.71	43,158	25.5%
466030	Book Bags	1,300	0	1,300	63	86	74	223.00	1,077	17.2%
466020	Minor Sale - Other	6,361	0	6,361	317	405	424	1,146.00	5,215	18.0%
420510	Rent - Real Prop - Auditorium	21,100	0	21,100	2,554	425	2,284	5,263.35	15,837	24.9%
420530	Comm - Tel Booth Food Svs	17,680	0	17,680	1,115	1,136		2,250.88	15,429	12.7%
	TOTAL REVENUE FROM LIBRARY OPERATIONS	441,834	0	441,834	32,108	31,880	40,719	104,706.68	337,127	23.7%
REVENUE FROM STATE & COUNTY GOVT.										
400020	Library Real Prop Tax	23,943,617	0	23,943,617	23,943,617			23,943,616.98	0	100.0%
408140	NYS Aid-Lib Incl Incent	1,942,679	0	1,942,679				0.00	1,942,679	0.0%
408150	NYS Aid to Member Libraries	284,530	0	284,530				0.00	284,530	0.0%
408160	State Aid - Special	0	0	0				0.00	0	0.0%
409010	State Aid - Other	0	0	0				0.00	0	0.0%
486000	Interfund - Subsidy	0	0	0				0.00	0	0.0%
	TOTAL REVENUE FROM STATE & COUNTY GOVT.	26,170,826	0	26,170,826	23,943,617	0	0	23,943,616.98	2,227,209	91.5%
OTHER REVENUE										
419010	Refunds - Cont Library	375,483	0	375,483				0.00	375,483	0.0%
423000	Refund P/Y Expenses	10,000	0	10,000		450	19,220	19,669.76	(9,670)	196.7%
466170	Refund Contract Lib Retire	0	0	0				0.00	0	0.0%
466070	Refund P/Y Expenses	0		0				0.00	0	0.0%
445030	Int & Earn - Gen Inv	2,000	0	2,000			832	832.10	1,168	41.6%
466000	Misc Receipts	0	0	0			253	252.63	(253)	0.0%
466010	NSF Check Fees	15	0	15				0.00	15	0.0%
467000	Misc Depart Income	5,000	0	5,000	241	175	81	496.75	4,503	9.9%
479100	Other Contributions	60,000	0	60,000				0.00	60,000	0.0%
	TOTAL OTHER REVENUE	452,498	0	452,498	241	625	20,385	21,251.24	431,247	4.7%
USE OF FUND BALANCE										
402190	Appropriated Fund Balance	485,186	0	485,186				0.00	485,186	0.0%
	TOTAL USE OF FUND BALANCE	485,186	0	485,186	0	0	0	0.00	485,186	0.0%
	GRAND TOTAL OPERATING REVENUE	27,550,344	0	27,550,344	23,975,965	32,506	61,104	24,069,574.90	3,480,769	87.4%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2017 OPERATING BUDGET
 Expenditure Detail as of 3/31/2017
 24.7% of Budget Year

SAP Acct. Nbr.	Account Description	2017 Adopted Budget	Encumbe red & PY Capital Balances	2017 Budget Adjust- ments/ Revisions	Adjusted Budget	January Expended	February Expended	March Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
														YTD Expend	YTD /& Encumb
OPERATING EXPENDITURES															
PERSONAL SERVICES															
Regular Salaries & Wages															
500000	Full Time - Salaries	9,418,289		0	9,418,289	775,281	718,024	807,296	2,300,601.59			2,300,601.59	7,117,687	24.4%	24.4%
500010	Part Time - Wages	3,980,282		0	3,980,282	306,395	303,858	319,112	929,364.78			929,364.78	3,050,917	23.3%	23.3%
500020	Regular PT - Wages	813,694		0	813,694	62,896	55,129	59,735	177,760.10			177,760.10	635,934	21.8%	21.8%
500300	Shift Differential	16,000		0	16,000	981	1,337	1,410	3,728.07			3,728.07	12,272	23.3%	23.3%
500330	Holiday Worked	18,000		0	18,000	3,397	91	1,604	5,091.62			5,091.62	12,908	28.3%	28.3%
500350	Other Employee Payments	91,000		0	91,000	15,925	3,292	700	19,917.19			19,917.19	71,083	21.9%	21.9%
	Salaries & Wages	14,337,265	0	0	14,337,265	1,164,875	1,081,731	1,189,857	3,436,463.35	0.00	0.00	3,436,463.35	10,900,802	24.0%	24.0%
501000	Overtime Salaries & Wages	220,000		0	220,000	17,228	20,023	21,927	59,177.77			59,177.77	160,822	26.9%	26.9%
	TOTAL, PERSONAL SERVICES	14,557,265	0	0	14,557,265	1,182,104	1,101,754	1,211,784	3,495,641.12	0.00	0.00	3,495,641.12	11,061,624	24.0%	24.0%
504990	Reduction From Personal Services	(350,511)		0	(350,511)				0.00			0.00	(350,511)	0.0%	0.0%
504992	Contractual Salary Reserves	125,033		0	125,033				0.00			0.00	125,033	0.0%	0.0%
	NET PERSONAL SERVICES	14,331,787	0	0	14,331,787	1,182,104	1,101,754	1,211,784	3,495,641.12	0.00	0.00	3,495,641.12	10,836,146	24.4%	24.4%
FRINGE BENEFITS															
502000	Fringe Benefits	0		0	0				0.00			0.00	0	0.0%	0.0%
502010	Employer FICA - REGULAR	902,547		0	902,547	71,942	66,549	73,341	211,831.39			211,831.39	690,716	23.5%	23.5%
502020	Employer FICA - MEDICARE	211,067		0	211,067	16,825	15,564	17,152	49,541.18			49,541.18	161,526	23.5%	23.5%
502030	Employee Health Insurance	2,715,691		0	2,715,691	238,595	236,431	87,422	562,447.86			562,447.86	2,153,243	20.7%	20.7%
502040	Dental Plan	98,636		0	98,636	9,465	9,509	(2,078)	16,896.12			16,896.12	81,740	17.1%	17.1%
502050	Workers Compensation	48,310		0	48,310	2,144	2,080	5,197	9,420.71			9,420.71	38,889	19.5%	19.5%
502060	Unemployment Insurance	21,339		0	21,339	500	458	582	1,539.38			1,539.38	19,800	7.2%	7.2%
502070	Hospital & Medical - Retirees	1,608,584		0	1,608,584	113,654	114,658	115,552	343,863.61			343,863.61	1,264,720	21.4%	21.4%
502090	Health Insurance Waiver (Incl: 117)	34,008		0	34,008	2,321	2,221	2,221	6,763.00			6,763.00	27,245	19.9%	19.9%
502100	Retirement	1,704,743		0	1,704,743	140,924	142,286	140,408	423,618.93			423,618.93	1,281,124	24.8%	24.8%
502000	Unallocated Fringe Benefits	25,232		0	25,232				0.00			0.00	25,232	0.0%	0.0%
	TOTAL, FRINGE BENEFITS	7,370,157	0	0	7,370,157	596,370	589,755	439,797	1,625,922.18	0.00	0.00	1,625,922.18	5,744,235	22.1%	22.1%
	TOTAL COMPENSATION RELATED	21,701,944	0	0	21,701,944	1,778,474	1,691,509	1,651,581	5,121,563.30	0.00	0.00	5,121,563.30	16,580,381	23.6%	23.6%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2017 OPERATING BUDGET
 Expenditure Detail as of 3/31/2017
 24.7% of Budget Year

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														YTD Expend	YTD /& Encumb
505000	Office Supplies	166,335		0	166,335	3,836	17,709	21,634	43,179.41	83,109.98		126,289.39	40,046	26.0%	75.9%
505200	Clothing Supplies	4,000	814	0	4,814	229	173	686	1,087.27			1,087.27	3,727	22.6%	22.6%
505600	Auto Truck & Heavy Equip Supplies	9,750		0	9,750	938		527	1,464.88			1,464.88	8,285	15.0%	15.0%
505800	Medical & Health Supplies	1,100		0	1,100				0.00			0.00	1,100	0.0%	0.0%
506200	Maintenance & Repair	104,300	8,876	0	113,176	7,617	6,916	633	15,166.48	15,716.16	8,876.00	39,758.64	73,417	13.4%	35.1%
506400	Highway Supplies (Rock Salt)	14,000		0	14,000	1,811	739	1,132	3,681.65	4,011.70		7,693.35	6,307	26.3%	55.0%
510000	Local Mileage Reimbursement	13,000		0	13,000	835	889	200	1,924.10			1,924.10	11,076	14.8%	14.8%
510100	Out of Area Travel	15,000		0	15,000			2,734	2,733.62			2,733.62	12,266	18.2%	18.2%
510200	Training and Education	59,133		0	59,133	16,087	150	1,420	17,657.00			17,657.00	41,476	29.9%	29.9%
515000	Utility Charges (Telecom/water/sewer)														
	Water/Sewer	31,936			31,936	0	2,862	2,107	4,969.03			4,969.03	26,967	15.6%	15.6%
	Fuel Oil	1,000			1,000										
	Telephone & Internet Service	62,476		0	62,476	34,186	34,283	(49,765)	18,704.78			18,704.78	43,771	29.9%	29.9%
515000	Total Utility Charges	95,412		0	95,412	34,186	37,145	(47,658)	23,673.81	0.00	0.00	23,673.81	70,738	24.8%	24.8%
516010	CONTRACTUAL PAYMENTS														
	Newstead Public - Akron	239		0	239	239			239.00			239.00	0	100.0%	100.0%
	Ewell Free - Alden	1,376		0	1,376	1,376			1,376.00			1,376.00	0	100.0%	100.0%
	Boston Free	1,642		0	1,642	1,642			1,642.00			1,642.00	0	100.0%	100.0%
	Lackawanna Public	12,436		0	12,436	3,109		3,109	6,218.00	6,218.00		12,436.00	0	50.0%	100.0%
	Marilla Free	441		0	441	441			441.00			441.00	0	100.0%	100.0%
	North Collins Public	682		0	682	682			682.00			682.00	0	100.0%	100.0%
	Total Cnt Pmts-NP Pur Svs	16,816	0	0	16,816	7,489	0	3,109	10,598.00	6,218.00	0.00	16,816.00	0	63.0%	100.0%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2017 OPERATING BUDGET
 Expenditure Detail as of 3/31/2017
 24.7% of Budget Year

SAP Acct. Nbr.	Account Description	2017 Adopted Budget	Encumbe red & PY Capital Project Balances	2017 Budget Adjust-ments/ Revisions	Adjusted Budget	January Expended	February Expended	March Expended	Year-to-Date Expended	Encumb.	Funds Reser- vations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
														YTD Expend	YTD /& Encumb
516020	Professional Services Contracts & Fees	850,637	75,829	0	926,466	158,654	160,211	55,801	374,666.05	385,470.18		760,136.23	166,330	40.4%	82.0%
516030	Maintenance Contracts	120,517	4,033	0	124,550	6,667	6,621	1,655	14,942.61	65,590.89		80,533.50	44,016	12.0%	64.7%
530000	Other Expenses	187,950	15,341	0	203,291	6,035	7,211	14,236	27,482.54	6,886.53	14,920.00	49,289.07	154,002	13.5%	24.2%
545000	Rental Charges	4,725		0	4,725	528	316	330	1,174.57	3,337.83		4,512.40	213	24.9%	95.5%
555050	Insurance Premiums	139,100		0	139,100	15,701	41,987	37,775	95,463.48			95,463.48	43,637	68.6%	68.6%
559000	County Share Grants			0	0				0.00			0.00	0	0.0%	0.0%
561410	Lab & Technical Equipment	77,060	91,848	0	168,908	9,632	28,281	6,038	43,951.04	73,794.68		117,745.72	51,163	26.0%	69.7%
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	170,805	0	3,179,805	371,269	318,997	260,346	950,611.37		170,805.00	1,121,416.37	2,058,389	29.9%	35.3%
575040	Interfund Exp - Utilities														
	Fuel Oil	0		0	0				0.00			0.00	0	0.0%	0.0%
	Natural Gas	148,790		0	148,790	25,783	23,944	20,894	70,620.42			70,620.42	78,170	47.5%	47.5%
	Electricity	684,829		0	684,829	46,730	32,261	40,872	119,862.41			119,862.41	564,967	17.5%	17.5%
	Total Interfund Exp - Utilites	833,619	0	0	833,619	72,513	56,205	61,766	190,482.83	0.00	0.00	190,482.83	643,136	22.9%	22.9%
942000	Interfund - Holding Center	(90,865)		0	(90,865)				(22,716)	(22,716.25)		(22,716.25)	(68,149)	25.0%	25.0%
	Interfund - Correctional Facility	(104,461)			(104,461)				(26,115)	(26,115.25)		(26,115.25)	(78,346)	25.0%	25.0%
	Interfund - Court Storage	(8,598)			(8,598)				(2,150)	(2,149.50)		(2,149.50)	(6,449)	25.0%	25.0%
	Total ID Library Services	(203,924)	0	0	(203,924)	0	0	(50,981)	(50,981.00)			(50,981.00)	(152,943)	25.0%	25.0%
910600	Intefund Expense - Purchasing Services	27,638		0	27,638			6,246	6,245.50			6,245.50	21,393	22.6%	22.6%
910700	Interfund Expnese - Fleet Services	34,787		0	34,787	1,492	1,570	1,685	4,746.41			4,746.41	30,041	13.6%	13.6%
980000	Interdepart Services DISS	268,445		0	268,445	22,370	22,370	22,370	67,111.26			67,111.26	201,334	25.0%	25.0%
	System Operating Grand Totals	27,550,344	367,546	0	27,917,890	2,516,364	2,399,000	2,053,263	6,968,626.18	644,135.95	194,601.00	7,807,363.13	20,109,527	25.0%	28.0%

BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2017 OPERATING BUDGET
 Expenditure Detail as of 3/31/2017
 24.7% of Budget Year

SAP Acct. Nbr.	Account Description	2017 Adopted Budget	Encumbe red & PY Capital Project Balances	2017 Budget Adjust-ments/ Revisions	Adjusted Budget	January Expended	February Expended	March 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	956,761			956,761	0	0	0	0.00			0.00	956,761	0.0%	0.0%
490	General Obligation Bond Proceeds														
561250	Building Improvements		24,189		24,189	21,700			21,699.60	613.20		22,312.80	1,876	89.7%	92.2%
	Total General Obligations	0	24,189	0	24,189	21,700	0	0	21,699.60	613.20	0.00	22,312.80	1,876	89.7%	92.2%
	Total Erie County Capital for Library	956,761	24,189	0	980,950	21,700	0	0	21,699.60	613.20	0.00	22,312.80	958,637	2.2%	2.3%
	Grand Total Operating and Erie County Capital	28,507,105	391,735	0	28,898,840	2,538,063	2,399,000	2,053,263	6,990,325.78	644,749.15	194,601.00	7,829,675.93	21,068,164	24.2%	27.1%

Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending March 31, 2017

Main Trust		\$1,079,133.31
Encore Editions Proceeds (Invested per resolution 2006-19)		\$91,653.97
2016 Ending Balance		\$1,170,787.28
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<u>2017 Activity and Balances</u>		
Restricted Donations		\$71,242.89
(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	\$7,835.00	
Board Directed to Direct Library Programs	\$0.00	
Board Directed to Library Foundation	\$0.00	
Total Unrestricted Donations		\$7,835.00
Interest Income		\$174.59
Less Disbursements		
Direct For Library Programs/Services/Support To Library Foundation	(\$48,288.81)	
	\$0.00	
Total Disbursements		(\$48,288.81)
Balance, 2017 Activity		\$30,963.67
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Cumulative Balance Library Trust		\$1,201,750.95
Year-to-date Disbursements Pursuant to Resolution 2010-8 Include:		
Library material purchases (direct from trust)		\$0.00
To Library Operating Fund to support Library material purchases		\$0.00
Programming support		(\$12,138.77)
Equipment, furnishings & supplies		(\$1,821.00)
Exhibit/display preparation and support/Rare Book Room		(\$4,820.32)
Preservation/Conservation (Audubon Birds)		(\$20,934.00)
Construction Grant Match		\$0.00
Raiser's Edge Software and General Fundraising Expense		(\$8,080.76)
Fundraiser Event Expense		(\$493.96)
Other		\$0.00
Total		(\$48,288.81)