

BOARD OF TRUSTEES
BUFFALO & ERIE COUNTY PUBLIC LIBRARY
MEETING DATE: 5/16/2019

AGENDA ITEM NUMBER: E.2.c.

Budget & Finance Committee
Financials for the Month Ending **3/31/2019**

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, 2019 month-end close. This is the first report for 2019 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 revenue at 88.0% collected is well within budget and year-to-date expense, at 24.0%, is also within budget. Items of note include:

REVENUE:

- ✓ **Property Tax for Library Proceeds Booked.** The full \$24,910,939 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 2019 budget assumed state library aid at 2018's funding level. The enacted NY State 2019-20 budget did not change the aid amount from 2018's funding level.
- ✓ **Commissions - Food Svcs** revenue reflects only vending machine commissions as Fables Café is not operating.
- ✓ **Refunds - P/Y Expenses** revenue represents reimbursable expenses occurring in the prior year for which reimbursements were received in the current year.
- ✓ **Refunds - Contract Library** revenue represents a return of fine revenue collected by contract 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 within budget.** Overall, year-to-date Net Personal Services expense consumed 23.7% of the budget.
- ✓ **Fringe Benefit expense is running under budget at 21.5% overall.**
Usage trends and negotiated increased employee contributions contributed to Active Employee Health insurance cost being under budget (at 19.5%, however YTD came in 9.1% above the same period last year). Retiree medical charges so far this year are also running modestly below budget, coming in at 22.6% of budget (however the amount was 17.2% above the same period in 2018). Said expense is subject to significant swings due to changes in usage by retirees. We will closely monitor these accounts.
- ✓ **Maintenance and Repair Supplies show at 36.2%.**
The primary driver here is our purchases of LED bulbs for our conversion project. We purchase the LEDs prior to installation while Niagara Grid rebates are not received until after the bulbs are installed and inspected. The purchases so far this year are also covered by a funds reservation from 2018 in this account.
- ✓ **Highway Supplies (rock salt) show at 79.3%.**
This relatively small account (\$14,000 annual budget) is very seasonal in nature with the next set of purchases taking place in the fall. Higher salt prices and frequent freeze/thaw conditions this winter season contributed to expense this year.
- ✓ **Telephone and Internet Service charges show at 26.1% pending receipt of e-Rate reimbursements.** The federal e-Rate program covers up to 90% of eligible services in this category. While our Internet Access provider directly discounts this amount from our bill, our Wide Area Network (WAN) data lines contractor, 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 Contract Libraries combined show at 55.3%.** 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. The six amounts at 100% are all below \$2,500.
- ✓ **Maintenance Contracts Expense presently within budget at 20.2%.** However, escalator maintenance costs once the present encumbrance is cleared (April 30th) are not included in the budget. Plans to phase out escalator use now that the new ADA compliant elevator is in operation have been delayed. The escalators, original to the building, have been in service since 1963. While well maintained, they are far beyond their normal lifespan. Escalator maintenance costs under the current contract total \$4,560 per month (\$54,720 per year). Discussions with Erie County DPW staff on a way forward have occurred and will continue. We will keep the Board apprised as this process moves forward.
- ✓ **Several remaining operating accounts above 24.7% reflect timing differences.**
These accounts, including Professional Services, Insurance Premiums, and Library Materials reflect timing variations and are expected to end the year within budget.

EXPENSE (continued):

- ✓ **Interfund Expense – Utilities: Higher Natural Gas rates in January contributed to higher Natural Gas expense, continued LED conversions save electricity.**
Natural gas charges of \$82,210 came in at 51.1% of the 2019 annual budget, with January prices spiking 34% vs January 2018 before moderating in February and March. Actual Natural Gas consumed decreased 4% during the period vs the same period in 2018. Expense was 4.5% higher than the \$78,703 paid in January – March 2018.

Electricity charges of \$115,018 came in at 18.7% of the 2019 annual budget and were 11.9% BELOW the \$130,567 paid in January – March 2018. Electricity consumed system-wide also decreased by 1.2% vs the same period in 2018. LED conversions at multiple locations contributed to these savings. A concerted LED conversion effort at the Central Library, undertaken by Library Maintenance staff and supported by National Grid rebates, contributed to a 10% decrease in kWh consumed saving almost \$4,800 so far this year. Library Maintenance staff are also nearly done with LED conversions at the Buffalo Branch libraries.

Combined, 2019 interfund utility charges of \$197,228 were slightly above budget (25.4% of budget), however they were \$12,042 (5.8%) below those incurred for the same months in 2018. Given current trends, assuming average summer temperatures and no additional price shocks, costs should end the year below budget. 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

2019 OPERATING BUDGET

Revenue Detail as of 3/31/2019

24.7% of Budget Year

SAP Account Number	Account Description	Adopted Budget	Adjustments	Adjusted Budget	Revenue January	Revenue February	Revenue March	YTD Revenue	To Be Realized	% of Budget Collected
REVENUE FROM LIBRARY OPERATIONS										
419000	Library Charges - Fines	290,463	0	290,463	21,889	24,494	30,752	77,135.57	213,327	26.6%
422000	Copies	18,677	0	18,677	834	1,413	2,759	5,005.72	13,671	26.8%
466040	Printing	62,435	0	62,435	2,705	5,030	6,185	13,920.48	48,515	22.3%
466030	Book Bags	900	0	900	51	49	84	184.00	716	20.4%
466020	Minor Sale - Other	4,708	0	4,708	294	454	381	1,129.00	3,579	24.0%
420510	Rent - Real Prop - Auditorium	18,900	0	18,900	1,055	2,085	2,178	5,317.02	13,583	28.1%
420530	Comm - Tel Booth Food Svs	19,500	0	19,500	714	698	614	2,025.22	17,475	10.4%
	TOTAL REVENUE FROM LIBRARY OPERATIONS	415,583	0	415,583	27,543	34,222	42,952	104,717.01	310,866	25.2%
REVENUE FROM STATE & COUNTY GOVT.										
400020	Library Real Prop Tax	24,910,939	0	24,910,939	24,910,939			24,910,939.00	0	100.0%
408140	NYS Aid-Lib Incl Incent	1,962,859	0	1,962,859				0.00	1,962,859	0.0%
408150	NYS Aid to Member Libraries	287,504	0	287,504				0.00	287,504	0.0%
408160	State Aid - Special	0	0	0				0.00	0	0.0%
	TOTAL REVENUE FROM STATE & COUNTY GOVT.	27,161,302	0	27,161,302	24,910,939	0	0	24,910,939.00	2,250,363	91.7%
OTHER REVENUE										
419010	Refunds - Cont Library	333,040	0	333,040				0.00	333,040	0.0%
423000	Refund P/Y Expenses	10,000	0	10,000	9,266	14,368	12,937	36,570.47	(26,570)	365.7%
445030	Int & Earn - Gen Inv	9,000	0	9,000	1,146	1,035	1,146	3,326.34	5,674	37.0%
466000	Misc Receipts	0	0	0				0.00	0	0.0%
466010	NSF Check Fees	15	0	15				0.00	15	0.0%
467000	Misc Depart Income	5,000	0	5,000	75	246	685	1,006.89	3,993	20.1%
479100	Other Contributions	45,000	0	45,000				0.00	45,000	0.0%
	TOTAL OTHER REVENUE	402,055	0	402,055	10,487	15,649	14,768	40,903.70	361,151	10.2%
USE OF FUND BALANCE										
402190	Appropriated Fund Balance	506,529	0	506,529				0.00	506,529	0.0%
	TOTAL USE OF FUND BALANCE	506,529	0	506,529	0	0	0	0.00	506,529	0.0%
	GRAND TOTAL OPERATING REVENUE	28,485,469	0	28,485,469	24,948,969	49,871	57,720	25,056,559.71	3,428,909	88.0%

**BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2019 OPERATING BUDGET**

Expenditure Detail as of 3/31/2019
24.7% of Budget Year

SAP Acct. Nbr.	Account Description	2019 Adopted Budget	2018 Encumbered & PY Reservations	2019 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 Expended	YTD Expended / & Encumb
<u>OPERATING EXPENDITURES</u>															
PERSONAL SERVICES															
Regular Salaries & Wages															
500000	Full Time - Salaries	9,999,381		0	9,999,381	872,222	765,324	791,090	2,428,636.59			2,428,636.59	7,570,744	24.3%	24.3%
500010	Part Time - Wages	4,282,165		0	4,282,165	344,859	299,197	343,681	987,737.92			987,737.92	3,294,427	23.1%	23.1%
500020	Regular PT - Wages	850,682		0	850,682	70,056	63,070	71,535	204,662.03			204,662.03	646,020	24.1%	24.1%
500300	Shift Differential	25,000		0	25,000	1,508	1,653	1,675	4,835.74			4,835.74	20,164	19.3%	19.3%
500330	Holiday Worked	20,000		0	20,000	2,811	1,663	1,825	6,299.73			6,299.73	13,700	31.5%	31.5%
500350	Other Employee Payments	120,000		0	120,000	2,960	1,960	1,210	6,130.00			6,130.00	113,870	5.1%	5.1%
	Salaries & Wages	15,297,228	0	0	15,297,228	1,294,416	1,132,868	1,211,017	3,638,302.01	0.00	0.00	3,638,302.01	11,658,926	23.8%	23.8%
501000	Overtime Salaries & Wages	270,000		0	270,000	18,301	26,365	22,641	67,307.99			67,307.99	202,692	24.9%	24.9%
	TOTAL, PERSONAL SERVICES	15,567,228	0	0	15,567,228	1,312,718	1,159,234	1,233,659	3,705,610.00	0.00	0.00	3,705,610.00	11,861,618	23.8%	23.8%
504990	Reduction From Personal Services	0		0	0				0.00			0.00	0	0.0%	0.0%
504992	Contractual Salary Reserves	54,996		0	54,996				0.00			0.00	54,996	0.0%	0.0%
	NET PERSONAL SERVICES	15,622,224	0	0	15,622,224	1,312,718	1,159,234	1,233,659	3,705,610.00	0.00	0.00	3,705,610.00	11,916,614	23.7%	23.7%
FRINGE BENEFITS															
502010	Employer FICA - REGULAR	965,197		0	965,197	78,481	69,916	74,326	222,722.91			222,722.91	742,474	23.1%	23.1%
502020	Employer FICA - MEDICARE	225,711		0	225,711	18,308	16,351	17,383	52,041.99			52,041.99	173,669	23.1%	23.1%
502030	Employee Health Insurance	2,529,612		0	2,529,612	219,094	67,103	207,346	493,542.10			493,542.10	2,036,070	19.5%	19.5%
502040	Dental Plan	95,550		0	95,550	8,700	198	6,626	15,523.29			15,523.29	80,027	16.2%	16.2%
502050	Workers Compensation	66,586		0	66,586	2,394	1,477	2,095	5,965.37			5,965.37	60,621	9.0%	9.0%
502060	Unemployment Insurance	10,595		0	10,595	406	1,697	1,237	3,339.68			3,339.68	7,255	31.5%	31.5%
502070	Hospital & Medical - Retirees	1,464,755		0	1,464,755	121,895	78,217	130,583	330,695.58			330,695.58	1,134,059	22.6%	22.6%
502090	Health Insurance Waiver (Incl: 117)	43,404		0	43,404	3,596	3,596	3,618	10,809.00			10,809.00	32,595	24.9%	24.9%
502100	Retirement	1,608,209		0	1,608,209	124,327	125,293	125,895	375,514.54			375,514.54	1,232,694	23.3%	23.3%
	TOTAL, FRINGE BENEFITS	7,009,619	0	0	7,009,619	577,200	363,847	569,108	1,510,154.46	0.00	0.00	1,510,154.46	5,499,465	21.5%	21.5%
	TOTAL COMPENSATION RELATED	22,631,843	0	0	22,631,843	1,889,918	1,523,081	1,802,766	5,215,764.46	0.00	0.00	5,215,764.46	17,416,079	23.0%	23.0%

**BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2019 OPERATING BUDGET**

Expenditure Detail as of 3/31/2019
24.7% of Budget Year

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														YTD Expended	YTD Expended / & Encumb
505000	Office Supplies	178,450		0	178,450	4,475	19,910	20,840	45,224.78	113,517.36		158,742.14	19,708	25.3%	89.0%
505200	Clothing Supplies	4,000	63	0	4,063	63		160	222.30	1,340.50		1,562.80	2,500	5.5%	38.5%
505600	Auto Truck & Heavy Equip Supplies	12,000		0	12,000	887			886.64	827.53		1,714.17	10,286	7.4%	14.3%
505800	Medical & Health Supplies	1,650		0	1,650				0.00			0.00	1,650	0.0%	0.0%
506200	Maintenance & Repair Supplies	111,150	36,085	0	147,235	7,633	28,110	17,539	53,282.37	13,286.37	5,860.17	72,428.91	74,806	36.2%	49.2%
506400	Highway Supplies (Rock Salt)	14,000		0	14,000	7,218	2,636	1,250	11,103.00	2,082.50		13,185.50	815	79.3%	94.2%
510000	Local Mileage Reimbursement	11,000		0	11,000	547	566	1,047	2,159.10			2,159.10	8,841	19.6%	19.6%
510100	Out of Area Travel	20,000		0	20,000	523	129	3,260	3,911.84			3,911.84	16,088	19.6%	19.6%
510200	Training and Education	55,456		0	55,456	20,586	909	6,837	28,332.04	600.00		28,932.04	26,524	51.1%	52.2%
515000	Utility Charges (Telecom/water/sewer)														
	Fuel Oil	1,000			1,000				0.00			0.00	1,000	0.0%	0.0%
	Water/Sewer	31,665			31,665	(418)	3,630	2,450	5,661.96			5,661.96	26,003	17.9%	17.9%
	Telephone & Internet Service	71,084		0	71,084	5,943	6,297	6,297	18,537.36			18,537.36	52,547	26.1%	26.1%
515000	Total Utility Charges	103,749	0	0	103,749	5,525	9,928	8,746	24,199.32	0	0	24,199	79,550	23.3%	23.3%
516010	CONTRACTUAL PAYMENTS														
	Newstead Public - Akron	312		0	312	312			312.00			312.00	0	100.0%	100.0%
	Ewell Free - Alden	2,093		0	2,093	2,093			2,093.00			2,093.00	0	100.0%	100.0%
	Boston Free	1,394		0	1,394	1,394			1,394.00			1,394.00	0	100.0%	100.0%
	Eden Library	882		0	882	882			882.00			882.00	0	100.0%	100.0%
	Lackawanna Public	12,417		0	12,417	3,104			3,104.25	9,312.75		12,417.00	0	25.0%	100.0%
	Marilla Free	1,374		0	1,374	1,374			1,374.00			1,374.00	0	100.0%	100.0%
	North Collins Public	2,380		0	2,380	2,380			2,380.00			2,380.00	0	100.0%	100.0%
	Total Cnt Pmts-NP Pur Svs	20,852	0	0	20,852	11,539	0	0	11,539.25	9,312.75	0.00	20,852.00	0	55.3%	100.0%

**BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2019 OPERATING BUDGET**

Expenditure Detail as of 3/31/2019
24.7% of Budget Year

SAP Acct. Nbr.	Account Description	2019 Adopted Budget	2018 Encumbered & PY Reservations	2019 Budget Adjustments/ Revisions	Adjusted Budget	January Expended	February Expended	March Expended	Year-to-Date Expended	Encumb.	Funds Reservations	Total Expenditures & Encumbrances	Remaining Balance	% Current Budget	
														YTD Expended	YTD Expended /& Encumb
516020	Professional Services Contracts & Fees	859,648	41,753	0	901,401	65,246	19,770	260,289	345,304.47	413,628.48		758,932.95	142,468	38.3%	84.2%
516030	Maintenance Contracts	125,898		0	125,898	533	3,392	21,452	25,376.53	60,730.12		86,106.65	39,791	20.2%	68.4%
530000	Other Expenses	189,500	56,215	0	245,715	12,017	8,204	16,870	37,091.79	21,722.86	55,621.00	114,435.65	131,279	15.1%	46.6%
545000	Rental Charges	6,027		0	6,027	370	20	910	1,299.78	4,676.54		5,976.32	51	21.6%	99.2%
555050	Insurance Premiums	153,388		0	153,388	17,360	8,565	57,762	83,687.02			83,687.02	69,701	54.6%	54.6%
561410	Lab & Technical Equipment	92,667	162,431	0	255,098	761	15,441	26,497	42,699.27	18,933.78	155,473.12	217,106.17	37,992	16.7%	85.1%
561420	Office Equip, Furn & Fixtures		56,573	0	56,573				0.00	0.00	56,573.00	56,573.00	0	0.0%	100.0%
561430	Building, Grounds and Heavy Equip		21,839	0	21,839				0.00	0.00	21,839.00	21,839.00	0	0.0%	100.0%
561440	Motor Vehicles			0	0				0.00			0.00	0	0.0%	0.0%
561450	Library Books and Media	3,009,000	176,325	0	3,185,325	156,077	322,576	325,404	804,056.45	0.00	176,325.00	980,381.45	2,204,944	25.2%	30.8%
575040	Interfund Exp - Utilities														
	Natural Gas	160,765		0	160,765	28,191	31,009	23,010	82,209.78			82,209.78	78,555	51.1%	51.1%
	Electricity	615,301		0	615,301	47,426	35,512	32,080	115,018.25			115,018.25	500,283	18.7%	18.7%
	Total Interfund Exp - Utilites	776,066	0	0	776,066	75,617	66,521	55,090	197,228.03	0.00	0.00	197,228.03	578,838	25.4%	25.4%
942000	Interfund - Holding Center	(90,627)		0	(90,627)			(22,657)	(22,656.75)			(22,656.75)	(67,970)	25.0%	25.0%
	Interfund - Correctional Facility	(96,308)			(96,308)			(24,077)	(24,077.00)			(24,077.00)	(72,231)	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	(195,533)	0	0	(195,533)	0	0	(48,883)	(48,883.25)			(48,883.25)	(146,650)	25.0%	25.0%
910600	Interfund Expense - Purchasing Services	31,732		0	31,732			7,075	7,074.75			7,074.75	24,657	22.3%	22.3%
910700	Interfund Expnese - Fleet Services	31,418		0	31,418	1,923	1,533	2,720	6,176.24			6,176.24	25,242	19.7%	19.7%
980000	Interdepart Services DISS	241,508		0	241,508			57,449	57,449.01			57,449.01	184,059	23.8%	23.8%
	System Operating Grand Totals	28,485,469	551,284	0	29,036,753	2,278,817.32	2,031,290.23	2,645,077.64	6,955,185.19	660,658.79	471,691.29	8,087,535.27	20,949,217	24.0%	27.9%

**BUFFALO AND ERIE COUNTY PUBLIC LIBRARY
2019 OPERATING BUDGET**

Expenditure Detail as of 3/31/2019
24.7% of Budget Year

SAP Acct. Nbr.	Account Description	2019 Adopted Budget	2018 Encumbered & PY Reservations	2019 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	<u>% Current Budget</u>	
														YTD Expended	YTD /& Encumb
<u>ERIE COUNTY DEBT SERVICE</u>															
<u>FUNDING FOR LIBRARY</u>															
	Library Debt Service	585,024			585,024	37,174		208,817	245,991.27			245,991.27	339,033	42.0%	42.0%
Grand Total Operating and Erie County Capital		29,070,493	551,284	0	29,621,777	2,315,991.41	2,031,290.23	2,853,894.82	7,201,176	660,658.79	471,691.29	8,333,526.54	21,288,250	24.3%	28.1%

Buffalo and Erie County Public Library
Treasurer's Report of
Year to Date Donations
Results for the Period Ending March 31, 2019

Main Trust	\$1,215,502.67
Encore Editions Proceeds (Invested per resolution 2006-19)	\$95,847.55
2018 Ending Balance	\$1,311,350.22
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<u>2019 Activity and Balances</u>	
Restricted Donations	\$49,040.69
(Donations received with instructions restricting them to the Buffalo & Erie County Public Library direct uses and fundraising for identified program use)	
Unrestricted Donations	\$0.00
Interest Income	\$1,138.49
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Total 2019 Revenue	
\$50,179.18	
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Less Disbursements	
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	(\$5,087.21)
Programming support	(\$5,897.58)
Equipment, furnishings & supplies	(\$5,314.64)
Exhibit/display preparation and support/Rare Book Room	(\$3,090.00)
Preservation/Conservation	\$0.00
Construction Grant Match	\$0.00
Raiser's Edge Software and General Fundraising Expense	(\$9,522.43)
Other	(\$225.00)
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Subtotal Disbursements per Resolution 2010-8	
(\$29,136.86)	
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Other Disbursements (Describe)	\$0.00
<hr/>	
Total 2019 Disbursements	
(\$29,136.86)	
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Balance, 2019 Activity	\$21,042.32
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Cumulative Balance Library Trust	\$1,332,392.54