

Erie County Legislature  
Mid-Year Budget Hearing  
Wednesday, July 18, 2018  
1:15 pm

**Frank Housh, Chair:** Good afternoon and thank you for having us here today. On behalf of the Library, please accept my sincerest appreciation for your time. As always, I must express the Library's gratitude for your ongoing support and confidence in the services we provide to the residents of Erie County.

[Recognize any Trustees in attendance]

Today, we will be speaking to the status of the 2018 budget.

Looking at the Library's financials for the month ending May 31, 2018, you will note that overall we are running within budget. There may be a few categories for which you may have questions, and we will be glad to answer these following our report. I now turn this over to Library Director

Mary Jean Jakubowski.

**MARY JEAN JAKUBOWSKI:** Thank you Frank. I would like to recognize the presence of the Library's Administrative Team here with us today. [Recognize Library Administration and other staff in attendance]. Thank you for joining us.

On behalf of the B&ECPL, thank you for listening to us today and, as always, thank you for your ongoing support of library services.

I am happy to say that once again libraries throughout the Buffalo & Erie County Public Library System have dug deep, examining staffing patterns and work assignments and hours resulting in an added 33.5 additional service hours per week – bringing our weekly service hour total to 1,702.5. Ongoing, I have asked every library work with their library patrons and communities to determine the best hours for library operation and to identify specific community needs in the areas of collections, programming and services.

Libraries are being used differently and we are adjusting our resources to meet the changing demands.

This year we added streaming music to our electronic collections and in just the first month over 20,700 songs were streamed, electronic book usage is up 13% over this same time last year, our website has had over 6 million hits since January and programming is more and more in demand with our libraries providing 45% more in the number of programs offered off-site resulting in a 16% increase in attendance (over the same time period last year). Our in-library program attendance too has risen - nearly 8% over the same period last year.

We do all of this and more - all within our budget.

We work hard - the staff works hard - the trustees work hard -

Library Administration works hard. Why do we do it? Because we recognize the integral role public libraries have in the

communities we serve and because we are proud and honored to have this responsibility.

I will now turn this over to Chief Financial Officer Ken Stone who will provide you with mid-year budget information. Following, we will be happy to answer any questions.

**KEN STONE:** Good morning. Thank you for the opportunity to provide an update of the Library's year-to-date budget status. I will briefly review the Library's Operating Financial Report as of May 31, 2018, which has been distributed for your consideration. The first 3 pages provide bulleted highlights of revenue and expenditure items followed by line item detail spreadsheets. I will cover the highlights from that report.

**On the revenue side,** County Library Tax revenue shows at 100% as the full \$24,422,489 allocation was booked to the Library Fund

in January. County support, which includes the 2% increase recommended by the County Executive and approved by your body, provides the foundational support critical to the Library's existence. The resulting programs and services, including the additional open hours Mary Jean mentioned earlier, flow from the County's funding.

Turning to New York State, the State Legislature included a 1% increase in state aid for libraries in the 2018-19 state budget, providing an additional \$21,952 in library operating and \$6,782 in library grant funds.

While not a part of the operating budget, State Legislators also recognized the ongoing need to modernize and rehabilitate library facilities, increasing funding by \$10 million, to \$34 million statewide. Total base funding available to support projects proposed amongst the 37 public library facilities located within

Erie County will increase by \$458,474, from \$1,100,336 to \$1,558,810.

In the 2017-18 funding cycle, recommended program awards are expected to provide \$814,242 to support the last phase of the County owned Central Library's Auditorium restoration project and security improvements which will supplement Erie County's \$650,000, 2018 Capital Budget allocation. Buffalo Branch Libraries are expected to benefit from \$97,134 for projects including rehabilitating the concrete pad and flooring at the Dudley Library and security improvements for both the Dudley and Niagara Libraries. A total of \$219,530 in 2017-18 funding is expected to support projects at Cheektowaga's Julia B. Reinstein Library, Hamburg's Lake Shore Branch Library, the Elma Public Library and the Town of Tonawanda's Kenmore Branch Library.

Since 2006, this program has provided \$8.2 million in funding for 30 of our public libraries!

We are most grateful for Construction Program interest and support provided by our State Legislators and just as importantly, the Erie County Executive, Erie County Legislators and City and Town officials who provide the local share for these projects! You make these good works possible.

**On the expenditure side**, with 41.4 % of the budget year elapsed, expenditures are running modestly under budget.

Net Personal Services expense is running under budget, 40.5%, with turnover contributing to the under-budget condition.

Fringe benefits are also running below budget at 39.1% overall, however, the picture is a bit more complex. Vacancies resulted in below-budget charges for payroll taxes as they are assessed as a fixed percentage of payroll.

Usage changes and negotiated increased employee contributions contributed to active employee health insurance costs year-to-

date coming in at 32.1% (and running 15.7% below year-to-date charges for the same period last year). Workers compensation expense is running above budget due to medical procedure expense in February. Retiree medical charges so far this year are also running below budget, coming in at 34.1% of budget (and 12.6% below the same period in 2017). This expense is subject to significant swings due to changes in usage by retirees.

**Moving on to other operating accounts**, rock salt (booked to the “highway supplies” account) shows at 53.7%. This relatively small account (with a \$14,000 annual budget) is very seasonal in nature with the next set of purchases taking place in the fall. Prolonged winter weather conditions this season required significantly more salt usage. Telephone and Internet service charges show at 109.7% 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, 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 shows at 81.6%. 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% in this line are below \$2,000.

Several remaining operating accounts above 41.4% reflect timing differences. These accounts, including Insurances, Maintenance & Repair, Out of Area Travel, Maintenance Contracts, Lab/Tech Equipment, and Library Materials, reflect timing variations and are expected to end the year within budget.

Finally, below budget Electric Utility costs helped counter the higher Natural Gas expense of a prolonged winter. Natural Gas charges of \$103,571 came in at 70.3% of the 2018 annual budget, reflecting seasonality and prolonged winter weather. Expense was 15.5% higher than the \$89,654 paid in January – May 2017. Electricity charges of \$214,399 came in at 34.7% of the 2018 annual budget; however, they were 7.2% above the \$200,036 paid in January – May 2017. Natural Gas is one of several fuels and alternate energy sources used to provide electricity. Combined, 2018 interfund utility charges of \$317,970 were slightly above budget (41.5% of budget), however they were \$28,280 (9.8%) above those incurred for the same months in 2017. The Library participates in Erie County's aggregated utility purchasing pool which saves costs compared to retail pricing.

I hope you found the presentation useful. We are pleased to answer any questions you may have.