



# COUNTY OF ERIE

**MARK C. POLONCARZ**

COUNTY EXECUTIVE

December 8, 2017

James Sampson, Chairman  
Erie County Fiscal Stability Authority  
295 Main Street, Room 946  
Buffalo, New York 14203

**Re: 2018-2021 Revised Erie County Four Year Financial Plan**

Dear Chairman Sampson:

Pursuant to Public Authorities Law §3957, I hereby submit to the Erie County Fiscal Stability Authority ("ECFSA") the revised Four Year Financial Plan for Erie County for fiscal years 2018-2021 (the "Plan").

The Plan reflects the amendments made to the 2018 Budget by the Erie County Legislature ("Legislature") on December 7, 2017. In addition, as a result of the amendments and updated information, the Division of Budget and Management have made adjustments to the 2019-2021 years of the Plan. It is important to note that the 2018 Budget remains balanced. The modest net adjustment to spending made by the Legislature totaling \$1.5 million is equivalent to only 0.001% of the \$1.486 billion overall General Fund budget.

On the final page of the Plan matrix, as a result of the adjustments to the 2018 Budget, the projected 2019-2021 gaps in the Plan has increased by \$ 2.6 million. These out-year gaps, however, may be offset by better than expected property tax assessment along with other operational savings before specific gap closers are considered.

Given the County's total budget, these adjustments could reasonably be considered not to be material. However, we are cognizant of these gaps and will take the necessary steps in preparing the 2019 Budget to address any gap that may exist at that point. But, at this time, we do not expect any noteworthy issues to emerge in managing the 2018 Budget as a result of the Legislature's budget amendments.

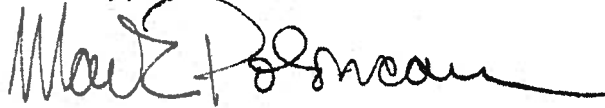
### Potential Gap Closers

There are a number of potential "gap closers" available to the County to close the projected gaps in 2019, 2020 and 2021. These gap closers can be utilized in a variety of ways. They include reductions in spending and fund holdbacks as well as revenue adjustments. They are difficult to quantify in part due to various scenarios in which they could be employed and the timing in which they were employed, as well as the need to seek Legislature approval for some of them. They include:

- Better than expected property tax assessment growth
- Better than expected sales tax revenue in part due to potential changes regarding taxability of certain on-line sales.
- Employee retirements relating to new union contract provisions
- Reduction of discretionary spending
- Additional revenue from expanded foreclosure actions
- More aggressive vacancy control measures
- Reinstatement of Gaming Facilities Aid
- Favorable caseload trends in social services programs
- Greater state reimbursement for indigent defense expenses

If you have any questions regarding the Plan, please do not hesitate to contact Robert W. Keating, Director of Budget and Management.

Sincerely yours



Mark C. Poloncarz, Esq.  
Erie County Executive

MCP/rk  
Enclosure

cc: Erie County Legislature  
Robert W. Keating, Director of Budget and Management

# County of Erie

## 2018-2021 Four-Year Financial Plan

Fund 110 - General	Account Type	2016	2017	2018	2019	2020	2021
		Actual	Budget	Adopted Budget	Projection	Projection	Projection
<b>Revenue</b>							
<b>Local Source Revenue</b>							
Property Tax Levy		294,163,963	248,058,980	262,963,604	270,195,103	276,274,483	280,418,610
				6.01%	2.75%	2.25%	1.50%
Property Tax Related							
Sec 520 Exempt Removal		856,040	925,795	940,000	940,000	940,000	940,000
Gain Sale Tax Acquired Prop		3,270	3,000	3,420	3,420	3,420	3,420
Payments In Lieu Of Taxes		6,372,894	5,370,000	4,685,000	4,708,425	4,731,967	4,755,627
Interest & Penalties-Prop Tax		11,570,981	13,310,000	12,107,000	12,228,070	12,350,351	12,479,854
Omitted Taxes		3,588	3,000	3,000	3,000	3,000	3,000
Dec-Prop Tax Def Rev		(3,408,894)	(2,669,678)	(2,757,421)	(2,784,995)	(2,812,845)	(2,840,974)
Property Tax Related Total		15,397,879	16,942,117	14,980,989	15,097,820	15,215,893	15,334,828
					0.78%	0.78%	0.78%
Sales Tax							
Sales Tax Original 3%		166,447,263	168,726,491	173,106,685	176,136,052	178,778,093	181,459,764
1% Sales Tax		156,205,967	159,301,415	163,436,934	166,297,080	168,791,537	171,323,410
.25 % Sales Tax		39,036,060	39,800,573	40,843,244	41,558,001	42,181,371	42,814,091
.50% Sales Tax		78,072,120	79,601,146	81,686,488	83,116,002	84,362,742	85,628,183
Sales Tax Total		439,780,810	447,429,625	459,073,351	467,107,135	474,113,742	481,225,448
					1.75%	1.50%	1.50%
Sales Tax (Distrib. to Local Gov'ts)		303,168,853	308,177,776	317,204,132	322,755,204	327,598,532	332,510,480
					1.75%	1.50%	1.50%
Fees Fines or Charges							
Election Exp Other Gov'ts		6,639,440	6,645,749	7,745,487	6,950,000	7,000,000	7,050,000
All Other Fees Fines or Charges		26,990,755	25,892,861	28,299,999	26,552,899	26,818,428	27,086,612
Fees Fines or Charges Total		32,830,195	32,538,610	34,035,486	33,502,899	33,818,428	34,136,612
					-1.56%	0.94%	0.94%
Other Sources							
Interest & Earn - Gen Inv		65,728	82,300	121,250	121,250	121,250	121,250
Hotel Occupancy Tax Revenue		10,523,063	10,500,000	10,900,000	11,063,500	11,229,894	11,397,894
Community College Respreads		6,390,041	6,884,932	3,329,238	7,039,208	7,103,300	7,245,366
All Other Sources Accounts		41,251,540	27,259,500	24,763,098	25,134,542	25,511,561	25,894,294
Other Sources Total		58,230,372	44,706,732	39,112,584	43,358,500	43,956,563	44,658,744
					10.86%	1.40%	1.58%
Appropriated Fund Balance							
Appropriated Fund Balance - Special		0	6,000,000	4,260,000	4,260,000	4,260,000	4,260,000
Appropriated Fund Balance County Purposes		0	6,000,000	8,000,000	6,000,000	6,000,000	6,000,000
Appropriated Fund Balance		0	6,000,000	10,260,000	10,260,000	10,260,000	4,260,000
<b>Local Source Revenue Total</b>		<b>1,062,552,072</b>	<b>1,104,853,840</b>	<b>1,137,630,156</b>	<b>1,162,276,761</b>	<b>1,181,244,651</b>	<b>1,192,544,823</b>
					2.17%	1.63%	0.96%

# County of Erie 2018-2021 Four-Year Financial Plan

Fund 110 - General	Account Type	2016	2017	2018	2019	2020	2021
		Actual	Adopted Budget	Legislative Adopted Budget	Projection	Projection	Projection
<b>State Aid</b>							
	State Aid-Education Of Handicapped Children	29,201,219	31,166,239	31,095,604	31,406,580	31,720,626	32,037,832
	State Aid-Mental Health	37,127,825	36,875,007	36,000,861	36,720,899	37,455,317	38,204,423
	State Aid-Soc Serv Adm'n	28,504,580	30,667,113	30,210,379	30,816,614	31,453,788	32,124,045
	State Aid-Safety Net Assistance	12,245,367	12,895,978	12,684,423	13,091,862	13,489,174	13,886,516
	State Aid-Child Welfare Services	20,018,047	23,633,341	23,660,358	24,269,246	24,893,355	25,533,067
	State Aid-Serv For Recipients	7,787,121	6,982,322	7,287,208	7,359,002	7,433,331	7,510,284
	State Aid Day Care	6,856,601	7,364,502	6,883,928	7,125,706	7,376,019	7,636,168
	All Other State Aid Accounts	20,122,205	24,114,665	25,125,978	25,502,868	25,885,411	26,273,692
	<b>State Aid Total</b>	<b>161,860,965</b>	<b>173,739,167</b>	<b>172,958,759</b>	<b>176,292,756</b>	<b>179,707,020</b>	<b>183,205,027</b>
					1.93%	1.94%	1.95%
<b>Federal Aid</b>							
	Federal Aid-Family Assistance	41,823,567	43,682,814	42,309,614	43,204,562	44,089,572	44,994,343
	Federal Aid-Soc Serv Adm'n	21,528,575	24,461,874	24,580,476	25,569,623	26,609,191	27,702,666
	Fed Aid Day Care	18,429,017	17,888,581	18,950,209	19,513,339	20,096,347	20,699,934
	Federal Aid-CWS Foster Care	17,041,652	18,240,389	16,967,826	17,237,650	17,719,220	18,212,829
	Federal Aid-Safety Net TANF Cases	734,700	668,450	624,215	643,758	663,285	682,833
	All Other Federal Aid Accounts	69,803,044	70,283,252	71,714,457	72,431,602	73,155,918	73,887,477
	<b>Federal Aid Total</b>	<b>169,461,555</b>	<b>175,225,360</b>	<b>175,146,797</b>	<b>178,600,534</b>	<b>182,343,543</b>	<b>186,180,082</b>
					1.97%	2.10%	2.10%
<b>Interfund Revenue</b>							
		1,494,767	829,938	103,439	50,685	43,082	31,019
	<b>Total Fund 110 Revenue</b>	<b>1,415,369,359</b>	<b>1,454,648,305</b>	<b>1,485,839,151</b>	<b>1,517,220,736</b>	<b>1,543,338,296</b>	<b>1,561,960,950</b>
					2.11%	1.72%	1.21%

# County of Erie 2018-2021 Four-Year Financial Plan

Fund 110 - General	Account Type	2016		2017		2018		2019		2020		2021	
		Actual	Budget	Actual	Budget	Actual	Budget	Projection	Projection	Projection	Projection		
<b>Expense</b>													
<b>Personal Service Related Expense</b>													
Personal Services		173,565,115	183,285,794	187,420,253	182,104,452	194,886,019	200,835,599						
Full-Time Salaries		3,009,614	3,597,074	3,863,735	3,829,691	3,989,636	4,108,295						
Part-Time Wages		1,354,921	1,469,739	1,636,429	1,694,975	1,740,649	1,740,649						
Regular Part Time Wages		801,914	855,834	848,552	861,280	874,199	900,425						
Seasonal Emp Wages													
Personal Services Total		178,731,564	189,208,441	193,769,989	198,560,399	201,538,805	207,594,989	2.47%	1.50%	1.50%	3.00%		
Employee Payments non-salary		1,076,147	1,113,166	1,276,764	1,296,915	1,315,354	1,354,815						
Shift Differential		887,638	830,450	839,450	853,542	867,845	886,880						
Uniform Allowance		1,508,680	1,659,080	1,713,724	1,739,430	1,765,521	1,818,487						
Holiday Worked		1,982,073	2,156,596	2,144,428	2,176,594	2,209,243	2,275,521						
Line-Up		1,343,873	1,340,996	1,332,067	1,352,048	1,372,329	1,413,499						
Other Employee Pymts		15,954,252	14,042,945	16,763,070	17,014,516	17,269,794	17,787,826						
Overtime		22,750,663	21,243,213	24,169,503	24,532,046	24,900,026	25,647,027	1.50%	1.50%	1.50%	3.00%		
Employee Payments non-salary Total		15,039,740	16,010,986	15,845,986	16,232,208	16,475,689	16,989,980	12.35%					
Fringe Benefits		42,509,657	49,825,531	49,312,058	50,760,284	53,198,104	56,555,307						
Fringe Benefits- FICA		4,273,886	5,296,563	5,241,980	5,553,754	5,834,358	6,219,717						
Fringe Benefits-Medical Insurance		225,435	313,946	310,711	329,191	345,823	388,665						
Fringe Benefits-Workers Compensation		27,716,916	33,914,973	33,565,465	36,561,820	38,468,581	41,026,115						
Fringe Benefits-Unemployment Insur.		29,637,858	29,054,090	28,754,741	29,464,971	30,904,214	32,918,082						
Fringe Benefits-Retirement		119,403,392	134,416,089	133,030,941	139,902,226	145,214,769	154,057,856	4.41%	4.54%	6.09%	6.09%		
Fringe Benefits Total		15,039,740	16,010,986	15,845,986	16,232,208	16,475,689	16,989,980	4.41%	4.54%	6.09%	6.09%		
Countywide Personnel Adjustments													
Salary Adjustments		0	(1,100,000)	61.04%	62.29%	64.13%	66.05%						
Reductions (Vacancy Savings)		0	(1,100,000)	1,760,860	2.47%								
Countywide Personnel Adjustments		0	(1,100,000)	(1,800,000)	(1,100,000)	(1,100,000)	(1,100,000)	2.47%					
Countywide Personnel Adjustments		0	(1,100,000)	(39,340)	(1,100,000)	(1,100,000)	(1,100,000)						
Personal Service Related Expense Total		320,865,619	343,767,743	350,930,073	360,894,670	370,553,600	386,189,852						
<b>Other Departmental Expense</b>													
Supplies & Repairs		1,258,173	1,744,500	1,526,900	1,549,804	1,573,051	1,596,646						
Auto Supplies		7,800,104	6,746,845	7,195,785	7,303,701	7,413,257	7,524,458						
All Other		8,056,277	8,491,345	8,722,665	8,853,505	8,986,308	9,121,102						
Supplies and Repairs		1,258,173	1,744,500	1,526,900	1,549,804	1,573,051	1,596,646	1.50%	1.50%	1.50%	1.50%		
Other		2,980,463	2,000,000	2,500,000	3,000,000	3,000,000	3,000,000						
Risk Retention													

# County of Erie 2018-2021 Four-Year Financial Plan

Fund 110 - General	Account Type	2016		2017		2018		2019		2020		2021	
		Actual	Budget	Adopted Budget	Legislative Budget	Adopted Budget	Legislative Budget	Projection	Projection	Projection	Projection	Projection	Projection
<b>Contractual</b>													
Sales Tax as Aid to Local Governments													
Sales Tax Distrib. to Cities, Towns & Sch Dist. from 3%		303,168,853	308,177,776	317,204,132	322,755,204	327,510,480	332,510,480						
Sales Tax Flat Distrib. to Cities and Towns from 1%		12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000						
Sales Tax Distributed to NFTA		19,525,672	19,912,678	20,429,617	20,787,135	21,098,942	21,415,426						
Sub Total - Local Gov. Sales Tax		335,194,525	341,590,454	350,133,749	356,042,340	361,195,475	366,425,907						
Other Agency Contractual or Mandated Payments													
Indigent Defense - Legal Aid/Bar Assoc.		12,024,312	12,324,919	12,690,672	12,881,032	13,074,248	13,270,361						
NFTA Sec 18 B		3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200						
Contractual-ECMCC Healthcare Network		7,277,784	7,288,463	7,501,684	7,614,219	7,728,433	7,844,359						
Cultural/Community Agencies		5,949,851	6,189,709	6,241,808	6,335,435	6,430,467	6,526,924						
Buffalo Bills Game Day Expense		2,215,456.00	2,317,880	2,411,811	2,484,165	2,558,680	2,635,451						
Stadium - Working Capital Assistance		1,419,222.00	1,493,613	1,553,904	1,600,521	1,648,537	1,697,993						
Social Services/Youth/Mental Health Agencies		75,103,603	76,609,121	77,548,442	78,711,689	79,892,344	81,090,729						
Visit Niagara (CVB) Subsidy		3,354,500	3,404,818	3,488,838	3,541,272	3,594,391	3,648,307						
Bilo Niagara Film Comm WINED		182,938	185,657	237,430	240,991	244,275	248,275						
Convention Center Subsidy		1,725,369	1,751,250	1,795,031	1,821,956	1,849,286	1,877,025						
County Residents at Other Community Colleges		6,928,238	6,987,589	7,103,300	7,245,366	7,390,273	7,538,079						
Legislative Earmarks			467,897	894,133	0	0	0						
All Other Contractual Accounts		17,306,709	21,680,179	20,974,405	21,289,021	21,608,358	21,932,482						
Contractual Total		472,339,687	485,906,739	488,272,517	503,465,188	510,872,305	518,383,092						
<b>Equipment</b>													
		1,917,367	1,484,200	2,037,084	2,006,955	2,027,024	2,047,295						
Allocation					-1.48%	1.47%	1.47%						
Interfund-Erie Community College		16,254,317	16,254,317	16,754,317	16,754,317	16,754,317	16,754,317						
Interfund-Utilities Fund		2,408,068	5,282,898	4,405,278	4,483,384	4,583,251	4,674,916						
County Share - Grants		5,135,853	5,772,327	5,274,033	5,405,884	5,541,031	5,679,557						
Interfund-Road		20,098,586	16,234,914	15,682,129	16,239,632	16,845,623	17,061,764						
Interfund -Library Subsidy													
Interfund E911 Subsidy		3,514,786	4,057,850	3,886,462	3,943,791	4,022,667	4,103,120						
Interdepartmental Billings		(2,853,825)	(3,087,775)	(2,882,450)	(3,027,187)	(3,072,595)	(3,116,683)						
All Other Allocation Accounts		2,282,427	50,000	505,408	512,987	526,482	526,482						
Allocation Total		46,820,502	44,554,319	43,515,175	44,322,808	44,994,977	45,683,483						
Program Related					1.86%	1.52%	1.53%						

# County of Erie

## 2018-2021 Four-Year Financial Plan

Fund 110 - General	Account Type	2016	2017	2018	2019	2020	2021	
		Actual	Adopted Budget	Legislative Budget	Projection	Projection	Projection	
	UPL Expense	12,968,603	-	7,719,165	8,299,535	7,871,322	6,463,160	
	Indigent Care Adjustment DSH	27,100,571	6,851,114	7,378,291	7,833,032	7,523,729	6,177,741	
	DSH Expense	40,069,174	16,200,000	25,751,670	26,837,823	27,109,277	21,561,517	
	Sub Total UPL/DSH/ICA ECMCC Subsidy	200,827,664	23,051,114	40,846,128	43,070,390	42,504,328	34,202,408	
	MMIS-Medicaid Local Share	42,935,450	203,834,038	202,394,934	202,394,934	209,364,830	207,488,582	
	Family Assistance	66,959,774	44,418,814	43,150,838	44,045,786	44,045,786	44,940,796	
	CMS - Foster Care	46,338,559	67,940,585	68,758,102	70,477,055	72,238,981	74,044,956	
	Safety Net Assistance	29,090,651	48,297,563	48,687,628	50,038,108	51,408,151	52,778,298	
	Child Care-DSS	58,856,808	32,523,298	28,365,381	29,366,679	30,403,323	31,478,559	
	Children With Special Needs Program	1,141,279	62,144,872	62,464,113	63,713,365	64,987,663	66,287,416	
	State Training School	2,345,180	1,050,350	3,850,000	4,004,000	4,164,160	4,330,728	
	All Other Program Related Accounts	488,584,549	2,374,932	2,053,378	2,084,179	2,115,441	2,147,173	
	Program Related Total	488,584,549	485,635,556	500,553,500	516,164,422	520,281,426	520,638,674	
					3.12%		0.79%	0.07%
	Debt Service	731,407	1,010,027	1,680,734	1,722,752	1,765,821	1,809,967	
	Interest-Revenue Antic Notes	64,176,828	63,301,105	60,088,350	58,090,079	61,756,475	55,686,759	
	Interfund Debt Service Subsidy	64,808,333	64,311,132	61,779,084	59,812,831	63,522,296	57,486,726	
	Debt Service Total	1,103,871,557	1,110,880,562	1,134,909,078	1,157,440,498	1,173,769,146	1,176,777,554	
	Other Departmental Expense Total	1,103,871,557	1,110,880,562	1,134,909,078	1,157,440,498	1,173,769,146	1,176,777,554	
					-3.18%		6.20%	-9.49%
	<b>Total Fund 110 Expense</b>	<b>1,424,757,176</b>	<b>1,454,648,305</b>	<b>1,485,839,151</b>	<b>1,518,335,169</b>	<b>1,544,322,746</b>	<b>1,562,967,406</b>	
					2.19%		1.71%	1.21%
	<b>Revenue Less Expense - Surplus/(Gap)</b>	<b>(9,387,817)</b>	<b>0</b>	<b>0</b>	<b>(1,114,432)</b>	<b>(984,450)</b>	<b>(1,006,455)</b>	
					(271,952)		(104,563)	(99,159)