



**COUNTY OF ERIE**  
**STEFAN I. MYCHAJLIW**  
**COMPTROLLER**

August 9, 2013

Honorable Mark C. Poloncarz  
Erie County Executive  
95 Franklin Street  
Buffalo, NY 14202

Dear County Executive Poloncarz:

In a memo dated July 15<sup>th</sup>, 2013 from your Division of Budget and Management Director Mr. Robert W. Keating, you requested that all county departments analyze the status of budget related issues for this year and for 2014. In another memo dated July 11<sup>th</sup>, 2013, your Budget Director requested that "all departments develop their 2014 Budget request with a status quo approach... status quo basically means that the bottom line net county cost of operation requested in 2014, does not exceed the net county cost in your 2013 Adopted Budget."

First and foremost, holding the line of spending within every department is a great idea in trying to not raise property taxes in the 2014 budget. Our office commended you for not filling vacant positions and saving money in this year's budget. We also give you credit for asking departments to keep their 2014 budget requests at 2013 levels.

Following mid-year budget hearings, we will review some departments and their respective 2013 budgets in order to keep you and the Division of Budget and Management informed on whether or not they remain "on target" in respect to their budget for the first half of 2013.

A cause of concern follows our completed review of the Erie County Board of Elections' costs for Personal Services for the first six months of 2013. Associate Deputy Comptroller Mr. Douglas Riffel, CPA, produced a report outlining the Board of Elections budget. Our findings include:

Fluctuations in payroll spending resulted in nine workers being laid off toward the beginning of the year. Of those nine employees, seven were returned to the public payroll. Fluctuations in personnel caused one entity within the Board of Elections to incur over \$8,000 in unemployment costs. One Commissioner outspent his counterpart by \$69,271 for the first six months of the year.

Please feel free to review this entire report, along with the Division of Budget and Management, to ensure the Board of Elections is able to maintain their 2013 budget and fulfill your goal of having them hold the line on their 2014 budget.

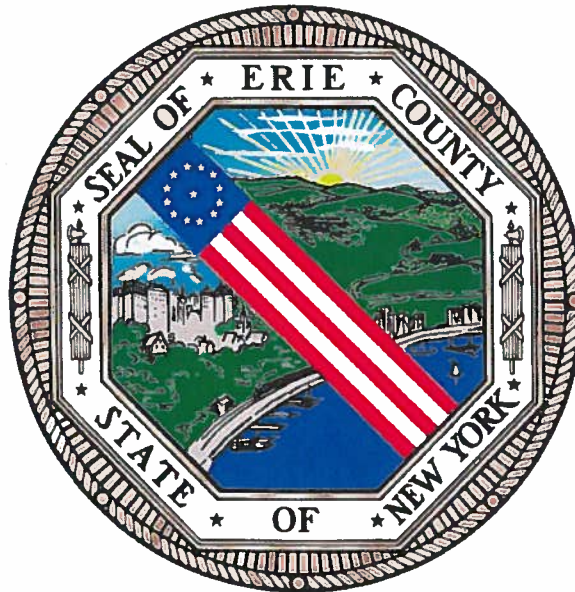
Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan I. Mychajliw Jr.", is written over a horizontal line.

Stefan I. Mychajliw Jr.  
Erie County Comptroller

**AUGUST 2013**

**REVIEW OF THE BOARD OF ELECTIONS  
COSTS FOR PERSONAL SERVICES  
FOR THE PERIOD  
JANUARY 1, 2012 THROUGH JUNE 30, 2013**



**STEFAN I. MYCHAJLIW  
ERIE COUNTY COMPTROLLER**

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**DOUGLAS D. RIFFEL  
ASSOCIATE DEPUTY COMPTROLLER**



**COUNTY OF ERIE**  
**STEFAN I. MYCHAJLIW**  
**COMPTROLLER**

August 9, 2013

Erie County Legislature  
92 Franklin Street, 4th Floor  
Buffalo, NY 14202

Dear Honorable Members:

We have completed a review of the Erie County Board of Elections' costs for Personal Services from January 1, 2012 through June 30, 2013, with particular attention to Cost Centers.

Full Calendar Year 2012:

The Board of Elections' Budget for expenditures has 22 line items. Eight of these pertain to employee compensation and fringe benefits. For 2012, employee compensation and fringe benefits accounted for 64.64% of the Department's entire budget.

Compensation and Fringes	\$5,463,440	64.64%
All other expenses	<u>2,989,283</u>	<u>35.36%</u>
	<u>\$8,452,723</u>	<u>100.00%</u>

For 2012, using an accrual basis of accounting, the Department as a whole incurred compensation and fringe benefit costs that were less than the (Original) Budget.

Budget	\$5,463,440
Actual expenses	<u>5,330,957</u>
Difference	<u>\$ 132,483</u>

The Constitution of the State of New York, Article II, Section 8, "Bi-partisan registration and election boards", requires equal representation of the two major political parties in the fulfillment of certain duties (such as qualifying voters, distributing ballots, and the receiving, counting, and reporting of votes). Accordingly, the Board of Elections has two Cost Centers for budgetary purposes (#1500030 and #1500040). These Cost Centers will be referred to as Budget Lines for the remainder of this report. Each of these two Budget Lines is allocated equal amounts for salaries and wages in the annual Budget.

For 2012, one Budget Line's expenses (including costs of fringe benefits) came in below budget; whereas the other Budget Line's expenses came in over budget.

	<u>#1500030</u>	<u>#1500040</u>	<u>Total</u>
Budget	\$2,731,720	2,731,720	5,463,440
Actual expenses	<u>2,525,434</u>	<u>2,805,523</u>	<u>5,330,957</u>
Difference	\$ <u>206,286</u>	( <u>73,803</u> )	<u>132,483</u>

Even though the Department, as a whole, was within its 2012 Budget, #1500040 outspent #1500030 by \$280,089.

<u>Budget Line</u>	<u>Actual Expenses, Compensation and Fringes</u>		
	<u>Jan – June</u>	<u>July – Dec</u>	<u>Total 2012</u>
#1500030	\$1,213,523	1,311,911	2,525,434
#1500040	<u>1,283,047</u>	<u>1,522,476</u>	<u>2,805,523</u>
Disparity	<u>69,524</u>	<u>210,565</u>	<u>280,089</u>

Throughout the course of the year #1500040 utilized more full time and regular part-time employees than #1500030.

Greater use of overtime and part-time staff during the second half of the year, due to primaries and the November general election, resulted in higher expenses than those of the first half of the year. Expenses for #1500030 increased \$98,388 for the second half of the year, whereas expenses for #1500040 increased \$239,429. This demonstrates that the use of overtime and part-time employees by #1500040 far outpaced that of #1500030.

<u>Classification</u>	<u>Average Head Counts – 2012</u>	
	<u>#1500030</u>	<u>#1500040</u>
Full time	30.7	34.0
Regular part-time	5.9	8.0
Part-time	<u>2.9</u>	<u>10.0</u>
	<u>39.5</u>	<u>52.0</u>

Moving forward into calendar year 2013, it must be noted that the number of planned elections changed. In the Spring of 2012, there was a special election for NYS Assembly and two Federal primaries. These did not repeat in 2013. Yet, in May, 2013, there was a Buffalo School Board election. So, generally speaking, there was more Board of Elections activity in the Spring of 2012 than there was in the Spring of 2013.

Budget for 2013 versus 2012:

The Board of Elections' Budget for 2013 for compensation and fringe benefits was lowered from that of 2012:

2012 Budget	\$5,463,440	100.00 %
Decrease for 2013	( 487,424)	( 8.92)%
2013 Budget	<u>\$ 4,976,016</u>	<u>91.08 %</u>

For the first six months of 2013, Budget Line #1500040 has again outspent #1500030 by an amount very similar to that of 2012 (refer to the second paragraph of Page 2).

<u>Budget Line</u>	<u>Actual Expenses, Jan. – June, 2013</u>		
	<u>Compensation</u>	<u>Fringes</u>	<u>Total</u>
#1500030	\$670,776	440,917	1,111,693
#1500040	<u>712,753</u>	<u>468,211</u>	<u>1,180,964</u>
Disparity	<u>\$ 41,977</u>	<u>27,294</u>	<u>69,271</u>

Full Time Salaries:

Despite the seasonal nature of the election cycle, there are full time personnel utilized all year long. Including Commissioners and Office Managers, Budget Line #1500030 has consistently used an average of 29 full time people. Budget line #1500040, in comparison, has consistently used a greater number of people. It began calendar year 2013 with 35 full time people, and has since lost several people by attrition.

	<u>#1500030</u>	<u>#1500040</u>
Full time people	29	33 – 35

Regular salaries paid to full time employees for the first six months of 2013 (which excludes overtime pay) compared to the Budget, were as follows:

<u>Budget Line</u>	<u>Actuals</u>	<u>Six Month Budget</u>	<u>% Consumed</u>
#1500030	\$618,890	600,000	103.15%
#1500040	634,845	600,000	105.81%

Regular Part-Time and Part-Time wages:

Budget Line #1500030 has consistently used five RPTs and two part-time employees. Budget Line #1500040 has used, on average, about seven RPTs and nine part-time employees. Even though Budget line #1500040 cut back nine RPTs and PTs in late January, seven of these employees were subsequently rehired.

	<u>#150003</u>	<u>#1500040</u>
Number of RPTs and PTs	7	15 – 19

Regular wages paid to these classes of employees for the first six months of 2013, compared to the Budget, were as follows:

<u>Budget Line</u>	<u>Actuals</u>	<u>Annual Budget</u>	<u>% Consumed</u>
#1500030	\$53,615	270,000	19.86%
#1500040	<u>78,056</u>	270,000	28.91%
Disparity	<u>\$24,441</u>		

Therefore, with respect to RPTs and PTs, #1500040 outspent #1500030 by 45.6%.

Equivalent number of positions represented by the disparity in regular wages paid :

Budget Line #1500040 has outspent Budget Line #1500030 for the wages paid to full time and part-time employees. This is the equivalent of 2.47 full time positions.

Budget Line #1500040 has outspent #1500030 in regular compensation	\$40,397
Divided by: Average six-month staff wage for #1500040	<u>16,349</u>
Number of full time positions represented	<u><u>2.47</u></u>

Costs of Fringe Benefits:

The costs of fringe benefits are, for the most part, a function of the costs of compensation paid to employees. As expenditures for personal services rise, the costs for fringe benefits rise proportionately.

Costs of fringe benefits for the first six months of 2013 compared to the Budget, were as follows:

<u>Budget Line</u>	<u>Six Month Actuals</u>	<u>Annual Budget</u>	<u>% Consumed</u>
#1500030	\$440,917	929,008	47.46%
#1500040	470,090	929,008	50.60%

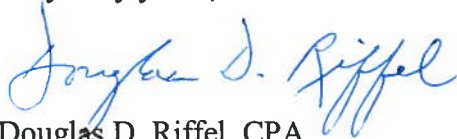
Unemployment benefits actually paid to employees in 2013 are an expense to Erie County, since the County is self-insured in this area. Such layoff related payments totaled \$8,856 and are entirely attributed to Budget Line #1500040.

Even though the majority of overtime to be worked has been deferred to the second half of the year; and even though the use of RPTs will likely double in the second half of the year, already Budget Line #1500040 shows that more than 50% of the annual budget for fringe benefits has already been consumed.

Conclusion:

Budget Line #1500040 is consistently spending more on personal services than Budget Line #1500030. This disparity has not been very obvious in year-end financial reporting, since Budget Line #1500030 has consistently spent less money than budgeted; creating a "buffer" for the Department as a whole. As of June 30, 2013, with Budget Line #1500040 having already spent more than 50% of its budget for full time employees' salaries; and having spent more than 50% allocated for fringe benefits, it would seem prudent for Budget Line #1500040 to immediately trim several staff positions to insure that the Department stays within its 2013 budget.

Very truly yours,

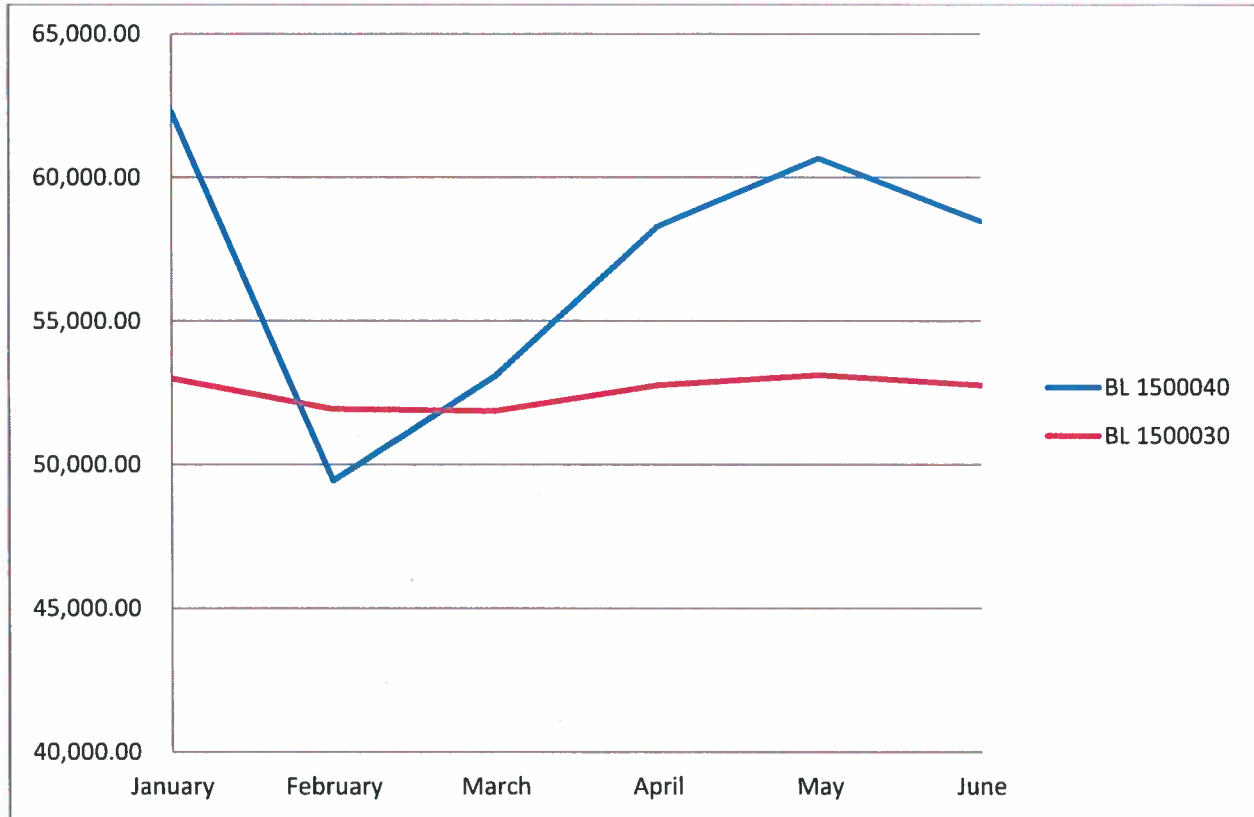


Douglas D. Riffel, CPA  
Associate Deputy Comptroller



# Board of Elections

## Average Compensation per Pay Period 2013



	<u>#1500030</u>	<u>#1500040</u>
January	52,997.50	62,278.50
February	51,926.50	49,445.00
March	51,867.66	53,081.33
April	52,758.50	58,284.50
May	53,114.50	60,660.50
June	52,754.00	58,476.50