



COUNTY OF ERIE
STEFAN I. MYCHAJLIW
COMPTROLLER

March 14, 2014

The Erie County Legislature
Old County Hall, Chambers
92 Franklin Street, 4th Floor
Buffalo, New York 14202

RE: January 2014 Sales Tax Revenue

Dear Honorable Legislators:

My office has received final figures from the state for January 2014 sales tax revenue. To date, we have collected \$28,906,262.91.

The county does not budget sales tax revenue on a month to month basis, but rather, sets an annual amount to be collected. In order to track sales tax revenue, our office can only compare its growth performance to prior years. Compared to revenue collections in January of 2013, 2014 collections for the same time period are down \$2,197,533.08. This represents a year to year negative growth rate of -7.070%.

While it is too early to be alarmist and identify a significant downward trend in revenue collections, it would be irresponsible as policy makers to ignore that December collections were also down nearly 6%. Only time will uncover the existence of a real problematic trend, but from information we have today, it is clear that we must be very conscious about spending.

As you are likely aware, the US Dollar is gaining strength at a time when the Canadian Dollar is weakening. For a border community like Erie County, this is economically problematic. Our budget is heavily reliant on sales tax revenue to keep property taxes low and fund the government. As the Canadian Dollar slumps, incentive for their citizens to shop here diminishes. I am writing to ensure this economic activity has our attention.

If you wish, my staff and I look forward to the opportunity to discuss sales tax revenue with your honorable body at an upcoming session of the Finance and Management Committee. Thank you for your time and attention to this matter.

Sincerely,

STEFAN I. MYCHAJLIW
Erie County Comptroller