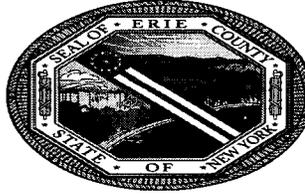


COUNTY OF ERIE
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ERIE COUNTY COMPTROLLER



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Sales Tax Revenue on the Decline

Comptroller advises lawmakers to be vigilant about spending, as county's largest revenue slumps

(Buffalo) – Erie County Comptroller Stefan I. Mychajliw is reporting that sales tax revenue collections for January of 2014 are significantly down from the prior year. This is the second consecutive month of significant negative year to year growth for sales tax revenue.

January 2013 Sales Tax Revenue: \$31,103,795.99
January 2014 Sales Tax Revenue: \$28,906,262.91
Difference: -\$2,197,533.08

"The county budgets sales tax revenue on an annual basis, not a monthly one, so it's hard to identify whether or not a long term, negative trend is materializing," said Comptroller Mychajliw, "However, as Erie County's Chief Fiscal Officer, two months of negative growth is enough to have me quite concerned," he continued.

In a very direct letter to the legislature, the Comptroller warned lawmakers that they must be cautious about spending until enough data materializes confirming that our revenue projections will meet target. Negative 7.07% growth in January 2014, following nearly -6% growth in December 2013 is problematic for the county, which relies on, and expects, total revenue collections of over \$420 million annually.

In his letter, the Comptroller reminded the legislature that a weakening Canadian Dollar alongside a strengthening US Dollar might be the cause of the recent revenue slump.

"Our local economy is largely dependent on Canadian shoppers. As their dollar slips in value to ours, the incentive to do their business in Erie County also diminishes," concluded Comptroller Mychajliw.

The County Executive proposed, and the Legislature approved a spending plan for 2014 that calls for a 3.42% sales tax revenue growth rate from 2013 actuals. With January 2014 collections complete, the rate of growth for the remainder of the year climbs to 4.25% to meet budget.

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