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## Collins gives budget status report

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BUFFALO, N.Y. (WIVB) - Erie County finances are trending in a positive direction. That's County Executive Chris Collins' take on the 2011 county budget.

He gave a status report on the budget, Monday morning. He went on to say that sales tax collections are up over five percent from last year, and that overtime expenses are down from last year. He also said the county recovered \$2.8 billion resulting from a legal settlement with the state over a social services dispute.

### POLONCARZ STATEMENT ON THE COUNTY EXECUTIVE'S 2011 BUDGET STATUS REPORT :

Today, Erie County Comptroller Mark Poloncarz released the following statement in response to Erie County Executive Chris Collins' status report on the 2011 Budget.

"Although it appears as though Erie County will see a nominal surplus for 2011, everything is not as bright and sunny as the county executive would lead you to believe. Without the nearly \$27 million in one-shot revenue streams the County has reaped this year, the \$13 million surplus the county executive is predicting, looks more like \$14 million deficit."

"As has been the case over the past few years, this surplus has nothing to do with 'running Erie County like a business,' and everything to do with approximately \$26.8 million in one-shot revenue streams that we will not have next year and greater than anticipated sales tax revenues thus far.

"First, Erie County received \$16 million in FMAP funding this year - \$3 million more than was expected - which is the last of more than \$100 million in federal Stimulus dollars the County has received over the past several years.

"Second, the County just received a \$2.8 million windfall from the State as part of a Medicaid overburdening lawsuit that was originally filed during the Giambra administration at the strong urging of the Comptroller's Office.

"Third, the county executive raised the tax levy \$8 million higher than it should have been according to the Legislature's adjusted 2011 Budget. There is a very real possibility that once this matter is settled in court, the county executive will have to reimburse the County taxpayers this \$8 million illegal levy.

"And through the first 5 months of the year we have seen sales tax revenue grow by more than 5% over last year. Although this certainly is a welcomed surprise, considering the often unpredictable nature of sales tax fluctuations, it would be foolish to expect such an increase in the future.

"As an example that Erie County isn't quite as 'cash rich' as the county executive would like us all to believe, this year Erie County will need as much as \$90 million in short-term Revenue Anticipation Note borrowing, which is \$25 million more than we have needed to borrow the last two years, and the highest dollar amount since 2006. This is a result of the negative impact the Erie County Fiscal Stability Authority's 2010 bond transaction has had on the County's cash flow and the spending of almost the entire 2010 surplus (a surplus predicated on stimulus assistance), leaving little excess cash available for cash flow use.

"As the taxpayer's independent watchdog, it is my job to report on the actual state of the County not the one manufactured by the county executive. And although the

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county's finances are trending positively for this year, Mr. Collins is relying on the same sort of 'smoke and mirrors' that led us into the 'Red-Green' fiscal crisis and our fiscal future is not quite as strong as he would lead you to believe."