



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

December 11, 2014

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

Re: 2015-2018 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 2015-2018 (the "Plan").

The Plan reflects the amendments made to the 2015 Budget by the Erie County Legislature on December 2, 2014, which reduced the property tax levy for 2015 (and by extension, for the out years 2016-2018) and added certain spending in cultural and human service accounts.

It is important to note that the 2015 Budget remains balanced. Any issues that may emerge in 2015 will be managed by the Division of Budget and Management and, if necessary, identified at the Legislature's mid-year budget hearings in July 2015. In the most recent budget monitoring report issued by the Division of Budget and Management for the period ending October 2014, we have identified a positive variance totaling \$12.3 million for 2014, reflecting the County's solid, positive financial standing in 2014. That positive variance will be reduced by at least \$7.5 million due to the costs associated with November 2014 winter storm 'Knife', although there remains the potential for federal reimbursement at a future date. We expect to continue these positive fiscal results in 2015 through management initiatives.

As you will see on the final page of the Plan matrix, as a result of the Legislature adjustments to the 2015 Budget, the projected out-year gaps in the Plan increase from \$3.4 million to \$4.4 million in 2016, from \$2.6 million to \$4.0 million in 2017 and from \$152,947 to \$1.9 million in 2018. Given the County's \$1.6 billion budget, these adjustments could reasonably be considered not to be material. However, we are cognizant of the gaps and will take the necessary steps in preparing the 2016 Budget to address any gap that exists at that point. But, at this time, we do not expect any noteworthy issues to emerge in the 2015 Budget as a result of

the Legislature's budget amendments and we are confident in our ability to manage this process.

Potential Gap Closers

There are a number of potential "gap closers" available to the County to close the projected gaps in 2016, 2017 and 2018 as a result of the Legislature's reduction in the property tax levy. These gap closers can be utilized in a variety of ways. They include reductions in spending and fund holdbacks and 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:

- Restoring the Property Tax Rate to \$5.03 per \$1,000 of Assessed Value
- Reducing Discretionary Spending
- Unbudgeted Revenue from Foreclosure Actions
- More Aggressive Vacancy Control and/or Elimination of Positions
- Higher than Expected Revenue from the Real Estate Transfer Tax
- Reducing Spending in the Road Fund/Interfund Transfer from the General Fund

In closing, we have elected not to amend the 2015-2018 Plan to reduce the out year gaps at this time. We believe the 2015 Budget is balanced and reasonable, and the Legislature's modest adjustments can and will be managed for the out years of the Plan when we present a balanced 2016 Budget to the County Legislature and ECFSA in October 2015.

If you have any questions regarding the Plan, please do not hesitate to contact Robert W. Keating, Director of Budget and Management. Thank you in advance for your assistance and courtesies.

Sincerely yours,



Mark C. Poloncarz, Esq.
Erie County Executive

MCP/tc
Enclosure

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

County of Erie
2015-2018 Four-Year Financial Plan

Fund 110 - General	Account Type	2013 Actual	2014 Adopted Budget	2015 Executive Recommended Budget	2015 Adopted Budget	2016 Projection	2017 Projection	2018 Projection
Revenue								
Local Source Revenue								
Property Tax Levy								
		215,098,371	219,132,763	224,892,799	222,862,954	227,320,213	231,866,617	236,503,950
Property Tax Related								
	Sec 520 Exempt Removal	731,975	780,838	906,328	906,328	758,250	758,250	758,250
	Gain Sale Tax Acquired Prop	47,913	20,000	20,000	20,000	20,000	20,000	20,000
	Payments In Lieu Of Taxes	6,252,293	6,091,126	6,075,000	6,075,000	6,105,375	6,135,902	6,166,581
	Wind Power	60,605				0		
	Interest & Penalties-Prop Tax	12,248,248	15,103,954	12,703,142	12,703,142	12,830,173	12,958,475	13,088,060
	Omitted Taxes	3,865	3,000	3,000	3,000	3,000	3,000	3,000
	Dec-Prop Tax Def Rev	(249,477)	(6,639,857)	(2,770,033)	(2,770,033)	(2,797,733)	(3,825,711)	(4,863,968)
	Property Tax Related Total	19,095,422	15,359,061	16,937,437	16,937,437	16,919,065	16,049,916	15,171,924
Sales Tax								
	Sales Tax Original 3%	158,430,837	163,927,022	168,405,444	168,405,444	173,036,594	177,795,100	182,684,465
	1% Sales Tax	149,581,544	154,768,955	158,999,011	158,999,011	163,371,484	167,884,200	172,480,465
	.25 % Sales Tax	37,356,278	38,580,732	39,708,182	39,708,182	40,800,157	41,922,161	43,075,021
	.50% Sales Tax	74,712,556	77,161,464	79,416,365	79,416,365	81,600,315	83,844,324	86,150,043
	Sales Tax Total	420,081,215	434,438,173	446,529,002	446,529,002	458,808,550	471,425,785	484,389,994
	Sales Tax (Distrib. to Local Gov'ts)	290,334,126	300,383,134	308,813,200	308,813,200	317,100,063	325,820,315	334,780,373
Fees Fines or Charges								
	Election Exp Other Govts	6,581,928	7,192,320	6,282,847	6,282,847	6,864,413	7,070,345	7,282,456
	All Other Fees Fines or Charges	28,697,904	26,973,572	25,638,026	25,638,026	25,894,406	26,153,350	26,414,884
	Fees Fines or Charges Total	35,259,832	34,165,892	31,920,873	31,920,873	32,758,819	33,223,696	33,697,340
Other Sources								
	Interest & Earn - Gen Inv	361,957	409,000	181,200	181,200	182,106	183,017	183,932
	Hotel Occupancy Tax Revenue	9,751,127	8,980,200	9,775,600	9,775,600	9,922,234	10,071,068	10,222,134
	Community College Respreads	4,376,198	4,376,595	5,445,442	5,445,442	5,841,447	5,890,000	6,037,250
	All Other Sources Accounts	34,396,045	22,377,789	26,506,019	26,506,019	26,903,609	27,307,163	27,716,771
	Other Sources Total	48,885,327	36,143,584	41,908,261	41,908,261	42,849,396	43,451,247	44,160,086
Appropriated Fund Balance								
	Appropriated Fund Balance County Purposes	0	5,405,000	6,005,000	6,005,000	6,005,000	4,005,000	2,005,000
	Appropriated Fund Balance Road Repair			2,000,000	2,000,000			
	Appropriated Fund Balance Botanical Gardens		2,000,000					
	Appropriated Fund Balance	0	7,405,000	8,005,000	8,005,000	6,005,000	4,005,000	2,005,000
Local Source Revenue Total		1,028,754,293	1,047,027,607	1,078,806,572	1,076,776,727	1,101,781,106	1,125,842,576	1,150,708,666
State Aid								
	State Aid-Education Of Handicapped Children	27,162,992	31,333,539	30,461,400	30,461,400	30,979,244	31,505,891	32,041,491
	State Aid-Mental Health	27,736,790	33,721,009	34,582,109	34,582,109	35,273,751	35,979,226	36,698,811
	State Aid-Family Assistance	37,911						
	State Aid-Soc Serv Admin	31,565,402	28,450,862	27,673,744	27,673,744	28,793,197	29,320,157	29,886,606
	State Aid-Safety Net Assistance	12,490,673	13,406,892	15,165,949	15,165,949	16,192,658	17,231,882	18,271,659
	State Aid-Child Welfare Services	17,462,509	21,967,086	23,808,783	23,808,783	24,804,505	25,840,952	26,919,790
	State Aid-Serv For Recipients	6,381,153	5,628,710	6,053,262	6,053,262	6,114,864	6,157,909	6,223,205
	State Aid Day Care	7,694,158	7,868,204	8,801,761	8,801,761	9,112,463	9,329,568	9,658,902
	All Other State Aid Accounts	24,432,703	23,002,353	24,264,068	24,205,750	24,568,836	24,937,369	25,311,429
	State Aid Total	154,964,291	166,378,656	170,811,076	170,752,758	175,839,518	180,302,954	185,011,893
Federal Aid								
	Federal Aid-Family Assistance	44,311,105	44,328,400	50,977,988	50,977,988	53,806,999	56,636,123	59,467,556
	Federal Aid-Soc Serv Admin	25,508,809	26,694,530	23,754,315	23,754,315	25,682,229	26,590,660	27,567,178
	Fed Aid Day Care	15,585,349	18,890,206	18,822,216	18,822,216	19,396,071	19,797,054	20,405,321
	Federal Aid-CWS Foster Care	13,587,303	14,134,514	16,966,673	16,966,673	17,676,003	18,414,345	19,182,885
	Federal Aid-Safety Net TANF Cases	773,295	884,779	831,969	831,969	886,101	940,893	995,714
	Federal Stimulus Enhanced Medicaid	215,620						
	All Other Federal Aid Accounts	73,103,946	70,246,350	69,340,913	69,340,913	70,381,027	71,436,742	72,508,293
	Federal Aid Total	173,065,427	175,178,779	180,694,074	180,694,074	187,828,430	193,815,817	200,126,947
Interfund Revenue		11,730	3,912,334	923,086	923,086	0	0	0
Total Fund 110 Revenue		1,356,815,741	1,391,497,375	1,431,234,808	1,429,146,645	1,465,429,054	1,499,961,347	1,535,847,506

County of Erie 2015-2018 Four-Year Financial Plan

Fund 110 - General	Account Type	2013 Actual	2014 Adopted Budget	2015 Executive Recommended Budget	2015 Adopted Budget	2016 Projection	2017 Projection	2018 Projection
Expense								
Personal Service Related Expense								
Personal Services								
	Full-Time Salaries	158,001,777	169,185,815	177,249,093	176,635,234	182,252,234	184,986,018	187,760,808
	Part-Time Wages	2,603,187	3,158,356	3,357,247	3,341,858	3,448,129	3,499,851	3,552,349
	Regular Part Time Wages	1,231,262	1,497,497	1,624,824	1,624,824	1,676,493	1,701,641	1,727,165
	Seasonal Emp Wages	600,368	592,209	751,040	751,040	774,923	786,547	798,345
	Personal Services Total	162,436,594	174,433,877	182,982,204	182,352,956	188,151,780	190,974,057	193,838,668
Employee Payments non-salary								
	Shift Differential	1,011,668	1,088,606	1,069,265	1,069,265	1,103,268	1,119,817	1,136,614
	Uniform Allowance	971,950	870,850	901,000	901,000	901,000	901,000	901,000
	Holiday Worked	1,572,299	1,558,650	1,665,340	1,665,340	1,718,298	1,744,072	1,770,233
	Line-Up	1,760,320	1,857,850	1,907,938	1,907,938	1,968,610	1,998,140	2,028,112
	Other Employee Pymts	722,409	470,540	1,279,911	1,279,911	1,320,612	1,340,421	1,360,528
	Overtime	16,706,884	14,268,275	14,034,020	13,919,364	13,893,680	14,102,085	14,313,616
	Employee Payments non-salary Total	22,745,470	20,114,771	20,857,474	20,742,818	20,905,468	21,205,535	21,510,103
Fringe Benefits								
	Fringe Benefits- FICA	13,880,455	14,799,296	15,175,255	15,082,183	15,888,351	16,125,649	16,366,507
	Fringe Benefits-Medical Insurance	39,293,202	44,782,933	41,185,051	40,926,051	43,586,244	46,419,350	48,436,608
	Fringe Benefits-Workers Compensation	6,647,375	6,970,353	5,294,872	4,846,305	4,967,463	5,091,649	5,218,940
	Fringe Benefits-Unemployment Insur.	202,834	485,770	412,394	410,394	420,654	431,170	441,949
	Fringe Benefits-Retiree Med Insur.	20,361,693	20,564,172	23,958,291	23,958,291	25,515,580	27,174,093	28,940,409
	Fringe Benefits-Retirement	34,568,630	37,307,154	33,889,322	33,879,389	32,185,420	30,576,149	31,047,341
	Fringe Benefits Total	114,974,189	124,909,678	119,915,185	119,102,613	122,563,711	125,818,060	131,451,754
	Employer Contribution Stabilization (Retirement)	0	(8,600,000)	0	0	0	0	0
Countywide Personnel Adjustments								
	Reductions (Vacancy Savings)	0	(990,000)	(1,500,000)	(2,000,000)	(1,500,000)	(1,500,000)	(1,500,000)
	MC Compensation	0	270,927	0	0	0	0	0
	Countywide Personnel Adjustments	0	(719,073)	(1,500,000)	(2,000,000)	(1,500,000)	(1,500,000)	(1,500,000)
	Personal Service Related Expense Total	300,156,253	310,139,253	322,254,863	320,198,387	330,120,959	336,497,651	345,300,525
Other Departmental Expense								
Supplies & Repairs								
	Auto Supplies	2,012,644	2,364,650	2,455,225	2,455,225	2,492,053	2,529,434	2,567,376
	All Other	7,666,040	7,656,657	7,728,474	7,668,474	7,844,401	7,962,067	8,081,498
	Supplies and Repairs	9,698,684	10,021,307	10,183,699	10,123,699	10,336,454	10,491,501	10,648,874
Other								
	Risk Retention	2,221,931	2,000,000	2,000,000	2,000,000	3,000,000	3,000,000	3,000,000
	Control Board	480,793	495,000	495,000	495,000	495,000	495,000	495,000
	Rental	4,354,774	4,666,537	4,854,431	4,839,431	4,724,247	4,795,111	4,867,038
	DSS Pivot Wages/Chargebacks/Training	4,945,288	5,357,872	5,358,120	5,358,120	5,438,492	5,520,069	5,602,870
	Utility Charges	2,332,842	2,424,500	2,853,150	2,838,150	2,895,947	2,939,386	2,983,477
	All Other	6,644,500	7,410,380	5,659,532	5,659,532	5,744,425	5,830,591	5,918,050
	Other Total	20,960,128	22,354,089	21,020,239	20,990,233	22,298,111	22,580,158	22,866,436
Contractual								
Sales Tax as Aid to Local Governments								
	Sales Tax Distrib.to Cities, Towns & Sch Dist. fro	290,334,126	300,383,134	308,613,200	308,613,200	317,100,063	325,820,315	334,780,373
	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	12,500,000
	Sales Tax Distributed to NFTA	18,697,610	19,346,258	19,674,789	19,674,789	20,421,346	20,982,933	21,559,963
	Sub Total - Local Gov. Sales Tax	321,531,736	332,229,390	340,987,989	340,987,989	350,021,409	359,303,247	368,840,337
Other Agency Contractual or Mandated Payments								
	Indigent Defense - Legal Aid/Bar Assoc.	11,484,866	11,586,005	11,846,613	11,846,613	12,024,312	12,204,677	12,387,747
	NFTA Sec 18 B	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200
	Contractual-ECMCC Healthcare Network	6,317,728	5,714,620	7,459,848	7,459,848	7,571,746	7,685,322	7,800,602
	Cultural Agencies	5,678,000	5,768,412	5,782,197	5,655,798	5,668,930	5,958,964	6,046,318
	Botanical Gardens Renovation	0	2,000,000	0	0	0	0	0
	Buffalo Bills Game Day Expense	2,734,862	2,123,121	2,189,616	2,189,616	2,320,993	2,460,253	2,607,868
	Stadium - Working Capital Assistance	1,290,000	1,372,800	1,409,245	1,409,245	1,493,800	1,583,428	1,678,433
	Social Services/Youth/Mental Health Agencies	65,756,491	67,788,050	71,235,242	71,279,922	72,303,771	73,388,327	74,489,152
	Visit Niagara (CVB) Subsidy	3,300,000	3,233,283	3,281,783	3,300,000	3,331,010	3,380,975	3,431,690
	Bfo Niagara Film Comm WNED	0	131,950	133,929	133,929	135,938	137,977	140,047
	Convention Center Subsidy	1,650,000	1,674,750	1,699,871	1,699,871	1,725,369	1,751,250	1,777,518
	County Residents at Other Community Colleges	5,445,443	5,722,459	5,890,000	5,890,000	6,037,250	6,188,181	6,342,886
	All Other Contractual Accounts	18,355,646	18,169,909	17,582,517	17,604,517	17,846,255	18,113,949	18,385,658
	Contractual Total	447,201,972	461,169,949	473,156,050	473,314,548	484,337,981	495,811,749	507,585,455
	Equipment	953,358	1,010,961	1,545,442	1,545,442	1,576,351	1,607,878	1,640,035
Allocation								
	Interfund-Erie Community College	15,629,317	15,629,317	15,754,317	15,754,317	15,754,317	15,754,317	15,754,317
	Interfund-Utilities Fund	3,529,813	3,935,075	4,935,249	4,935,249	5,033,954	5,134,633	5,237,326
	County Share - Grants	4,438,063	4,832,399	4,361,351	4,361,351	4,470,385	4,582,144	4,696,698
	Interfund-Road	13,924,682	13,118,038	15,118,038	15,118,038	15,495,989	15,883,389	16,280,473
	Interfund -Library Subsidy	0	0	0	0	0	0	0
	Interfund E911 Subsidy	2,546,113	2,683,595	3,522,333	3,422,148	3,610,391	3,700,651	3,793,167
	Interdepartmental Billings	(2,861,963)	(2,971,844)	(3,284,087)	(3,284,087)	(3,333,348)	(3,383,349)	(3,434,099)
	All Other Allocation Accounts	8,247,641	50,000	93,992	93,992	95,402	96,833	98,285
	Allocation Total	45,453,666	37,276,580	40,501,193	40,401,008	41,127,090	41,768,619	42,426,168

County of Erie
2015-2018 Four-Year Financial Plan

Fund 110 - General	Account Type	2013 Actual	2014 Adopted Budget	2015 Executive Recommended Budget	2015 Adopted Budget	2016 Projection	2017 Projection	2018 Projection
Program Related								
	UPL Expense	6,268,015						
	DSH Expense	<u>15,350,774</u>	<u>16,200,000</u>	<u>16,200,000</u>	<u>16,200,000</u>	<u>16,200,000</u>	<u>16,200,000</u>	<u>16,200,000</u>
	Sub Total UPL/DSH ECMCC Subsidy	21,618,789	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000
	MMIS-Medicaid Local Share	217,880,408	217,160,208	211,425,799	211,425,799	217,072,613	218,090,342	218,090,342
	Family Assistance	45,142,013	44,861,871	51,574,441	51,574,441	54,403,452	57,232,576	60,064,009
	CWS - Foster Care	54,188,755	58,244,810	62,286,462	62,286,462	64,833,978	67,485,688	70,245,853
	Safety Net Assistance	47,365,634	50,747,833	55,701,333	55,701,333	59,241,710	62,825,241	66,410,678
	Child Care-DSS	26,698,512	30,445,359	30,806,877	30,806,877	31,894,360	32,654,244	33,806,939
	Children With Special Needs Program	56,571,229	62,267,073	59,700,240	59,700,240	60,894,245	62,112,130	63,354,372
	State Training School	2,896,560	3,051,702	5,705,474	5,705,474	6,424,364	6,856,081	6,922,801
	All Other Program Related Accounts	5,022,184	4,873,202	5,062,392	5,062,392	5,138,328	5,215,403	5,293,634
	Program Related Total	<u>477,384,084</u>	<u>487,852,058</u>	<u>498,463,018</u>	<u>498,463,018</u>	<u>516,103,050</u>	<u>528,671,704</u>	<u>540,388,628</u>
Debt Service								
	Interest-Revenue Antic Notes	337,032	1,015,360	376,683	376,683	386,100	395,753	405,646
	Interfund Debt Service Subsidy	54,445,019	60,657,818	63,733,627	63,733,627	63,606,972	66,125,553	66,530,565
	Debt Service Total	<u>54,782,051</u>	<u>61,673,178</u>	<u>64,110,310</u>	<u>64,110,310</u>	<u>63,993,072</u>	<u>66,521,306</u>	<u>66,936,211</u>
	Other Departmental Expense Total	<u>1,056,453,943</u>	<u>1,081,358,122</u>	<u>1,108,979,945</u>	<u>1,108,948,258</u>	<u>1,139,772,110</u>	<u>1,167,452,915</u>	<u>1,192,491,808</u>
	Total Fund 110 Expense	<u>1,356,610,196</u>	<u>1,391,497,375</u>	<u>1,431,234,808</u>	<u>1,429,146,645</u>	<u>1,469,893,068</u>	<u>1,503,950,566</u>	<u>1,537,792,332</u>
	Revenue Less Expense - Surplus/(Gap)	<u>205,545</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(4,464,014)</u>	<u>(3,989,219)</u>	<u>(1,944,826)</u>
	2015 Executive Recommended 4 Year Plan Projected Gaps					<u>(3,454,367)</u>	<u>(2,610,326)</u>	<u>(152,947)</u>
	Gap Increase Due to Legislative Amendments					<u>(1,009,647)</u>	<u>(1,378,893)</u>	<u>(1,791,879)</u>