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ERIE COUNTY COMPTROLLER  
HON. STEFAN I. MYCHAJLIW

August 18, 2016

The Honorable  
Erie County Legislature  
92 Franklin Street – 4<sup>th</sup> Floor  
Buffalo, NY 14202

**RE: Sales Tax Remains Down Year to Date / IGT Payment Expected to Increase**

Dear Honorable Members:

As I routinely do, I am writing to update you on the status of sales tax revenue collections. For the month of June 2016, there was a slight 1.99% increase in revenue compared to June of 2015. While revenue growth is good, overall collections for the year remain down -0.19%. To date, we are down \$395,134 in total collections from 2015.

Considering the budget was passed factoring in that sales tax would grow by 1.53%, and it remains down year to date, I am very concerned. In order to meet budget, our collections will need to grow by 3.15% or we will face a \$7,518,689 hole in the 2016 operating budget.

Recently, my staff and I met with administrators from the hospital and our budget office to discuss the upcoming intergovernmental transfer payment owed to ECMCC. This year, the county has budgeted \$16.2 million for that payment. Both the hospital and the administration were reluctant to provide information on this year's payment, but indicated it would be several million dollars higher.

Pair this news with that of sales tax not meeting budget and thus far declining year over year, and the county has a significant fiscal challenge to resolve in the next few months. I have been persistent and consistent in warning your honorable body about the necessity to curb spending and for the county to live within its means. Spending has been increased at an alarming rate since January, 2012: an additional \$90 million. As Comptroller, I remain ready and willing to assist you with solutions to this upcoming problem.

Sincerely,

STEFAN I. MYCHAJLIW  
Erie County Comptroller