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COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

December 10, 2018

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

Re: 2019-2022 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 2019-2022 (the "Plan").

The Plan reflects the amendments made to the 2019 Budget by the Erie County Legislature ("Legislature") on December 6, 2018. In addition, as a result of the amendments and updated information, the Division of Budget and Management have made adjustments to the 2020-2022 years of the Plan. It is important to note that the 2019 Budget remains balanced. The modest reduction in spending made by the Legislature totaling \$2,044,641 is equivalent to only 0.0013% of the \$1.528 billion overall General Fund budget.

On the final page of the Plan matrix, as a result of the adjustments to the 2019 Budget, the projected 2020-2022 gaps in the Plan have increased only slightly by \$ 157,582. Generally the major impact of these 2019 Budget amendments is self-contained within 2019.

We do not expect any noteworthy issues to emerge in managing the 2019 Budget as a result of the Legislature's budget amendments.

Potential Gap Closers

There are a number of potential "gap closers" available to the County to close the projected minor gaps in 2020, 2021 and 2022. These gap closers can be utilized in a variety of ways. They include reductions in spending and fund holdbacks as well as 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:

- Better than expected property tax assessment growth
- Better than expected sales tax revenue in part due to potential changes regarding taxability of certain on-line sales.
- Employee retirements relating to new union contract provisions
- Reduction of discretionary spending
- Additional revenue from expanded foreclosure actions
- More aggressive vacancy control measures
- Reinstatement of Gaming Facilities Aid
- Favorable caseload trends in social services programs

If you have any questions regarding the Plan, please do not hesitate to contact Robert W. Keating, Director of Budget and Management.

Sincerely yours,



Mark C. Poloncarz, Esq.
Erie County Executive

MCP/rk
Enclosure

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

County of Erie
2019-2022 Four-Year Financial Plan

Fund 110 - General Account Type	2017 Actual	2018 Adopted Budget	2019	2020 Projection	2021 Projection	2022 Projection
			Legislative Adopted Budget			
Revenue						
Local Source Revenue						
Property Tax Levy	248,058,980	262,963,604	270,185,414	275,589,122	281,100,905	286,722,923
Property Tax Related						
Sec 520 Exempt Removal	939,811	940,000	920,660	920,660	920,660	920,660
Gain Sale Tax Acquired Prop	3,050	3,420	3,250	3,250	3,250	3,250
Payments In Lieu Of Taxes	4,746,793	4,685,000	5,140,000	5,165,700	5,191,529	5,217,486
Interest & Penalties-Prop Tax	14,751,001	12,107,000	13,422,729	13,556,956	13,692,526	13,829,451
Omitted Taxes	3,086	3,000	6,000	6,000	6,000	6,000
Dec-Prop Tax Def Rev	(3,488,874)	(2,757,421)	(3,176,919)	(3,208,688)	(3,240,775)	(3,273,183)
Property Tax Related Total	16,954,867	14,980,999	16,315,720	16,443,878	16,573,189	16,703,664
Sales Tax						
Sales Tax Original 3%	170,581,834	173,106,685	180,575,183	184,186,687	187,870,420	191,627,829
1% Sales Tax	161,053,121	163,436,934	170,488,501	173,898,271	177,376,236	180,923,761
25 % Sales Tax	40,251,561	40,843,244	42,605,486	43,457,595	44,326,747	45,213,282
50% Sales Tax	80,503,122	81,686,488	85,210,972	86,915,191	88,653,495	90,426,565
Sales Tax Total	452,389,638	459,073,351	478,880,141	488,457,744	498,226,899	508,191,437
Sales Tax (Distrib. to Local Gov'ts)	312,577,544	317,204,132	330,889,952	337,507,751	344,257,906	351,143,064
Fees Fines or Charges						
Election Exp Other Govts	6,645,749	7,745,487	6,811,526	6,950,000	7,000,000	7,050,000
All Other Fees Fines or Charges	26,796,503	26,289,989	27,596,307	27,872,270	28,150,993	28,432,503
Fees Fines or Charges Total	33,442,252	34,035,486	34,407,833	34,822,270	35,150,993	35,482,503
Other Sources						
Interest & Earn - Gen Inv	73,211	121,250	700,750	700,750	700,750	700,750
Hotel Occupancy Tax Revenue	10,696,994	10,900,000	11,225,000	11,393,375	11,564,276	11,737,740
Community College Respreads	6,864,202	3,328,238	2,528,178	6,900,000	6,900,000	6,900,000
All Other Sources Accounts	51,240,994	24,763,096	24,835,033	25,707,558	26,293,172	27,687,569
Other Sources Total	68,875,401	39,112,584	39,288,961	44,701,683	45,458,197	47,026,059
Appropriated Fund Balance						
Appropriated Fund Balance - Special	-	4,260,000	-	0	0	0
Appropriated Fund Balance County Purposes	-	6,000,000	3,000,000	2,000,000	1,000,000	-
Appropriated Fund Balance	0	6,000,000	3,000,000	2,000,000	1,000,000	0
Local Source Revenue Total	1,132,298,682	1,133,370,156	1,172,968,021	1,199,522,449	1,221,768,089	1,245,269,650
State Aid						
State Aid-Education Of Handicapped Children	29,003,913	31,095,604	30,760,871	31,068,480	31,379,165	31,692,956
State Aid-Mental Health	37,952,709	36,000,881	37,627,581	38,003,857	38,383,895	38,767,734
State Aid-Soc Serv Admin	27,669,736	30,210,379	32,082,041	33,163,701	34,274,946	35,490,222
State Aid-Safety Net Assistance	12,189,433	12,694,423	11,469,958	11,668,577	11,866,145	12,068,707
State Aid-Child Welfare Services	18,094,197	23,660,358	23,491,198	24,086,603	24,696,893	25,322,440
State Aid-Serv For Recipients	9,107,460	7,287,208	7,095,655	7,146,541	7,199,208	7,253,718
State Aid Day Care	6,073,206	6,883,928	6,065,648	6,277,946	6,497,674	6,725,093
State Aid Raise the Age	-	-	6,356,082	6,546,764	6,743,167	6,945,462
All Other State Aid Accounts	23,444,725	25,125,978	24,243,776	24,486,214	24,731,076	24,978,387
State Aid Total	163,535,379	172,958,759	179,192,810	182,446,683	185,772,169	189,244,720
Federal Aid						
Federal Aid-Family Assistance	40,546,790	42,309,614	40,668,583	41,290,315	41,921,373	42,561,897
Federal Aid-Soc Serv Admin	20,656,378	24,580,476	22,166,252	23,758,090	25,545,358	27,495,158
Fed Aid Day Care	16,731,567	18,950,209	20,016,995	20,628,158	21,260,712	21,915,406
Federal Aid-CWS Foster Care	15,440,012	16,967,826	15,389,651	15,579,719	15,979,539	16,389,355
Federal Aid-Safety Net TANF Cases	903,896	624,215	941,167	950,835	960,648	970,608
All Other Federal Aid Accounts	70,589,224	71,714,457	76,905,294	77,674,347	78,451,090	79,235,601
Federal Aid Total	164,867,867	175,146,797	176,087,942	179,881,464	184,118,720	188,568,025
Interfund Revenue	829,939	103,439	102,216	50,086	42,573	30,653
Total Fund 110 Revenue	1,461,531,867	1,481,579,151	1,528,350,989	1,561,900,681	1,591,701,552	1,623,113,047

County of Erie
2019-2022 Four-Year Financial Plan

Fund 110 - General	Account Type	2019					
		2017 Actual	2018 Adopted Budget	Legislative Adopted Budget	2020 Projection	2021 Projection	2022 Projection
Expense							
Personal Service Related Expense							
Personal Services							
	Full-Time Salaries	174,703,609	187,420,253	207,415,029	212,800,405	217,915,415	223,363,300
	Part-Time Wages	2,932,025	3,863,735	4,330,793	4,439,063	4,550,039	4,663,790
	Regular Part Time Wages	1,331,118	1,636,429	2,043,314	2,094,397	2,146,757	2,200,426
	Seasonal Emp Wages	886,177	848,552	892,971	915,295	938,178	961,632
	Personal Services Total	179,852,929	193,768,969	214,682,107	220,049,160	225,550,389	231,189,148
Employee Payments non-salary							
	Shift Differential	1,175,784	1,276,764	1,308,906	1,341,629	1,375,169	1,409,549
	Uniform Allowance	892,663	939,450	934,950	948,974	963,209	977,657
	Holiday Worked	1,574,041	1,713,724	1,739,308	1,782,791	1,827,380	1,873,044
	Line-Up	2,022,635	2,144,428	2,197,444	2,252,380	2,308,690	2,366,407
	Other Employee Pymts	1,734,665	1,332,067	1,725,641	1,768,782	1,813,002	1,858,327
	Overtime	16,713,771	16,763,070	18,246,529	18,702,692	19,170,260	19,649,516
	Employee Payments non-salary Total	24,113,559	24,169,503	26,152,778	26,797,248	27,457,689	28,134,500
Fringe Benefits							
	Fringe Benefits- FICA	15,147,484	15,845,986	18,320,184	18,773,904	19,242,529	19,722,860
	Fringe Benefits-Medical Insurance	43,568,150	49,312,058	44,420,850	46,794,366	48,751,450	51,008,655
	Fringe Benefits-Workers Compensation	5,683,585	5,241,980	6,532,392	6,579,357	7,139,825	7,464,410
	Fringe Benefits-Unemployment Insur.	204,384	310,711	385,094	402,601	420,903	440,038
	Fringe Benefits-Retiree Med Insur.	28,603,421	33,565,465	36,628,238	40,293,372	41,934,219	43,844,222
	Fringe Benefits-Retirement	28,820,827	28,754,741	31,690,256	32,324,061	32,970,542	33,629,953
	Fringe Benefits Total	122,027,851	133,030,941	137,977,014	145,167,661	150,459,468	156,110,138
Countywide Personnel Adjustments							
	Salary Adjustments	-	1,760,660				
	Reductions (Vacancy Savings)	-	(1,800,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)
	Countywide Personnel Adjustments	0	(1,800,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)
	Personal Service Related Expense Total	325,994,339	349,169,413	377,411,899	390,614,069	402,067,546	414,033,786
Other Departmental Expense							
Supplies & Repairs							
	Auto Supplies	1,511,544	1,526,900	1,513,825	1,536,532	1,559,580	1,582,974
	All Other	5,930,715	7,195,765	7,357,891	7,468,259	7,580,283	7,693,988
	Supplies and Repairs	7,442,259	8,722,665	8,871,716	9,004,792	9,139,864	9,276,962
Other							
	Risk Retention	2,893,565	2,500,000	3,516,000	4,000,000	4,000,000	4,000,000
	Control Board	564,769	480,000	510,000	510,000	510,000	510,000
	Rental	4,478,808	5,307,773	7,607,154	8,383,226	9,167,058	9,958,728
	DSS Pivot Wages/Chargebacks/Training	4,694,907	5,467,307	5,609,341	5,693,481	5,778,883	5,865,567
	Utility Charges	2,257,136	2,649,608	2,607,467	2,646,579	2,686,278	2,726,572
	All Other	4,828,867	5,624,365	6,067,497	6,158,509	6,250,887	6,344,650
	Other Total	19,718,052	22,029,053	25,917,459	27,391,795	28,393,106	29,405,517
Contractual							
Sales Tax as Aid to Local Governments							
	Sales Tax Distrib. to Cities, Towns & Sch Dist. from 3%	312,577,544	317,204,132	330,889,952	337,507,751	344,257,906	351,143,064
	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
	Sales Tax Distributed to NFTA	20,131,641	20,429,617	21,311,031	21,737,252	22,171,997	22,615,437
	Sub Total - Local Gov. Sales Tax	345,209,185	350,133,749	364,700,983	371,745,003	378,929,903	386,258,501
Other Agency Contractual or Mandated Payments							
	Indigent Defense - Legal Aid/Bar Assoc.	12,324,919	12,690,672	12,944,486	13,138,653	13,335,733	13,535,769
	NFTA Sec 18 B	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200
	Contractual-ECMCC Healthcare Network	7,242,627	7,501,694	7,600,197	7,714,200	7,829,913	7,947,362
	Cultural/Community Agencies	6,189,709	6,241,808	7,192,221	6,920,104	7,023,906	7,129,264
	Buffalo Bills Game Day Expense	2,300,306.00	2,411,811	2,531,319	2,607,259	2,685,476	2,766,041
	Stadium - Working Capital Assistance	1,477,219.00	1,553,904	1,630,671	1,679,591	1,729,979	1,781,878
	Social Services/Youth/Mental Health Agencies	78,967,863	77,548,442	79,576,934	80,770,588	81,982,147	83,211,879
	Visit Niagara (CVB) Subsidy	3,404,818	3,488,938	3,559,738	3,613,134	3,667,331	3,722,341
	Blo Niagara Film Comm WNED	185,657	237,430	242,179	245,812	249,499	253,241
	Convention Center Subsidy	1,751,250	1,795,031	1,830,932	1,858,396	1,886,272	1,914,566
	County Residents at Other Community Colleges	6,928,178	7,103,300	7,005,100	7,145,202	7,288,106	7,433,868
	Legislative Earmarks	456,897	934,133	595,621	0	0	0
	All Other Contractual Accounts	20,446,921	20,974,405	24,937,485	25,311,547	25,691,220	26,076,589
	Contractual Total	490,542,749	496,272,517	518,005,066	526,406,689	535,956,685	545,688,499
	Equipment	2,632,346	2,037,084	2,041,495	2,006,955	2,027,024	2,047,295
Allocation							
	Interfund-Erie Community College	16,254,317	16,754,317	17,114,317	17,114,317	17,114,317	17,114,317
	Interfund-Utilities Fund	3,003,385	4,405,278	3,656,067	3,729,188	3,803,772	3,879,848
	County Share - Grants	4,847,717	5,274,033	6,863,237	7,000,502	7,140,512	7,283,322
	Interfund-Road	13,787,119	15,692,129	19,170,857	18,780,328	21,349,836	22,083,582

County of Erie
2019-2022 Four-Year Financial Plan

Fund 110 - General	Account Type	2017 Actual	2018 Adopted Budget	2019 Legislative Adopted Budget	2020 Projection	2021 Projection	2022 Projection
	Interfund E911 Subsidy	3,704,183	3,866,462	4,540,026	4,630,827	4,723,443	4,817,912
	Interdepartmental Billings	(2,955,922)	(2,982,450)	(3,247,152)	(3,328,331)	(3,411,539)	(3,496,828)
	All Other Allocation Accounts	570,385	505,406	1,669,800	1,441,097	1,462,713	1,484,654
	Allocation Total	39,211,164	43,515,175	49,767,152	49,387,928	52,183,055	53,166,807
	Program Related						
	UPL Expense	13,877,512	7,719,165	10,551,308	10,351,747	9,861,687	9,597,130
	Indigent Care Adjustment DSH	7,351,885	7,378,291	5,120,235	5,222,640	5,327,092	5,433,634
	DSH Expense	<u>29,189,152</u>	<u>25,751,670</u>	<u>19,604,166</u>	<u>19,496,249</u>	<u>24,883,715</u>	<u>19,663,849</u>
	Sub Total UPL/DSH/ICA ECMCC Subsidy	50,418,549	40,849,126	35,275,707	35,070,636	40,072,495	34,694,613
	MMIS-Medicaid Local Share	195,575,755	202,394,934	199,546,672	203,537,605	207,608,357	211,760,524
	Family Assistance	41,427,862	43,150,838	41,448,809	42,070,541	42,701,599	43,342,123
	CWS - Foster Care	65,544,745	68,758,102	66,146,927	67,800,600	69,495,615	71,233,005
	Safety Net Assistance	46,980,045	48,667,628	45,199,738	45,877,734	46,565,900	47,264,389
	Child Care-DSS	25,580,981	28,365,381	27,894,324	28,870,625	29,881,097	30,926,936
	Children With Special Needs Program	58,830,279	62,464,113	62,101,491	63,343,521	64,610,391	65,902,599
	State Training School	6,765,052	3,850,000	4,199,859	4,275,456	4,352,414	4,430,757
	All Other Program Related Accounts	2,027,524	2,053,378	2,911,374	2,955,045	2,999,370	3,044,361
	Program Related Total	493,150,792	500,553,500	484,724,901	493,801,762	508,287,238	512,599,307
	Debt Service						
	Interest-Revenue Antic Notes	1,010,263	1,680,734	2,016,127	2,066,530	2,118,193	2,171,148
	Interfund Debt Service Subsidy	63,166,038	60,098,350	59,595,174	61,641,223	51,826,228	55,286,940
	Debt Service Total	64,176,301	61,779,084	61,611,301	63,707,753	53,944,421	57,458,088
	Other Departmental Expense Total	1,116,873,663	1,134,909,078	1,150,939,090	1,171,687,674	1,189,931,393	1,209,642,475
	Total Fund 110 Expense	1,442,868,002	1,484,078,491	1,528,350,989	1,562,301,743	1,591,998,939	1,623,676,261
	Revenue Less Expense - Surplus/(Gap)	18,663,865	(2,499,340)	0	(401,062)	(297,388)	(563,214)