

ERIE COUNTY CITIZENS' BUDGET REVIEW COMMISSION

Minutes of Meeting from September 29, 2017

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ATTENDEES: Jorge deRosas, Joseph Heins, Edward Kumrow, Gregory Inglut, Joseph Hanna, Michael Otto(via phone conference), Stefan Mychajliw, Scott Bylewski and Joseph Winter

INVITEES: League of Women Voters, Ruby from Youth Services Division of Erie County, Bryan Fume, Greg Gatch and Scott Kroll

EXCUSED: Mark Davis, E. Peter Forrestel, Richard Schneider and Jeremy Toth  
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Call to Order:

The meeting commenced at approximately 9:00 am

Review of Prior Committee Minutes:

With a motion from Mr. Hanna and seconded by Mr. Kumrow, minutes from the meeting on 6.28.17 were unanimously approved

Overview of Erie County Finances:

Mr. Winter asked Mr. Mychajliw to begin the meeting with a review of the 12.31.2016 financial statements of Erie County.

Stefan noted that Drescher Malecki, outside CPA firm has issued the audited financial statements and noted an approximate \$100 million unassigned fund balance.

Stefan then noted the overall reliance and percentages of sales tax revenue for both 2016 and the current 2017 budget

Stefan also discussed Freed Maxick CPA's review of potential IGT costs (ECMC) outwards through calendar year 2021.

Stefan addressed a question from Mr. Inglut regarding Erie County borrowing amounts during 2017 and the Fitch 'AA' bond rating the County is currently experiencing.

Discussion of Budget Monitoring Report for period ended 4.30.17:

Mr. Winter asked Mr. Bylewski to review the most recent Budget Monitoring Report for the Committee.

A discussion started with Scott pointing out that a total year to date negative budget variance of approximately \$2,800,000 exists at 7.31.17 which closed a gap of approximately \$8,000,000 from the Commission's formal review of the 4.30.17 BMR. Total revenues were approximately \$13.2 million less than budget while total operating expenses were approximately \$10.4 million less than budget leading to the overall variance. It was noted during Scott's presentation, that the above discussed ECMC IGT payments amounting to a negative variance of approximately \$17.5 million appeared to be the largest driver of the budget variance year to date.

The following matters that the Commission discussed in more detail for financial clarification included:

- A positive sales tax variance of approximately \$2.4 million as of 7.31.17 in which the Division of Budget was going to continue to closely monitor sales tax collections to ascertain the overall financial impact to the County as well as budget implications.
- A negative revenue variance of approximately \$2.1 million as of 7.31.17 from Gaming Facilities.
- A positive variance of approximately \$3.8 million in personnel related expenses and approximately \$4.5 million in fringe benefit cost savings primarily resulting from Erie County positions vacancy during 2017. Commission members could review the position control report which details the various employment differences by department for 2017.

Upon motion made by Mr. Heins and seconded by Mr. Kumrow with unanimous Commission approval, it was moved to accept the Budget Monitoring Report at 7.31.17.

Mid-Year Erie County Budget Hearings Schedule:

Mr. Winter noted that the proposed Erie County Budget Meeting and Hearing Schedule will be sent to the Commission members once it is finalized. Commission members are encouraged and welcomed to attend. December 7<sup>th</sup> will be the annual budget vote by the Legislature so a Commission meeting should be done prior to the vote.

Other Business Matters:

No matters were discussed at this meeting.

The Committee Opened Questions to the Public:

No matters were discussed at this meeting.

Next Meeting:

Will be determined by Committee consensus

Adjourn:

With a motion from Mr. deRosas and seconded by Mr. Inglut, the meeting was adjourned at approximately 9:40 am

Chairman:

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Joseph Winter