

October 15, 2015

Erie County Legislature
Attn: Hon. John J. Mills
92 Franklin Street
4th Floor
Buffalo, NY 14202

Dear Chairperson Mills:

I am writing to you today in my capacity as Chair of the Erie County Citizens' Budget Review Commission, which was created by Local Law No. 3-2006 and amended by Local Law No. 2-2012. Beginning in 2013, the Commission was convened with 11 voting members and 3 ex-officio members.

Pursuant to Section 2618e of the Erie County Charter, the Commission 'shall hold quarterly meetings to review Erie County finances and budgets.' On May 14, 2015 a resolution submitted and adopted by the Erie County Legislature appointed the following nine individuals on a volunteer basis and three ex officio members to comprise the Erie County Citizens' Budget Review Commission for a term that will expire on December 31, 2015:

1. Jorge S. deRosas, Esq.
2. Elias Farah
3. R.J. Friedman, Esq.
4. Joseph Hanna, Esq.
5. Ed Kumrow
6. Kevin Leffler
7. Jud Payne
8. Thomas Webb, Jr., Esq
9. Joseph F. Winter, CPA
10. Jeremy Toth, Erie County Attorney's Office (ex officio)
11. Timothy Callan, Erie County Office of Budget & Management (ex officio)
12. Stefan Mychajliw, Erie County Comptroller's Office (ex officio)

We conducted our meetings on May 27, 2015 and October 2, 2015, thus far and minutes are attached for your review. We plan to conduct an additional meeting in the fourth quarter of 2015 around the middle of November 2015 to coincide with the Erie County Legislative Budget Hearings and will forward minutes of that meeting to you accordingly.

The goal of the Commission is to 'assist and advise the Erie County Legislature about the oversight of the County's budget' and the intent of this correspondence is to serve as the Commission's 2015 annual report, in accordance with the intent in Section 2618 (b), which states that the Commission 'shall submit an annual report which shall include its findings, conclusions and recommendations for the appropriate budgetary action to the County Legislature.

Our recommendations are as follows:

1. Attempt to appoint the volunteer Commission members earlier in the calendar year if possible.

The appointment of volunteer members has been completed during the month of May the last two years. An earlier appointment could allow for a meeting in the first quarter and perhaps curtail scheduling issues for Commission meetings.

2. Erie County's material reliance on sales tax dollars to the overall budget.

It appears that Erie County's budget is materially reliant on overall sales tax revenues. The gross amount of sales tax dollars collected, including the shared amount to local governments, comprises approximately 70% of local source budgeted revenue and approximately 53% of overall County budget revenue in 2015. It appears the County receives these funds in lump sum from New York State with little information about how or from whom amounts were collected. This heavy reliance and limited information could make budgeted revenues difficult to predict month to month and year to year. Additionally, when events like a major snowstorm occur; such as in 2014, planning and analysis to gauge the timing, impact and resource availability could be a fiscal management tool. Perhaps a study or an undertaking by the Legislature could be completed to assess sources of sales tax revenue such as Canadian shoppers, effects of motor fuel prices, utility rates or large dollar purchase items to better predict trends, patterns and ability to promote the area accordingly.

3. Erie Community College's (ECC) budget concerns.

It appears that the County is being negatively affected financially as Erie County residents attend community colleges in other nearby counties. While the cost of this negative spending variance seems minor in the current year, it appears that requests from ECC for additional yearly operating and capital amounts could be problematic in the future. We recommend investigating this matter closely and assessing the 3 campus approach to other community colleges in New York State as a matter of comparison for delivery of services and cost of sponsorship.

Thank you in advance for your time and consideration.

Very truly yours,

Joseph F. Winter, CPA
Chair of the Erie County Citizens'
Budget Review Commission