



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

April 19, 2017

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

Re: 2017-2020 Revised Erie County Four Year Financial Plan

Dear Chairman Sampson:

Pursuant to Public Authorities Law §3957, I submit the enclosed revised Four Year Financial Plan for Erie County for fiscal years 2017-2020 (Plan) to the Erie County Fiscal Stability Authority (ECFSA).

Plan Provides Potential Sources to Close Gaps

The Plan reflects the amendments made to the 2017 Budget by the Erie County Legislature (Legislature) on December 6, 2016. In addition, the 2017 column now includes additional expected costs of \$18.1 million for the combined Intergovernmental Transfer (IGT) and Indigent Care Adjustment payments above the amounts reflected in the 2017 adopted budget, related to Erie County Medical Center Corporation (ECMCC). Our Plan indicates the funding sources we expect to utilize to help close this 2017 gap. It is important for an overall perspective, that in spite of 2016 IGT costs running \$23.9 million over budget, through careful budget monitoring and other positive factors, *we expect an increase to our 2016 Unassigned Fund Balance of nearly \$3 million* prior to year-end designations.

As you will see on the final page of the Plan matrix, the projected out-year gaps in the Plan increase approximately as follows:

- 2018 – from \$.5 million to \$10.1 million,
- 2019 – from \$4.4 million to \$10.3 million, and
- 2020 – from \$1.4 million to \$2.9 million.

Using our planned gap closers, these amounts are reduced to:

- 2018 – \$2.8 million,
- 2019 – \$4.8 million, and
- 2020 – \$.9 million.

April 19, 2017

Page 2 of 2

We are cognizant of these potential gaps and will take the necessary steps in preparing the 2018 Budget to address any gap which exists at that point. However, at this time, we remain confident in our ability to manage this process, as we have every year beginning in 2012.

Potential Gap Closers Include Spending Reductions and Revenue Adjustments

A number of potential "gap closers" exist for the County to close projected gaps for 2018, 2019, and 2020, in addition to the actions already taken by my administration as included in the modified plan. These gap closers mainly include reductions in spending and revenue adjustments. They are difficult to quantify partly due to various scenarios and the timing in which they could be employed, as well as the need to seek Legislature approval for some of them. They include:

- Adjusting the property tax rate;
- Reducing discretionary spending;
- More aggressive job position vacancy control and/or elimination of positions;
- Reducing spending in the Road Fund/Inter-fund Transfer from the General Fund; and/or
- Usage of potential credits from ECMCC.

While it may be difficult to quantify now, my administration stands ready to take any and all appropriate action to ensure the 2018 Budget gap is closed and the County continues down the current path of fiscal success. 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/rk
Enclosure

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

County of Erie
2017-2020 Four-Year Financial Plan
with Proposed Gap Closers

Fund 110 - General	Account Type	2014 Actual	2015 Actual	2016 Adopted Budget	2017 Adopted Budget	2018 Projection	2019 Projection	2020 Projection
Revenue								
Local Source Revenue								
	Property Tax Levy	219,132,763	222,862,954	234,163,963	248,058,980	255,128,661	262,399,828	269,878,223
	Property Tax Related							
	Sec 520 Exempt Removal	781,471	909,232	809,668	925,795	925,795	925,795	925,795
	Gain Sale Tax Acquired Prop	7,300	3,286	10,000	3,000	3,000	3,000	3,000
	Payments In Lieu Of Taxes	6,506,070	6,082,303	6,030,000	5,370,000	5,396,850	5,423,834	5,450,953
	Interest & Penalties-Prop Tax	15,418,596	15,224,356	13,120,000	13,310,000	13,443,100	13,577,531	13,713,306
	Omitted Taxes	6,326	34,938	3,000	3,000	3,000	3,000	3,000
	Dec-Prop Tax Def Rev	(5,882,322)	(4,727,753)	(2,387,350)	(2,669,678)	(2,696,375)	(2,723,339)	(2,750,572)
	Property Tax Related Total	16,837,441	17,526,362	17,585,318	16,942,117	17,075,370	17,209,822	17,345,483
	Sales Tax							
	Sales Tax Original 3%	162,605,806	165,058,489	167,635,935	168,726,491	171,679,205	175,112,789	178,615,044
	1% Sales Tax	153,522,887	155,838,307	158,272,040	159,301,415	162,089,190	165,330,974	168,637,593
	.25 % Sales Tax	38,314,571	38,935,335	39,499,813	39,800,573	40,497,083	41,307,025	42,133,165
	.50% Sales Tax	76,629,142	77,870,670	78,999,626	79,601,146	80,994,166	82,614,049	84,266,330
	Sales Tax Total	431,072,406	437,702,801	444,407,414	447,429,625	455,259,643	464,364,836	473,652,133
	Sales Tax (Distrib. to Local Gov'ts)	297,962,111	302,456,456	307,179,419	309,177,776	314,588,387	320,880,155	327,297,758
	Fees Fines or Charges							
	Election Exp Other Govts	7,192,320	6,282,847	6,839,440	6,645,749	7,900,000	7,057,850	7,128,429
	All Other Fees Fines or Charges	26,083,891	26,531,751	25,510,887	25,892,861	26,151,790	26,413,308	26,677,441
	Fees Fines or Charges Total	33,276,011	32,814,598	32,350,327	32,538,610	34,051,790	33,471,158	33,805,869
	Other Sources							
	Interest & Earn - Gen Inv	133,145	77,053	177,750	82,300	82,300	82,300	82,300
	Hotel Occupancy Tax Revenue	9,928,615	10,442,091	10,450,000	10,500,000	10,657,500	10,817,363	10,979,623
	Community College Respreads	4,376,595	5,445,794	6,390,041	6,864,932	6,928,238	6,967,549	7,106,900
	All Other Sources Accounts	50,120,450	45,825,835	28,284,770	27,259,500	27,668,393	28,083,418	28,504,670
	Other Sources Total	64,558,805	61,790,773	45,302,561	44,706,732	45,336,431	45,950,630	46,673,493
	Appropriated Fund Balance							
	Appropriated Fund Balance County Purposes	-	-	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
	Appropriated Fund Balance	0	-	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
	Local Source Revenue Total	1,062,839,537	1,075,153,944	1,086,989,002	1,104,853,840	1,127,440,282	1,150,276,428	1,174,652,958
	State Aid							
	State Aid-Education Of Handicapped Children	28,397,662	29,505,347	31,150,857	31,166,239	31,477,901	31,792,680	32,110,607
	State Aid-Mental Health	34,141,940	34,699,602	35,080,485	36,875,007	37,612,507	38,364,757	39,132,052
	State Aid-Soc Serv Admin	25,686,097	27,000,667	29,301,852	30,667,113	31,276,350	31,916,737	32,590,430
	State Aid-Safety Net Assistance	13,475,137	12,955,609	13,707,474	12,935,978	13,307,845	13,679,664	14,051,806
	State Aid-Child Welfare Services	20,823,333	19,312,022	22,353,803	23,633,341	24,234,989	24,851,678	25,483,784
	State Aid-Serv For Recipients	5,537,543	6,998,055	6,630,002	6,982,322	7,041,307	7,082,524	7,145,047
	State Aid Day Care	7,343,545	7,359,546	7,586,397	7,384,502	7,624,469	7,806,122	8,081,678
	All Other State Aid Accounts	22,927,889	21,904,137	24,888,180	24,114,665	24,476,385	24,843,531	25,216,184
	State Aid Total	158,333,146	159,734,985	170,699,050	173,739,167	177,051,754	180,337,693	183,811,588
	Federal Aid							
	Federal Aid-Family Assistance	45,749,095	44,968,847	46,191,410	43,682,814	44,473,469	45,262,374	46,051,706
	Federal Aid-Soc Serv Admin	25,226,879	22,500,512	24,351,378	24,481,874	25,474,740	26,518,308	27,616,082
	Fed Aid Day Care	15,776,077	19,432,646	19,151,808	17,888,581	18,594,892	19,088,430	19,837,097
	Federal Aid-CWS Foster Care	15,937,655	15,948,993	18,734,108	18,240,389	18,704,627	19,180,471	19,668,211
	Federal Aid-Safety Net TANF Cases	675,554	564,776	557,968	668,450	686,736	705,019	723,318
	All Other Federal Aid Accounts	86,654,791	76,333,214	69,582,685	70,263,252	71,739,151	72,815,238	73,907,467
	Federal Aid Total	190,020,051	179,748,988	178,569,357	175,225,360	179,673,615	183,569,840	187,803,880
	Interfund Revenue	4,047,171	937,788	1,797,388	829,938	406,670	345,669	248,882
	Total Fund 110 Revenue	1,415,239,905	1,415,575,705	1,438,054,797	1,454,648,305	1,484,572,320	1,514,529,631	1,546,517,309

County of Erie
2017-2020 Four-Year Financial Plan
with Proposed Gap Closers

Fund 110 - General Account Type	2014 Actual	2015 Actual	2016 Adopted Budget	2017 Adopted Budget	2018 Projection	2019 Projection	2020 Projection
Expense							
Personal Service Related Expense							
Personal Services							
Full-Time Salaries	162,459,307	166,483,773	182,036,194	183,285,794	186,035,081	188,825,607	191,657,991
Part-Time Wages	2,560,748	2,726,713	3,583,832	3,597,074	3,651,030	3,705,796	3,761,382
Regular Part Time Wages	1,310,590	1,421,632	1,539,438	1,469,739	1,491,785	1,514,162	1,536,874
Seasonal Emp Wages	546,719	694,176	812,862	855,834	868,672	881,702	894,927
Personal Services Total	166,877,364	171,326,295	187,972,326	189,208,441	192,046,568	194,927,266	197,851,175
Employee Payments non-salary							
Shift Differential	997,822	1,065,212	1,124,309	1,113,166	1,129,863	1,146,811	1,164,014
Uniform Allowance	888,000	884,913	913,200	930,450	930,450	930,450	930,450
Holiday Worked	1,544,937	1,574,829	1,715,634	1,659,060	1,683,946	1,709,205	1,734,843
Line-Up	1,880,737	1,935,788	2,032,835	2,156,596	2,188,945	2,221,779	2,255,106
Other Employee Pymts	1,448,718	1,089,703	1,373,998	1,340,996	1,361,111	1,381,528	1,402,251
Overtime	15,296,900	15,345,147	13,940,499	14,042,945	14,253,589	14,467,393	14,684,404
Employee Payments non-salary Total	22,057,114	21,895,592	21,100,475	21,243,213	21,547,904	21,857,166	22,171,067
Fringe Benefits							
Fringe Benefits- FICA	14,184,416	14,467,490	15,793,731	16,010,986	16,339,977	16,584,009	16,831,702
Fringe Benefits-Medical Insurance	40,636,271	40,874,081	44,936,625	49,825,531	52,864,632	55,800,313	58,899,954
Fringe Benefits-Workers Compensation	4,829,578	5,687,577	5,636,121	5,296,563	5,451,052	5,603,654	5,755,584
Fringe Benefits-Unemployment Insur.	354,768	359,393	416,171	313,946	341,751	368,534	396,040
Fringe Benefits-Retiree Med Insur.	22,068,856	27,590,230	31,632,456	33,914,973	36,744,810	39,706,045	43,000,844
Fringe Benefits-Retirement	35,406,545	32,057,935	29,753,473	29,054,090	28,450,784	27,726,729	27,018,731
Fringe Benefits Total	117,480,434	121,036,706	128,168,577	134,416,089	140,193,006	145,789,284	151,902,855
Countywide Personnel Adjustments							
Reductions (Vacancy Savings)		0	(2,000,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
Countywide Personnel Adjustments	0	0	(2,000,000)	(1,100,000)	(1,100,000)	(1,100,000)	(1,100,000)
Personal Service Related Expense Total	306,414,912	314,258,593	335,241,378	343,767,743	352,687,478	361,473,716	370,825,097
Other Departmental Expense							
Supplies & Repairs							
Auto Supplies	1,989,459	1,457,986	2,139,750	1,744,500	1,770,668	1,797,228	1,824,186
All Other	7,704,943	7,005,992	6,947,972	6,746,845	6,848,048	6,950,768	7,055,030
Supplies and Repairs	9,694,403	8,463,978	9,087,722	8,491,345	8,618,715	8,747,996	8,879,216
Other							
Risk Retention	1,880,667	3,656,060	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Control Board	498,239	503,275	495,000	460,000	460,000	460,000	460,000
Rental	4,387,453	4,333,453	4,953,097	4,887,508	4,960,821	5,035,233	5,110,761
DSS Pivot Wages/Chargebacks/Training	5,217,606	4,803,651	5,411,668	5,471,368	5,553,439	5,636,740	5,721,291
Utility Charges	2,372,495	2,374,909	2,881,897	2,462,220	2,499,153	2,536,641	2,574,690
All Other	5,890,114	4,862,200	5,804,987	5,216,175	5,294,418	5,373,834	5,454,441
Other Total	20,246,574	20,533,549	20,546,649	20,497,271	20,767,830	21,042,448	21,321,184
Contractual							
Sales Tax as Aid to Local Governments							
Sales Tax Distrib.to Cities, Towns & Sch Dist. for	297,962,111	302,456,456	307,179,419	309,177,776	314,588,387	320,880,155	327,297,758
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	19,190,330	19,479,789	19,783,973	19,912,678	20,261,150	20,666,373	21,079,700
Sub Total - Local Gov. Sales Tax	329,652,441	334,436,245	339,463,392	341,590,454	347,349,537	354,046,528	360,877,458
Other Agency Contractual or Mandated Payments							
Indigent Defense - Legal Aid/Bar Assoc.	11,586,005	11,846,613	12,024,312	12,324,919	12,509,793	12,697,440	12,887,901
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	4,632,591	7,342,490	7,406,433	7,266,483	7,375,480	7,486,112	7,598,404
Cultural/Community Agencies	5,687,079	5,834,131	5,984,851	6,189,709	6,282,555	6,376,793	6,472,445
Buffalo Bills Game Day Expense	2,092,582	2,152,167.98	2,273,277	2,317,890	2,387,427	2,459,050	2,532,821
Stadium - Working Capital Assistance	1,344,321	1,374,323.76	1,447,068	1,493,613	1,538,421	1,584,574	1,632,111
Social Services/Youth/Mental Health Agencies	68,728,789	71,145,171	72,226,877	76,609,121	77,758,258	78,924,632	80,108,501
Visit Niagara (CVB) Subsidy	3,233,283	3,300,000	3,354,500	3,404,818	3,455,890	3,507,729	3,560,345
Bflo Niagara Film Comm WNED	131,950	133,929	182,938	185,657	188,442	191,268	194,138
Convention Center Subsidy	1,674,750	1,699,871	1,725,369	1,751,250	1,777,519	1,804,182	1,831,244
County Residents at Other Community Colleges	6,389,662	6,864,932	6,800,000	6,967,549	7,106,900	7,249,038	7,394,019
Legislative Eemarks			467,897		0	0	0
All Other Contractual Accounts	18,371,635	17,936,476	21,323,733	21,680,179	22,005,382	22,335,462	22,670,494
Contractual Total	457,182,288	467,723,550	477,869,950	485,906,739	493,392,803	502,320,007	511,417,081
Equipment	1,381,446	2,009,511	1,405,639	1,484,200	1,499,042	1,514,032	1,529,173
Allocation							
Interfund-Erie Community College	15,629,317	15,754,317	16,254,317	16,254,317	16,254,317	16,254,317	16,254,317
Interfund-Utilities Fund	4,609,350	3,607,656	4,971,315	5,282,886	5,388,544	5,496,315	5,606,241
County Share - Grants	5,386,178	4,673,126	5,484,263	5,772,327	5,916,635	6,064,551	6,216,165
Interfund-Road	18,120,497	18,387,525	16,818,436	16,234,914	16,640,787	17,056,807	17,463,227
Interfund -Library Subsidy	58,689	4,000					
Interfund E911 Subsidy	2,792,501	3,422,148	3,713,047	4,057,650	4,138,803	4,221,579	4,306,011
Interdepartmental Billings	(3,204,480)	(3,412,593)	(3,103,368)	(3,097,775)	(3,144,242)	(3,191,405)	(3,239,276)

County of Erie
2017-2020 Four-Year Financial Plan
with Proposed Gap Closers

Fund 110 - General	Account Type	2014 Actual	2015 Actual	2016 Adopted Budget	2017 Adopted Budget	2018 Projection	2019 Projection	2020 Projection
	All Other Allocation Accounts	6,782,294	4,051,862	86,670	50,000	50,750	51,511	52,284
	Allocation Total	50,174,346	46,488,041	44,224,680	44,554,319	45,245,594	45,953,674	46,678,968
	Program Related							
	UPL Expense	15,224,488	10,084,170	-	-	-	-	-
	Indigent Care Adjustment DSH		4,349,285	4,063,000	6,851,114	8,906,448	11,578,383	15,051,897
	DSH Expense	20,697,415	23,079,674	16,200,000	16,200,000	16,200,000	16,200,000	16,200,000
	Sub Total UPL/DSH/ICA ECMCC Subsidy	35,921,903	37,513,129	20,263,000	23,051,114	25,106,448	27,778,383	31,251,897
	MMIS-Medicaid Local Share	211,425,799	199,213,192	201,465,355	203,834,038	203,371,222	209,364,831	207,498,583
	Family Assistance	46,702,843	46,101,178	47,169,442	44,418,814	45,209,469	45,998,374	46,787,706
	CWS - Foster Care	63,284,933	66,733,364	67,803,015	67,940,585	69,639,100	71,380,078	73,164,580
	Safety Net Assistance	49,759,033	48,287,339	51,900,527	48,297,563	49,579,863	50,861,998	52,145,246
	Child Care-DSS	26,078,954	29,561,110	29,435,497	32,523,288	33,671,360	34,473,580	35,690,498
	Children With Special Needs Program	55,877,540	58,307,958	61,418,480	62,144,872	63,387,769	64,655,525	65,948,635
	State Training School	7,145,483	2,151,586	1,141,279	1,050,350	1,050,350	1,050,350	1,050,350
	All Other Program Related Accounts	4,353,529	4,219,771	4,205,258	2,374,932	2,410,556	2,446,714	2,483,415
	Program Related Total	500,550,017	492,088,626	484,801,853	485,635,556	493,426,137	508,009,833	516,020,910
	Debt Service							
	Interest-Revenue Antic Notes		376,683	400,000	1,010,027	1,035,278	1,061,160	1,087,689
	Interfund Debt Service Subsidy	60,798,788	63,298,376	64,476,926	63,301,105	62,209,420	58,541,160	61,271,637
	Debt Service Total	60,798,788	63,675,059	64,876,926	64,311,132	63,244,698	59,602,320	62,359,326
	Other Departmental Expense Total	1,100,027,862	1,100,982,315	1,102,813,419	1,110,880,562	1,126,194,819	1,147,190,309	1,168,205,858
	Total Fund 110 Expense	1,406,442,774	1,415,240,908	1,438,054,797	1,454,648,305	1,478,882,298	1,508,664,026	1,539,030,955
	Revenue Less Expense - Surplus/(Gap)	8,797,131	334,797	0	0	5,690,023	5,865,605	7,486,354

Preliminary Surplus(Gap)	-	5,690,023	5,865,605	7,486,354
Include Additional potential IGT costs not in plan	(18,085,357)	(15,742,678)	(16,142,007)	(10,402,431)
Revised Gap	(18,085,357)	(10,052,655)	(10,276,402)	(2,916,077)

Gap Closers				
Increase in Turnover Savings		1,000,000	1,500,000	1,000,000
Known reduction of Medicaid costs		2,235,641		
Prior year IGT reconciliation credit adjs		6,276,680	1,455,245	
Medicaid Reconciliation credits		6,036,315	868,829	
Cuts to discretionary program costs including personnel services		2,536,721	4,000,000	1,000,000
Adjusted Gap		-	(2,228,581)	(916,077)

Other Potential Gap Closers				
Increase to Sales Tax revenue				
Fringe Benefit savings				
Usage of potential ECMCC credits				
Lower than projected DSS caseloads				
Additional property tax assessment growth				
Appropriation of additional Fund Balance				
Participation in Employer Contribution Stabilization Program				

Other Issues which could impact Budget				
Settlement of Expired Union Contracts				
Gaming Facilities Aid at risk				
Additional Raise the Age costs				
Indigent Legal Defense changes				
Impact of Federal Budget Cuts				
Impact from NYS Budgetary actions				