



Fiscal Concerns Expressed by Control Board

Erie County Comptroller Stefan I. Mychajliw shared the same concerns expressed by the Control Board regarding the proposed 2014 budget, which is now before the Erie County Legislature

(Buffalo) – Erie County Fiscal Stability Authority member Brian Lipke expressed numerous concerns regarding the proposed 2014 Erie County budget during a Control Board meeting at the Buffalo and Erie County Public Library's Central branch in downtown Buffalo. Amongst the concerns expressed during the October 31st, 2013 public meeting:

"Concerned with a dip in sales tax revenue, that it will not meet expectations for this year and for the planned period."

"Concerned with overtime, that they are not meeting expectations in the 2013 budget, and may continue to fall short for the period of the financial plan."

"Concerned the 2014 budget, assuming participation in the pension referral program, up to the next ten years."

"Concerned that the county has extended the use of fund balance as a revenue to balance budgets through 2017."

"There is significant tension: providing what residents want and need while maintaining an affordable cost for those services."

"Officials should work in concert, long term, to provide for 900,000 residents without overburdening taxpayers."

Source: Testimony of Brian Lipke, ECFSA Board Member, October 31st, 2013 meeting, Buffalo and Erie County Public Library

Following the Erie County Fiscal Stability Authority meeting, Erie County Comptroller Stefan I. Mychajliw released the following statement:

"I feel vindicated. The Control Board shared the same concerns the Office of Comptroller expressed regarding the proposed 2014 budget. I have held the administration accountable all year because of their overly aggressive and overly optimistic sales tax revenue projections. They are not reasonable and could create a gap in the 2013 budget."

"Kicking the can on pension payments is a risky gimmick. Using smoke and mirrors and one-shot revenues to balance the budget is no way to run county government. Taxpayers in 2024 should not be forced to pay a pension bill that is due right now. Unnecessary interest payments alone will cost taxpayers an additional \$2.4 million over ten years."

"Using the rainy day fund to balance the budget is as risky as a family using its savings account to pay bills. Eventually you're going to run out of money. All the County Executive is doing with the 2014 budget is sticking his finger in the dam. Increased spending, using one-shot revenues to balance budgets, and kicking the can on pension payments will cause it to break," said Erie County Comptroller Stefan I. Mychajliw.

The Office of Erie County Comptroller also points to Erie County Executive Mark C. Poloncarz's own Budget Director's opposition to the pension amortization plan:

*"One thing I'm really proud about our budget this year (2012) is we really did not rely on one-shots. There are for example, when you pay the retirement bill there is an option to amortize the bill. **There is a one-time savings but it's a long-term cost with high interest rates. It's not a good decision...The alternatives were bad decisions like the retirement amortization is a bad decision. Short term it's great – you get more money now but you're paying a lot more for it in the future. There is no benefit.**"*

Source: Erie County Executive Mark C. Poloncarz's Director of Budget and Management Robert W. Keating, Erie County Fiscal Stability Authority Finance Committee Meeting, 10/19/12

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