

Minutes of the Erie County Fiscal Stability Authority  
Finance Committee Meeting  
October 22, 2020

- Present:** Chair James Sampson, Vice-Chairman Peter Marlette, Director Craig Speers, Director Catherine Creighton, Director Oliver Young, Director Connolly and Executive Director Kenneth Vetter
- Chairman Sampson:** “I'd like to call the Erie County Fiscal Stability Authority Finance Committee, and today we're going to be hearing from Bob Keating and the Budget Office regarding the proposed 2021 Erie county budget. Before we move into that. I'd like to draw everyone's attention to the minutes that you received via email from the most recent Finance Committee meeting. I'd entertain a motion to accept those as submitted.”
- Director Speers:** “So moved.”
- Director Marlette:** “Second.”
- Chairman Sampson:** “All in favor say aye.”
- All:** “Aye.”
- Chairman Sampson:** “Opposed? The motion carries. As Finance Committee, We're now going to move into a review of the 2021-2024 Erie County proposed budget before we start that, Ken, to put you on the on the spot do you have any things you want to say about it after your review, your staff, your review along with the staff.”

**Mr. Vetter:** “Thank you Mr. Chairman, we're in the process of reviewing the budget and financial plan. Thus far, there are some risk factors there and there are some unknowns. I think the fact that we're in a in an odd year with COVID-19, it's a little bit uneasy that it's difficult to apply what's happening this year to future years. But I think in our in our analysis thus far, and it's been consistent with what's been happening at the county for years, what's there thus far has been very responsible. There have been explanations for any kind of variances and for trends that are out there. It doesn't mean that things are going to be easy for the county going forward. And unless, of course, things happen in Washington, hopefully that will make it easier not only for Erie County, but New York state, for the rest of the municipalities in the state.”

**Mr. Vetter:** “The county has done an excellent job of managing both operationally and financially during COVID-19. And I don't think any of us would expect anything different from them going forward.”

**Chairman Sampson:** “Good. Thank you. So what we'll do now is that a presentation by Bob and Ben and then give members of the Authority to have an opportunity to ask questions, so up to you Robert.”

**Mr. Keating:** “Thanks, Jim. And to the board, I'm having video trouble right now, and before it came out, it was both a video screen, the phone screen. I can't see the slides at this point. So, I suggest Ben run through the slides. I can answer any questions if need be. Just keep this thing going. Thanks.”

**Mr. Swanekamp:** “So first we thought we provide a very brief update on where the year 2020 stands. As you may have seen the media and through other reports, stronger than expected sales tax continues to help us decrease the gap from where

we initially projected it. If you recall, back in June, when a deficit was officially declared, per the charter, the controller's original projection was over two hundred and six million dollars. The county executive deficit remediation plan projection was down from that at one hundred thirty- seven million eight thousand dollars as of last week, based on the October sales tax runs, we have the overall gap down to \$51 million dollars.”

**Mr. Keating:**

“So just to chime in, that gap is really is not the total, it's just the revenue shortfalls. So, we have a lot of expenditure savings in the deficit remediation plan. So that's strictly revenue shortfalls and some other issues related to revenue.”

**Mr. Swanekamp:**

“Our gap closing measures are in excess of that amount, which is partially why we were able to reduce the usage of fund balance that was allocated to end the deficit remediation plan.”

**Mr. Swanekamp:**

“Here's a quick overview of expenditures for the 2021 proposed budget. Many of the same categories that typically see nothing crazy there. Revenue for next year there is the use of \$10 million and appropriate fund balance with a steady sales tax figures looking into that in a second state aid, down noticeably from 2020 and the other figures we get into in a second. This is a broad strokes picture of the change this year. The 2020 adopted at \$1.5 billion. We added positions in the 2020 budget, mostly in the health department and for raise the age. There were several new mandates we had to comply with, including a lead poisoning prevention mandate and more raise to age mandates, which brought the kind of total head count to 4783 and the deficit remediation plan. We eliminated 148 positions, mostly vacant, but some filled, and the budget was cut down to \$1.3

billion. Bob will know a large chunk of that was the reduction in sales tax sharing with local government. That's why this figure is so low, right, Bob?"

**Mr. Keating:** "Yes, that's almost maybe two thirds of it."

**Mr. Swanekamp:** "Then with the recovery of sales tax, we're moving up to a proposed budget of \$1.4 billion for 2021 with a further reduction of an additional 98 positions, the vast majority of which are vacant. Even for many of the ones with employed individuals in them, if they will have fallback positions or can move into other vacancies, leaving the county with the total headcount of 4737."

**Director Creighton:** "Ben, where are you taking the jobs from? Where are they coming from?"

**Mr. Swanekamp:** "So the two heaviest hit areas are. DSS, which had a high number of vacancies and jail management division."

**Director Creighton:** "Jail management was the first one?"

**Mr. Swanekamp:** "The Department of Social Services."

**Mr. Swanekamp:** "Overall we're down 5% from the adopted 2020 budget."

**Director Creighton:** "Can I just make a comment? It seems like you might need more people in Department of Social Services if we're in a bad recession and you obviously need less people. We saw the jail numbers are down substantially in that area and that makes sense."

**Mr. Swanekamp:** "They are the largest department. We do have the DSS projections include some projections or increased services next year in various areas, but also a long term some

decreases to those in some of the questions we answer from Ken. We've got some greater detail there. Social Services as by far the largest department, they have a high number of vacancies. And we prioritize vacancies that were existing prior to the soft hiring freeze that we instituted in March as well. So down 5% from adopted 2020. The increase is mainly due to, as I mentioned, the decreased sales tax sharing and also various CARES act cost transfers to be able to move common general fund expenses over to the CRF fund, especially salaries for employees substantially dedicated to the COVID effort. The gap closing measures we took from the initially proposed departmental budgets included. We have all departments to provide five percent cut plans implemented all of those. Departments that did not submit five percent cut plans. We did our own 5% cut plans, generally in consultation with them.”

**Mr. Swanekamp:**

“There was a conversion of some pay as you go projects, including notably a large amount of pay as you go road work to bonded. And we did allocate modest fund balances of ten million dollars. Position changes, so your question, their largest areas were jail management with 64. EC DOH did add staff made to deal with COVID-19 including inspectors for the huge volume of restaurant and other inspections that are required to do now, as well as people in epidemiology.”

**Mr. Swanekamp:**

“Those are all kept in because we knew that at least for another year, I will note for contact tracing, we're focusing on fee for service folks because that we think the large volume of contact tracing won't be needed to be in 2021. So there was not a need to add permanent staff to that. Building and grounds has added staff midyear for increased cleaning requirements for cleaning out throughout the county buildings. You'll note there, it does appear that there's a headcount increase for mental health. All that is as we

reclassified the existing RPT mental health workers to full time. It already been mostly working at 40 hours a week anyway. It was a weird leftover thing from the Collins administration, is my understanding. So we honor that request to just make them proper, full time employees.”

**Mr. Swanekamp:**

“And as I said, vacancy reductions were focused on positions that were vacant prior to the March hiring freeze. And we also, CPS has had a great decrease in caseload during COVID because children were not in school. We did not touch CPS because when people do resume to school, we expect CPS caseloads to return to normal. So this is sort of last minute percent of in sales tax was a very helpful and balancing budget here, especially those October 5th sales payment. What's happening is the reconciliation process is massively favoring upstate counties. New York City is being hit far worse than the rest of the state by COVID when it comes to sales tax revenue.”

**Mr. Swanekamp:**

“So the state's formula tends to favor New York City. In the initial runs, they get more money. Then on the back end, when the reconciliation happens, we are making it up. So most upstate counties saw that reconciliation payment give them substantially more money. The October 5th payment was the largest single sales tax payment ever received.”

**Mr. Keating:**

“That is correct and this reconciliation issue also happened in the prior quarter where we were not mobile, but got less than we really probably deserved. And then the state reconciled that towards the end of the quarter. I expect this thing will continue into the next quarter as well. So the numbers if sales tax is down 10 %, well, maybe it's only down five% or six %. We just don't know until the reconciliation occurs. The next one will be in January. But

the government said this by far this there was a largest sales tax, single payment, a sales tax ever.”

**Mr. Vetter:**

“The payment was so large, even though the bank received the payment and transfer it, the system wouldn't allow for it to show up and that in the county's reconciliation immediately because it wasn't used to getting a transfer that large.”

**Mr. Keating:**

“It's a nice problem to have, isn't it?”

**Mr. Swanekamp:**

“So for 2021, based on that reconciliation payment, Bob's projections changed and we now project 2021 to have a modest decrease of 66% to 20%. So essentially flat 2021 to 2020. Why is that. Even though 2021 is not going to be as COVID heavy, hopefully no. No more New York pause type shutdowns. The first quarter of 2020 showed excellent growth. We do not have to take advantage of in 2020 and this is a conservative estimate. Also of note, there is a new \$4 million dollar intercept from New York State for distressed hospitals that also is driving down the sales tax growth for next year.

**Mr. Swanekamp**

“We're going to get into property tax now. Thanks in part to the New York state tax, we will be seeing another large property tax rate decrease. A 6% rate decrease to stay under the cap. The rate for a thousand goes to \$4.43. You can see the overall trend there. When we last checked, Erie County has the 13th lowest property tax rate in the state. So we're mostly in the area of some of the smaller counties. Here's the rate over time, a little history going back to 2000 with the initial very large Giambra decrease, the slight increase in the early Collins years held steady for a long time and then now the decreases thanks to the tax cap. For this year, the tax cap was 1.56%.”

**Mr. Keating:** “We are in a term of great assessment, growth in the last few years has been really been outstanding, is much larger than typical growth in the years before that.”

**Mr. Swanekamp:** “I will note the areas with the largest sustained growth, the city Buffalo, largely drove that because of their big reassessment project. I think we also saw assessment growth and a few other areas. The city of Lackawanna, Lancaster, and Newstead reassessed in 2020.”

**Mr. Swanekamp:** “We have a handful of new mandates from New York State we're dealing with. The first was previously the county only paid half of the costs of 730 mental competency examinations for trial. Having to pay the full amount is going to be nearly \$2 million per year. That'll be the case going forward unless there are state changes. As I noted earlier, the transfer to distressed hospitals. Also, although not perfectly consistent, we generally are seeing and we have budgeted for and expect a withholding of around 20% of state aid payments to most programs. Just like everyone else, the state seems to be waiting for federal action, which has been delayed continuously. But in the absence and we can't count on federal action, we have budgeted for assuming 20 % reduction in those payments throughout 2021.”

**Mr. Keating:** “So for 2020 we expected to be much more withholding up to this point through now. It's only been \$5 million of withholding, but they may identify withholding. We're still working with the departments to find. There are other cases where payments have been reduced and also the comptroller's office. But there's an article in the Wall Street Journal, that the state is kind of holding off on actions until they see what happens at the Federal level.”

**Mr. Swanekamp:** “Since the county's coronavirus relief funds are required to be used by December 30th, we needed to budget our own funding for COVID-19 operations in 2021. Based on projections from the health department, we've set aside a little over \$20 million as locals for our response. With the current FEMA guidance, we think most of that will be eligible for FEMA reimbursement at 75%. That is eligible as long as the Federal Emergency Declaration is in place. That money is enough to continue contact tracing and continue our lab testing operations, PPE distribution and other key functions like restaurant and other New York inspections that we're required to comply with.”

**Director Creighton:** “Ben, is that what you can use it for, you can't use it for like other purposes, just like the direct COVID response?”

**Mr. Swanekamp:** “Yes. So the FEMA funding reimbursement is much more stringent than the CREF requirement. So it's much more strict. We can't use it for staff salaries and fringe, but we can use it for fee for service folks, things like that. FEMA's also been changing the guidance. We're watching that closely, but as of the budget issuance, we think will be eligible for everything we put in there.”

**Mr. Swanekamp:** “Capital spending. It's essentially steady from the adjusted 2020 budget. The major 2020 budget adopted was \$32.5 million and the adjusted went down to \$22.9 million. That's both DPW feeling they couldn't get to certain projects because of COVID and also trying to contain costs. So we proposed setting up twenty three point three million. That's about on par with the adjusted budget. Many of the projects that were knocked out from that \$32 million to \$22 million. We do have authorization to do onto the consolidated bond

resolution and conditions and what DPW thinks they can do. We may initiate some of those projects in 2020.”

**Mr. Vetter:** “Let me ask, when we had Bill Reuter and he had mentioned that the college was not requesting any money for 2021 for capital projects so that they could focus on the money that's already out there that's unspent for them. Does that \$23.3 million assume anything for the college?”

**Mr. Keating:** “But again, that was a big help from the college. We really appreciate that and helped us balance our capital program. Well, there's a project for like basically like a subsidy project that's there for under a million dollars. But the main project usually be around \$4 million. That's really the big savings.”

**Mr. Swanekamp:** “Yeah. There's a seven hundred and twenty thousand dollars bonded for college wide equipment.”

**Mr. Keating:** “Which is like part of the maintenance of effort we provide the college.”

**Mr. Swanekamp:** “So overall, sort of final takeaways here in the budget proposal, we feel this is a fiscally responsible budget that maintain services for the most part. While we can respond to COVID, we have yet another and a very significant property tax rate reduction. We've stayed on the tax cap and we managed to fund the new mandates, intercepts from New York state. Very briefly on the four -year plan, we're assuming a two percent per year property tax increase from assessment growth. The real estate market is still extremely strong. We expect the assessment growth to continue and sales tax holds essentially flat for 2021. And then we project increases as the economy recovers beyond 2021. We do not project any fund balanced usage beyond the 2021 budget. Beyond the \$10 million is included here and we have

a slowly recovering New York State aid cuts, assuming 20 % aid cut in 2021 and then decreasing those aid cuts over time as hopefully the state recovers. We went pretty conservative there. That's all I have for the slideshow."

**Chairman Sampson:** "Well, there were no questions from the board members. Why don't we just go around the screen and start with Cathy?"

**Director Creighton:** "Well, Ben what are the projects that you're not going forward with that when that cut from 30 to 20?"

**Mr. Swanekamp:** "I've got that right here. Give me half second."

**Director Creighton:** "This is by and large way better news than I thought we'd be hearing."

**Mr. Swanekamp:** "They pushed out the Borden Rd to 2021. They pushed out the design of new road to 2021, the remediation of the slide on Trevitt Road. The Springville Dam project, which is a federal aid project was not done this year that's been pushed out. General bridge design has been pushed out. Culvert design has been pushed out. The town's project was canceled. Design on William Street and design on North Forest Road were pushed back. And design on the Beamon Creek Bridge was pushed back. And the federal Elmwood pedestrian bicycle improvements was pushed back."

**Mr. Keating:** "As far as I know, these products we all plan to continue with these products, just that DPW couldn't get to them and there will be no suffering by pushing them back a year."

**Director Creighton:** "What about what about the money the county executive is talking about for broadband.?"

**Mr. Swanekamp:** “That was that was canceled, that funding was for design that had been in E&P's professional services budget, not capital funding. We will use that money as part of the deficit remediation plan.”

**Director Creighton:** “OK, thank you. I mean, by and large, this is better than you thought you were. You'd be back in May.”

**Mr. Swanekamp:** “Oh, God, yeah. Yeah.”

**Mr. Keating:** “ I mean, just look at our revenue loss projection went from \$137 to \$51.4 and that's like from late May to early October. Things have turned around tremendously and we've got some good news in sales tax. We got a favorable Medicaid settlement. A change in our Medicaid rates was very helpful. Second quarter sales tax adjustment that is not as big as the third quarter but all in all, generally good news. And now though the bed tax is not great, it's starting to come back a little bit. So it's very positive.”

**Director Creighton:** “Just got to keep the COVID rates down and business up.”

**Director Marlette:** “Yeah, just some general comments. I mean, again, I'm pleased shock, whatever, relative to the sales tax, I thought it was going to fall through the floor and obviously pleasantly surprised that it hasn't. So that's great. I think I like your property tax assessment, the 2% increase. I think that that is a legitimate projection for that. I tend to agree. I think it might be conservative, which we see in the property values going up in western New York. I remain concerned about ECMC. I know that they've gotten some federal stimulus money and I'm concerned about the amount of money going forward, depending on, you know, what happens in the next couple of weeks. You want to comment on ECMC for us?”

**Mr. Keating:**

“Well, again, we work with them. You know, we got a great relationship with ECMC. And I mean, we work with them getting their best information on how much like the payments are expected to be on a cash basis can work again. We're cash basis. They may get the revenue this year and then we may pay the bill for two years later. We have a good relationship with the state, good relationship with ECMC. We are just trying to get a sense of how much the bills are going to be. We don't want to be surprised. You're on a budget like \$20 to \$30 million and ends up being \$70 million. We want to have a sense that I feel we're in a good place there. It's unfortunate. There's a lot of money, you know, we're paying and we have really no control over the program, but. It is what it is, it's part of the arrangement and we're making it work.”

**Director Marlette:**

“Ok, well, keep an eye on it. I think the other thing that I am thrilled. I mean, my God, we haven't sat up in a budget meeting in years in which one of the first questions isn't about the rising overtime costs. It's nice to see, nice to see that that has gone down and I know there's various reasons for that.”

**Chairman Sampson:**

“Is there's been any further questions?”

**Director Marlette:**

“I'm generally pleased with this and the way it's going. And surprise, surprise from what we would have seen, you know, projections three months ago or so.”

**Mr. Keating:**

“I'm glad the budget releases October not much like, you know, so.”

**Director Young:**

“I don't think I have a question I just want to make a comment. I want to compliment the Budget Office on putting together a 2021 budget and the four- year plan, even with

the large sales tax payment. I'm sure it was it was still a tough process on the go. Of course, I certainly hope that the assumptions that were made, especially on sales tax revenue and the assumptions on how quickly the economy is going to turn around will prove to be to be true. Fingers crossed, of course. I guess I do have a question and more of a long range kind of question. And that is whether it... Is there, I hope someone in the back office, that budget who is looking at a disaster plan for the worst case scenario, you know, if COVID-19 causes another March 2020 shut down, and I hope there's someone that's working on contingency plans for that kind of situation. We're in such uncertain times right now, and I don't want to comment on that.”

**Mr. Swanekamp:**

“Well, part of it is, I mean, we are using fairly conservative numbers for 2021 sales tax bills and a bit of padding and also probably a worst case scenario for what the state could do in terms of the 10 percent aid cuts. So that's both in there. But the biggest thing to avoid getting into another New York pause scenario with everything getting shut down again is to be highly responsive to COVID and making sure the county health department has the resources they need to stay on top of it, keeping that infection rate well below five percent, et cetera. And so even as we see the rest of the country and even other counties near Erie pop off, Erie County has been able to contain our hospitalization rate and infection rate. So making sure DOH can do what they do is probably a huge part of avoiding that contingency thinking.”

**Mr. Keating:**

“There are so many uncertainties going forward. I mean, some could be a really positive results once we get federal a federal stimulus, and then that would actually benefit us with less state withholding. But on the other side, like you're saying, if new state pause does happen or the economy has

trouble, you know, we're ready for it. But, you know, it is contingency.”

**Chairman Sampson:** “Thank you. Thanks, Jim Connelly”

**Director Connolly:** “Yes. I'd just like to make a comment on the budget before I go further and I echo everything that all have said. It's shocking when we're working with right now. Unbelievable. I have worked on a lot of budgets and my banking days and on school boards and town boards and water authority, I never saw budgets so well presented. I mean, this is really simple for people who aren't familiar with budgets to be able to see and so thoroughly and the presentation and all the rest connected to this. I want to compliment all those who have worked on that. It really is a great, great way of presenting things and very thorough. So kudos to you people. I think that the projections on revenues and expenses seem to be relatively conservative. And that's very that's good. That's certainly the way I would prefer to see it always. I don't know, though, is there that we keep talking about the unknown because it always seems to pop up occasionally with favorable lending rates, or do we look at anything as a back up way to, you know, backload something because the rates are so good at this particular time? And they certainly could change, I don't think, immediately or imminently, but they will certainly go back up like always happens. Is there any consideration of anything regarding cautionary lending that would be available at this point?”

**Mr. Keating:** “Look, like, for example, we just we just did disclosed our capital bond sale in 2020. And a big portion of that was refunding we're getting significant savings on that. Just the rates are spectacular. Now you look at the rates in 2021 for a 2021 bond sale versus in 2019 and 2018, it's like the rates

are like one third of what they were in 2018 you know. So yeah. Any, any aspect we're looking at and I really appreciate that. Thank you so much. On the presentation we look at each year, look at the budget, how can we make this budget easier for the public to read? What can we do to you know, I mean, we do this every day, so is something that makes sense to us. Would it make sense to people that don't do it every day? So let's make it as user friendly and reader friendly as possible. So we explain our tell our story and it's easier to follow. So thank you so much on that.”

**Director Connolly:** “Now, you've succeeded. No question about it.”

**Chairman Sampson:** “Any more questions, Jim?”

**Director Connolly:** “No, I think that's about it.”

**Chairman Sampson:** “Craig, are you in there anymore?”

**Director Speers:** “Yes, thanks, Jim. Yeah, I'd like to agree with the rest of my colleagues on the on the authority that this is a very sound budget. And I think it really speaks to the efficacy of having enough undesignated fund balance to cover on the unanticipated crises that may occur. Obviously, in January and February. No one had any idea of this COVID- 19 crisis would impact us to the degree it did. But because the county had sufficient undesignated designated fund balance, it allowed it to continue operations and make adjustments. And looking at the level of fund balance that, you know, you had at the beginning of the fiscal year, it was not an unreasonable amount. It was well within the state comptroller's guidelines. I think that that's a huge positive for continuing in stable operations of the county. I just have a couple of questions that I'd like to ask. I noticed an increase in the Erie County Department of Health Staffing, and, you

know, Ben stated that this was for increased numbers of inspectors because of the COVID- 19 crisis. And will folks who have been laid off from other positions in Erie County be employed in these new temporary inspector positions?”

**Mr. Swanekamp:** “So I mean, I’m sure that if they have a bachelor’s of science degree, they’re certainly eligible to apply for it. The investigating public health sanitarium title is pretty carefully regimented by New York State with a fixed training process and things like that. I think they mostly brought back a handful of inspectors had been laid off earlier in the year, and so they brought those back for those folks back first and then anybody else that had been on the list or had taken the test. So they went for.”

**Director Speers:** “Ok, do we have a re-employment plan, for example, for the sheriff’s deputies that may have been laid off because of the decreased utilization of the holding center?”

**Mr. Swanekamp:** “Well, for those folks, I mean, there’s actually going to be even fewer positions in 2021 based on the proposed budget due to the decreased census and the sheriff’s plan to consolidate services over at the correctional facility and focus on using the holding center as essentially a intake and reentry hub. Now, thankfully, it looks like what we did, a quick assessment up here at vacant positions and fallback jobs in the sheriff’s department. And it looks like many individuals will be able to have a fallback position to go to, leaving only, I believe, file 19 Bob, that we did not think would be able to be employed by the county.”

**Mr. Keating:** “Is where there are. They could be bounced back to a lesser position. So that may be vacant. So 2019 is like the worst. Worst case scenario is 19 and as retirements and other things happen as vacancies are created, then someone

could bounce back to a vacant position so we can calculate nineteen being the absolute worst case scenario for people out the door on January 1st.”

**Director Speers:** ‘So those folks would basically be under some type of preferred hiring program for later on in the 2021 fiscal year.”

**Mr. Swanekamp:** “I mean, if they if the sheriff decides to add positions elsewhere or if we get federal aid to add positions back, possibly, we've always said that a federal aid package came through, we could restore certain positions and certainly they have rights under collective bargaining if that position adds back up. I'm sure the person the personnel office can assist with that as well.”

**Mr. Keating:** “The sheriff in their budget process, you know, they in their budget presentation, they had some cuts on their own. And then but to make to balance the budget, we were asking for five percent cut packages for all departments. You know, in that that cut package, they added some more jobs. So they would prefer having less jobs being cut. But to balance the budget, we need to take some drastic action. And the sheriff and the team were very, very helpful and worked well with us.”

**Director Speers:** “Well, that's overall good news. I mean, the reduction in overtime at the holding center, as Peter referred to earlier, is certainly a positive, positive development. And of course, this all hinges upon the continued low levels of inmates at the at the holding center that if that spikes for some unknown reason, of course, those costs will go up. I do have a question about the capital budget on page one. Twenty two of the of the special funds book that was given to us on one twenty two there's a line for two million dollars for vehicle equipment and replacement for the DPW Highway Division.

And part of that is slightly disturbing to me. It says where possible, the highway fleet will be drastically cut. And new vehicles are right sized for need, you know, one of the problems I think, that the county ran into during the red green budgets was that a lot of our heavy duty highway equipment that we use that is essential for snow and ice removal in the wintertime was surplus sold out. And then unfortunately, there was a very large shortage of front line equipment and reserve equipment to maintain the county highway system, which is, of course, we all know very large, larger than the state of Rhode Island's state system. So that's a concern, Bob, about any drastic reduction in the number of highway vehicles if you don't have sufficient front line equipment and reserve equipment. I think that's something that needs to be reexamined.”

**Mr. Keating:**

“But we're sure we do have a process, we are leasing a lot of specialized equipment and it's great. They can get all sorts of things, at least that equipment, and it helps them prepare for any situation. So whatever happens, they can lease additional equipment for it, for a short term to help them go through a crisis or just a special need. These are more just more basic vehicles as opposed to the specialized ones. Specialized ones are coming through that lease program, which has worked out spectacularly, in my view.”

**Director Speers:**

“That sounds good. Bob, thank you for that. Another question I have is about whether the county has requested CEMA or FEMA reimbursement for the May June extraordinary civil disturbance expenses. I'm referring specifically to overtime costs incurred by the Erie County Sheriff's Department in responding to mutual aid during these civil disturbances. Has the county submitted any reimbursement requests to the state or the feds for that money?”

**Mr. Keating:** “Ben, do you have any insight that I'm not aware that we have?”.

**Mr. Swanekamp:** “No, I'm not aware of any and we have not done a FEMA application. We have an open FEMA app for COVID, although we have not use it yet because we've been using CRF funding and the two are mutually exclusive. I am not processing any FEMA application for that.”

**Director Speers:** “Well, are we eligible to submit applications for the civil disturbances for reimbursement?”

**Mr. Keating:** “We will check with our team. And that's what well, we appreciate the tip, you know, we'll see if they looked into it and what's happened. Thank you.”

**Director Speers:** “I was just thinking about that when I was looking through the budget book. If they can get some additional state or federal aid for those overtime expenses, I'm sure that would be somewhat helpful. Ok, I think they have one last question here about. Oh, yeah, as far as the COVID- 19 federal aid is concerned, how much has been received so far today from the feds and how much have we expended?”

**Mr. Keating:** “Well, so far the thinking they gave us a lump sum of one hundred and sixty million and we established just a brand new fund just for, you know, COVID-19 expenses. And we're you know, we're stockpiling equipment and supplies. And money's been earmarked for various programs, either for county spending or for public for benefit, like school districts and cities and small businesses. I mean, then if you want to get into all the different programs we've started, but for the most part, everything. But right now everything, the balance,

say like three million right now is unspoken for everything else that's been either spent or earmarked for a program.”

**Mr. Swanekamp:**

“There are funds and reservations in place for a variety of large programs that you may have heard about in the news. We have a small business lending assistance program that already has applications of \$20 million. There's a program for folks who are falling behind on rent or mortgage payments due to COVID and then also an array of programs for childcare. That's been a huge challenge for people with virtual learning centers and support for traditional daycare centers, as well as enhancing the county's existing daycare subsidy program. And then we've also given direct aid to school districts have had extraordinary expenses due to COVID as well as we're currently wrapping up a program of reimbursing municipalities for their cover related expenses as well. So as of right now, we're ensuring all the money stays in Erie County does not have to get sent back to Treasury.”

**Mr. Keating:**

“Right. Ben, do you want to expand upon the Tycor building and how that's going to benefit us in the future?”

**Mr. Swanekamp:**

“Oh, yeah, that's so basically the contact tracing operation as a pretty high number of people and they've been having to move around from borrowed space to borrowed space. So we're moving the epidemiology team and the contact tracers into a building the county owned but wasn't kind of rough shape around Franklin in the Tycor building. So that's being set up as a more modern office building for that contact tracing operation going forward.”

**Mr. Keating:**

“The costs of that are well funded by CRF funding.”

**Director Speers:** “That building is a kitty corner from the Rath building, correct?”

**Mr. Swanekamp:** “Correct.”

**Director Creighton:** “Ok, well, that's good, because you can use that money that's been kind of an eyesore.”

**Director Speers:** “Oh, yes, that's very true Cathy, I agree with that.”

**Mr. Keating:** “Great location, that's about as it was before.”

**Director Speers:** “So that's a very old building. My last question is this. As of the end of this fiscal year, 12/31/20 do you have any estimate as to what the undesignated fund balance will be for the county general fund?”

**Mr. Keating:** “Yeah, at this point, again, it's incredibly fluid with, the sales taxes are up and down and like we're still waiting for a major state, owes us money for enhanced FMAP going back four years. You know that we projected to happen in 2020. We expect a late IGT payment to happen in 2020. But on our projections, we expect to increase our free and clear fund balance by about four hundred thousand. That's our current projection that could change, certainly. But we expect fund balance to go from \$102.9 million to free and clear to \$103.3million. So that's a positive. We'll fully be using overall fund balance, go down significantly, but not as bad as we thought it was going to go down. You know, earlier on in the process, like the deficit remediation plan, we had \$25.5 million fund balance, current fund balance that was earmarked to be used to cover the shortfalls in 2020. That's already been put aside. That's already been restored to fund balance. We're not using that. We carried forward \$29 million from our 2018 surplus to be used to balance 2020. We're

hoping not to use any of that. We haven't used it through August, haven't used a penny of that, and we're hoping we can let that return to fund balance too. So while that's we will see.”

**Director Speers:** “That is really excellent. I mean that says something for the ability to you know, really to accommodate this very unusual crisis.”

**Mr. Keating:** “Again, we worked over the last administration to really build our fund. I mean, conservatively, each year increase fund balance and not, you know, add \$40 million to it, but actually conservative budgets and fiscal conservative results and have each year increase the fund balance, you know, and so we're at a place now where when a crisis does happen, we are we have a tools in the toolbox.”

**Director Speers:** “Absolutely correct and that's one of the dangers that municipal governments face in the state, is the fact that if you don't have sufficient fund balance, it's a real problem when you get to crunch time in a unanticipated crisis, whether it's a health crisis, whether it's some type of weather related storm, you know, it really handicaps government. And you guys have been able to transition to this thing very, very well. So, thanks very much for the information. I appreciate it.”

**Chairman Sampson:** “Thank you. Thanks, Craig. Any other questions?”

**Director Creighton:** “I just had a question of whether are you guys following the census information and how are we looking if you are?”

**Mr. Swanekamp:** “Erie County was still looking above the state average, but Buffalo is below.”

**Chairman Sampson:** “I last tracked, I think just make a couple of observations. I think the questions that have already been offered in your presentation, most of my questions were answered, but the reduction of the holding center and the correctional facility was for was fortuitous. If you look at a much different kind of circumstance, if that had not happened, I think a majority of our staff reductions have come, is that correct?”

**Mr. Swanekamp:** “Between the eight-year plan and this, yes.”

**Mr. Keating:** “And again, so much is due to the impact to raise the age and then the bail reform legislation.”

**Chairman Sampson:** "Yeah, and I would anticipate unless there's changes in those pieces of legislation that my sense will continue to trickle down or hold where it's at. The other observation is that you're exactly right that when lots of public schools open, you may see a lot of CPS complaints, which is troubling, that issues are probably out there and we're not identifying them at this point. But there's a lot of them do come through the school. And then just one general observation is that. I think you are, as everybody has done, commended for not only the budget presentation, but how the county and has functioned over the past number of months to this pandemic. And I think one of the reasons you were able to manage it is because you had a firm basis to work from which I think is what I was referring to. So, a lot of the organizations that are really struggling, I would use your community colleges. One is that this crisis aggravated preexisting conditions. So, I think you're. I would commend you and I take all the hard work that you've done over the past few years is the primary reason you've been able to manage through this so that we don't have to take a vote, is that correct?"

**Mr. Vetter:** "That's correct, sir."

**Chairman Sampson:** "Because we're in finance committee. But we will reconvene as the entire Fiscal Stability Authority next Friday, October 30th at 10 o'clock, right?"

**Mr. Vetter:** "Yes."

**Chairman Sampson:** "At which time we will go to another presentation that I imagine will be a short meeting. And if there's any questions that come up between now and then, and I think, again, one observation, there may be a couple of others that we respond to. So, are there any other questions?"

**Chairman Sampson:** "Bob or Ben... Anything else you want to say?"

**Mr. Keating:** "Just basically thank you for the kind words and help helping us to review the budget and we want the best budget out there and we just appreciate your support."

**Director Creighton:** "Thanks for your hard work."

**Chairman Sampson:** "I'm still perplexed about sales tax."

**Director Creighton:** "I don't know where it is coming from."

**Chairman Sampson:** "You know, so much for Canadian shoppers. So, you know."

**Mr. Keating:** "And again, Internet sales, I mean, became a hot topic back in June of nineteen. So that was a perfect time for that to happen. You know that, really. So, we're getting a major benefit in 2020 from the Internet sales."

**Director Young:** "I remember once and this is like many, many years ago, calling us the tax department because that was, of course,

purchasing from out of state vendor and being charged sales tax. I always wondered, how are they getting that money? You know, I mean, it was eBay is different because now you can track that by just a small outfit in Montana. How do you how do you get that sales tax money that you send when you make that purchase? Who's checking that and confirming that and is showing up in the coffers of Erie County? I just put it out there. You don't have to respond, but it's always bugged me for so long as time."

**Mr. Keating:** "It's only keeps you up at night sometimes, you know that."

**Director Young:** "I don't mind paying if I know for sure it's going to come to Erie County."

**Director Speers:** "Or going somewhere, some other Erie County right?"

**Director Young:** "Here, county or stays in the pocket of the vendor."

**Chairman Sampson:** "That there's no further questions or observations I entertain a motion to adjourn."

**Director Speers:** "So moved."

**Director Young:** "Second."

**Chairman Sampson:** "All in favor say I."

**All:** " Aye."

**Chairman Sampson:** "Motion carries carriers. We will reconnect next Friday."

Respectfully submitted,

---

James Sampson  
Chairman  
October 22,2020