

***Erie County Fiscal Stability Authority  
Planning Document  
January 2016***

**Introduction**

Since June of 2009, the ECFSA has been in an advisory period wherein, the Authority is not in the position to approve county hiring or contracts. However, the ECFSA has continued to provide assistance to Erie County in its achievement of long-term financial health.

ECFSA advisory responsibilities include:

1. Obtaining relevant financial, budgetary and managerial information from the county
2. Inspecting the county's books and records
3. Examining the potential to maximize county revenues
4. Review the county's compliance with the four-year plan
5. Make recommendations that can improve management efficiency and productivity
6. Consult with the County as it prepares its annual budget and related financial plan
7. Comment on the County's budget and financial plan
8. Review and comment on the terms of any proposed borrowing
9. Propose ECFSA borrowing on behalf of the county when appropriate
10. Assess the impact of any collective bargaining agreement

## **ECFSA Activities/Reviews to Meet its Charge**

The Stability Authority will aggressively pursue its charge through a number of actions including:

### **1. Regular Report Reviews**

The county regularly provides financial documents that paint a picture of its current and future financial position. The Stability Authority will be taking those reports on a regular basis and providing analysis on the potential for problem and potentially beneficial issues the county would have to incorporate into its financial planning cycle. The following is a synopsis of those reports:

- *Erie County and ECC Budgets and Financial Plans* – Under the act that governs the ECFSA, the Stability Authority must review the county and related entity's budgets and related financial plans. The County's recommended budget is due no later than October 15<sup>th</sup> each year. The county has been forwarding its adopted budget and related plan in December of each year. Erie Community College's budget is released in May, at the end of the current school year, for the upcoming fiscal year that begins on September 1<sup>st</sup>. The ECFSA will review those budgets and financial plans and comment as required under the act that created the Authority.
- *BMR (Budget Monitoring Report)* – a comparison of the County's budgeted revenues and expenditures to its actuals, on a year-to-date basis, by month. Near year-end, this report also includes year-end forecasts. The ECFSA reviews the documents and access/create more detailed reports related to the main document to highlight potential financial risks and opportunities.
- *Published Financials* – Erie County publishes quarterly (interim) and annual (audited & unaudited) financials that include relevant profit and loss statements, as well as fund balances and cash flows for the county general fund, related funds and

entities. The ECFSA review the county's financial position and comment on any issues that can be gleaned through appropriate analyses.

- *Hiring/Vacancies* – The ECFSA has been reviewing vacancies on a regular basis to provide reasonable assurance that savings created are sufficient to generated turnover amounts listed in the county's budget. Those efforts, with the inclusion of filled positions, will continue on a regular basis.
- *Audits (Special)* – The County Comptroller and various New York State entities perform targeted audits on the County on an as-needed basis. The ECFSA will remain apprised of those audits, and perform any necessary follow-up analyses.

## **2. Special Item Reviews**

- *Legislation (Local)* – The ECFSA will keep apprised of proposed and pending legislation that could impact the county's short and/or long term financial position and provide advice, when appropriate, to assist the county in making the best decisions for its residents and taxpayers.
- *Legislation (State & Federal)* - The ECFSA will keep apprised of proposed and pending legislation that could impact the county's short and/or long term financial position and provide support for the county to facilitate beneficial legislation or point out legislation that could be detrimental to the county.
- *Mid-year Budget Hearings* – The ECFSA will maintain a presence at the hearings, keep apprised and report on potential and current financial issues and provide advice, when appropriate, to assist the county in making the best decisions for its residents and taxpayers.
- *Labor Negotiations* – The ECFSA will continue to monitor labor negotiations to provide support for structuring

agreements to provide efficiencies, while maintaining a well trained, productive workforce for the County and has partially funded a number of agreements that provide for long-term county labor productivity and savings.

### **3. ECFSA Generated Reviews**

- Efficiency Grants – The ECFSA approved \$17 million in efficiency grants to facilitate ongoing savings for Erie County Taxpayers. The county has pledged that each of these grants would create ongoing savings for the taxpayers of Erie County.
- Erie County Debt – Through a series of issuances, the Erie County Fiscal Stability Authority has saved the county and the Erie County Medical Center Corporation more than \$177 million in debt service costs. The Authority will continue to review the county's issuances and propose ECFSA borrowings on behalf of the county when appropriate.
- Sales Tax – At a budget in excess of \$446 million, Erie County relies very heavily on sales tax receipts. The Stability Authority distributes payment by payment analyses on this substantial, volatile revenue.
- Social Services Programs – Health and Human Services programs (particularly those in the Department of Social Services) comprise a significant portion of the Erie County Budget. These expenditures are primarily driven by units of service and cost per unit. These caseload and cost per case data are critical in determining the County's program expenditures. The ECFSA will closely monitor caseloads and cost per case statistics and report on any variances that could be beneficial or problematic for the County's finances.

#### 4. Direct Benefit Activities

There are a number of initiatives in which the ECFSA can provide direct financial benefit to the County Taxpayers. The ECFSA plans to aggressively pursue those items. They include:

- *Borrowing* –The ECFSA will continue to analyze borrowing savings and offer the use of its higher bond rating to save on debt costs for Erie County.
- *Budget Specific Guidance* – The ECFSA provides advice that helps the Legislature in its budget deliberations. The ECFSA will continue to provide sound budget and financial recommendations to Erie County officials that benefit County taxpayers.
- *Ongoing Sound Business Advice* – In the past, the ECFSA has provided sound business advice to County Officials on a number of issues. The ECFSA will continue to provide that type of business advice to the County in an advisory status.

