



# ERIE COUNTY BUDGET 2011



*Newly Renovated Buffalo Niagara Convention Center*

## COUNTY EXECUTIVE'S BUDGET MESSAGE & SUMMARY

INCLUDING FOUR-YEAR OPERATIONS PLAN  
FISCAL YEARS 2011-2014



**Lean  
Six Sigma**

**CHRIS COLLINS**  
COUNTY EXECUTIVE

**GREGORY G. GACH**  
DIRECTOR OF BUDGET  
& MANAGEMENT

# Erie County's Road to a Bright Future



# TABLE OF CONTENTS

---

	<u>Page</u>
<b>County Executive's Budget Message</b>	
Letter of Transmittal .....	iii
Economic Stress Absorbed in 2011 .....	xi
<b>Four-Year Operations Plan Fiscal Years 2011 – 2014</b>	
Introduction to Four-Year Operations Plan .....	1
Four-Year Operations Plan Detail.....	3
<b>Key Reform Initiatives</b>	
Lean Six-Sigma .....	7
Real Estate/Space Utilization .....	14
<b>Overview</b>	
Erie County Elected Officials Organizational Chart .....	15
Erie County Organizational Chart .....	16
Snapshot of Erie County .....	17
<b>Understanding the 2011 Erie County Budget</b>	
Revenue/Expense Overview .....	21
Summary of Undesignated Fund Balance.....	22
Tax Liens.....	23
Restated Fund Balance.....	24
Outstanding Debt .....	25
<b>Overview of Revenues</b>	
Property Tax Revenues.....	27
Sales Tax Revenues .....	31
Sales Tax Historical Data .....	32
Sales Tax Sharing .....	33
All Other Revenues .....	34
State Partial Reimbursement .....	37
Federal Partial Reimbursement.....	42

**Overview of Expenditures**

Operating Fund Expenditures .....47  
Fringe Benefits .....64  
Union Contracts.....66

**Budget Process and Financial Structure**

Budget Process .....67  
Operating Budget Calendar .....71  
Financial Structure.....72

**Glossary** .....79

---

# COUNTY EXECUTIVE'S BUDGET MESSAGE & SUMMARY





# COUNTY OF ERIE

**CHRIS COLLINS**

COUNTY EXECUTIVE

October 1, 2010

The Honorable Erie County Legislature  
92 Franklin Street  
Buffalo, NY 14202

Dear Honorable Members:

## **Introduction**

Enclosed are the Erie County Executive Recommended 2011 Budget and the 2011-2014 Four-Year Operations Plan for review and approval by your Honorable Body.

There is no responsibility I take more seriously as County Executive than the careful stewardship of County finances. Protecting and wisely spending taxpayer dollars speaks to the core of my mission as County Executive. My proposed 2011 Budget respects that mission by making important investments in our future, while at the same time, honoring today's commitments today instead of passing the burden to future administrations and future generations.

Before detailing my proposed 2011 Budget, let me take a moment to reflect on our recent fiscal achievements and the mounting pressures Erie County faces. As the result of our prudent and diligent fiscal management, my administration ended 2009 with a \$44 million surplus. As you are aware, last year's surplus was not wasted or squandered, nor was it spent on new jobs or programs. To date, we are on track to end 2010 with a surplus as well.

As County Executive, I am proud to say that Erie County's balance sheet is pristine and is one of the strongest in all of New York State. We have achieved a \$108 million reduction of long-term debt from \$562 million to \$454 million. We have increased our undesignated fund balance to \$74 million, which is \$40 million above and beyond the Charter recommended level.

As I propose this Budget, our nation continues its long, laborious climb out of the worst recession since the Great Depression. As our nation struggles to recover, unemployment and underemployment remain near historic highs, and New York State is struggling to stay solvent. Unfortunately, Erie County is not immune. As my administration prepared this proposed Budget, we were facing a shortfall of approximately \$30 million.

Our 2011 shortfall is not of our own making. Instead, it is the culmination of a weak national economy and increasing burdens passed on from New York State. **Our sales tax revenue, which accounts for slightly more than 50% of all County revenues, is still below 2008 collections because of the recession and a protracted adjustment in consumer spending.** In addition, the historic growth in property values (4.2% each year due to increased assessments and new construction) fell far below expectations to only 1.4% for 2011.

To make matters worse, Albany continues its favorite game of cost-shifting to county governments. In addition to cutting funding and increasing county share for numerous mandated programs and services, Albany has made no effort to rein in our State's over generous and out of control Medicaid program. Erie County's Medicaid bill for 2011 will be \$206.6 million, reflecting a \$6 million increase from this year. Nearly every dollar of property tax collected by Erie County goes to New York State to pay our Medicaid bill. For 2011, Congress has promised Erie County \$13 million in Medicaid relief as an extension of the Federal stimulus package. This is the final allocation of Medicaid relief. To date, our State leaders are unwilling to have a frank debate about eliminating optional Medicaid programs that would curb costs and reduce the tax burden, while still maintaining a vital safety net established by Federal minimum standards.

New York State's pension system is another disaster for taxpayers, created by decades of smoke and mirror politics in Albany. As the system is currently structured, costs are unaffordable. New York State recently notified Erie County to expect an approximately 40% increase in our pension rate for 2011 from 11.9% to 16.3% of payroll. While there is no short term solution, I continue to advocate for the creation of a new defined contribution pension tier that eliminates overtime in the final calculation and increases retirement age to 65. These necessary changes would help fix the burden of pension costs for future generations. Erie County is one of the only counties in New York State to fully fund our 2011 pension obligation and will not defer any portion into future years.

**Despite the ongoing challenges the economy presents, this budget maintains critical services related to public safety and quality of life including upgrades to our parks and beaches; invests in our infrastructure and cultural tourism initiatives, and continues our efforts to become as efficient as possible to help save taxpayer dollars through Lean Six Sigma and technology improvements.**

**I am pleased to propose a 0% increase in the property tax rate as part of my 2011 Budget. As a result, our tax rate remains the same at \$5.03 per \$1,000 of assessed property value. This Budget does take into account local assessment growth of 1.4%. Erie County's property tax rate remains one the lowest in all of New York State.**

While it appears that our 2010 sales tax collections will be on budget, actual 2010 collections are still well below 2008 sales tax revenues. In addition, even though the Federal government has officially declared that the recession is over, we do not expect sales tax growth in 2011 to be much greater than the rate of inflation. **We are forecasting 3% sales tax growth for 2011, but it should be noted that our budgeted sales tax for 2011 will still be less than 2008 revenues.** We should also acknowledge that the days of our economy being buoyed by Canadian tourists and shoppers have come to an end. According to recent figures, traffic on the Peace Bridge is down 31% since 2000, the result of a combination of a congested border crossing and increased security regulations. It is safe to assume that Canadian traffic will not increase until a new Peace Bridge is built, which is currently estimated to be at least eight years away.

#### **Employee Reduction**

Due to the fiscal pressures outlined above, it became clear to my administration that a balanced budget without a property tax rate increase would require a reduction in the Erie County workforce. **While I do not like to see anyone lose their job, I have a commitment to continue to streamline Erie County government and provide services with the fewest number of taxpayer supported positions as possible. To that end, my proposed Budget calls for the elimination of 410 positions (223 currently filled/187 net reduction in vacant positions).** This employee reduction is impacting the majority of county departments. As my administration continues to implement technology improvements to streamline our service delivery systems, we will look to reduce additional positions when and where possible.

In addition, my administration continues, despite court challenges from the unions, to implement our successful Regular Part Time or RPT employee policy. These employees work as many as 39 hours a week, but receive half of the regular employee time-off benefit package. By filling county vacancies with RPT employees when possible, Erie County is saving nearly \$800,000 annually.

#### **Lean Six Sigma**

The Lean Six Sigma reform effort implemented by my administration continues to drive efficiency and eliminate wasted time and duplicative practices. Lean Six Sigma empowers County employees to suggest changes to their work process and allows the County to realize significant cost savings, as we improve the quality of our services.



To date, Lean Six Sigma projects have been completed in nearly every County department and represent the size and scope of services offered by our government. By the end of this year, we will have trained and certified seven Black Belts, 35 Green Belts and 98 Yellow Belts. Total Lean Six Sigma costs savings for 2010 are estimated at just over \$5 million. The Lean Six Sigma deployment plan for 2011 is estimated to save nearly \$6 million. Earlier this year, we entered a new phase of this initiative with the rollout of a Rapid Action program aimed at identifying less complex projects with compressed turnaround schedules.

Detailed descriptions of the most recent projects are presented in the summary section of this book. This initiative continues to be funded with efficiency grant dollars from the Erie County Fiscal Stability Authority.

### **Real Estate and Asset Management**

Erie County has 6.5 million square feet of County owned space spread out over 269 buildings countywide. In addition to taxpayer owned space, Erie County rents an additional 271,000 square feet of space. To manage these assets in the most cost efficient manner possible, my administration created the division of Real Estate and Asset Management in 2008. Public buildings are among the County's most valuable assets and represent significant taxpayer investments. In addition to space consolidation and termination/re-negotiation of leases, this initiative incorporates industry standard practices when designing, constructing, managing and maintaining owned and lease buildings and grounds.

For the first three years of this initiative, this one person division was funded with efficiency grant dollars from the Erie County Fiscal Stability Authority. Unfortunately, efficiency grant funding for 2011 was unavailable because New York State swept back much of the remaining grant dollars in a futile attempt to fill its own multi-billion dollar deficit. My proposed 2011 Budget calls for this position to be funded as part of the Department of Public Works.

Since its inception, the REAM initiative has saved \$4 million as a result of lease terminations and re-negotiations. Lease terminations saved more than half a million dollars in 2010 alone. By the end of 2010, 22 third party leases will have been terminated and several County departments have reduced space utilization by approximately 45%. In 2011, 100,000 square feet of office space will be evaluated to determine additional cost saving opportunities.

### **Cell Phone Reductions**

As my administration prepared the proposed 2011 Budget, we again reviewed the usage of County funded cell phones by employees. Similar to a review that made significant reductions in 2008, our most current review looked at the number of phones per department, why certain employees had been assigned a phone, and the number of minutes each phone was being used. At the start of the most recent review, Erie County had 552 cell phones in operation. By the end of 2010, that number will stand at 283, reflecting the elimination of 269 phones or 49%. Since taking office, my administration will have reduced the number of cell phones from 831 to 283, or 66%. Employees who perform their duties outside of County buildings will have access to a phone that allows them to call 911 in the event of an emergency.

### **Cultural Support**

Erie County government is the largest financial supporter of arts and cultural organizations in our community. Given the fiscal challenges facing the County this year, my administration made the decision to invest taxpayer dollars in cultural organizations that make a significant impact on our local economy and draw not only local patrons, but visitors from outside our community. As a result, this proposed Budget funds ten local organizations that my administration believe meet the above criteria. These organizations will be funded at the level recommended in my proposed 2010 Budget. Those funding allocations were based on objective reviews performed last year by the volunteer board members of the Erie County Cultural Resources Advisory Board.

While this policy decision results in a decline in the number of organizations receiving a County subsidy, the actual amount of county taxpayer dollars dedicated to support cultural activity in and around the City of Buffalo is still very significant. My proposed 2010 Budget called for cultural support totaling \$5,066,500. My proposed 2011 Budget allocates \$4,441,000.

### **Convention & Visitors Bureau (CVB) Funding**

As identified in my Road to a Bright Future, tourism is a primary growth industry in Erie County. Under new leadership for the last year, the CVB is focused on making Buffalo and Erie County a world-class tourist destination, attracting a variety of conventions looking for a mid-size market, and rebranding our region with an aggressive campaign that will be a sense of pride locally and attention getting across the country.

As reflected on the cover of this book, the Buffalo Niagara Convention Center recently underwent a \$7 million renovation funded by County taxpayer dollars. This long overdue project made significant interior and exterior changes to the facility, including: a new electronic marquee and improved façade; a new kitchen, exhibit hall floor and wall coverings; and the installation of upgraded sound, lighting and wireless internet systems. I am confident these renovations will help us attract first rate conventions and events to Buffalo and Erie County.

My proposed 2011 Budget slightly increases CVB funding from last year. The CVB's 2010 allocation represented a significant increase for the organization over previous budget years. When coupled with our support of the Convention Center, CVB funding totals just shy of \$5 million in my proposed budget. Despite tough fiscal decisions, maintaining the County's investment in tourism is a wise expenditure, as it guarantees much needed sales tax revenues.

### **Cell Block Agreement with City of Buffalo**

Since 2003, Erie County has run the Lock-Up and Central Booking operations for the Buffalo Police Department out of the Erie County Holding Center (ECHC). This agreement, forged under previous City and County administrations, is a financial burden for Erie County because it does not compensate the County for the true cost of providing this service. In addition, the New York State Commission of Corrections (COC) has forced Erie County to operate its Lock-Up under a 'jail standard' at a significantly higher cost because the ECHC houses both pre and post arraigned individuals.

My administration has reached a working agreement with Mayor Brown to transfer these services back to the City of Buffalo in the fall of 2011 pending approval from the COC. Under the new agreement, as in the past, Buffalo will be responsible for the detention and transport of pre-arraigned individuals arrested by the Buffalo Police Department. This new agreement will impact Erie County's budget in several ways. The City has agreed to increase its payment to the County for 2011 until the time of the transfer. Once the transfer is complete, Erie County will be able to eliminate 12 transport officer positions and reduce overtime in the Jail Management Division of the Sheriff's Department to reflect the sizeable reduction in the number of pre-arraigned individuals being housed at the ECHC.

### **Public Safety**

My proposed Budget maintains critical investments in public safety. There are no proposed reductions in the number of current deputies and supervisors assigned to the Sheriff's Road Patrol or Special Operations units, and there are no proposed reductions in the number of current guards and supervisors working at the ECHC or ECCF. Furthermore, this proposed Budget makes no reduction in staffing levels of 911 dispatchers located in the Public Safety Building.

### **Road Fund**

With nearly 1,200 center-line miles of County roads (more roadway than found in three US states), maintaining this infrastructure is a significant ongoing challenge. Our Road Fund is a complex combination of Federal, State and local resources. One of the major revenue generators for this fund, the Real Estate Transfer tax, was down approximately \$2 million this year due to the economy. Despite this and other challenges, my administration continues to invest in road and bridge projects throughout Erie County. In 2008, Erie County's subsidy to the Road Fund totaled \$6,372,139. In my proposed Budget for 2011, the County subsidy grows to \$12,883,718, an increase of \$6.5 million.

### **Erie County Medical Center Corporation**

Late last year, my administration and the Board of Directors of Erie County Medical Center Corporation (ECMCC) agreed to a historic financial settlement between Erie County and the health system that will impact county finances for years to come. This agreement was approved by the Erie County Legislature in 2010.

The agreement resolved and clearly defined the county's future financial obligations to ECMCC, providing assurances for hospital leadership and county taxpayers. The agreement also paved the way for ECMCC to move forward in its partnership with Great Lakes Health and ECMCC's plans to build a Center of Excellence in Organ Transplants and expand orthopedic services.

Under terms of the agreement, the county's annual operating funding to ECMCC will be \$16.2 million, as long as the hospital remains a public benefit corporation. A 2005 lawsuit left that issue unresolved and could have resulted in county budget uncertainty in 2010 and beyond. An assured fixed subsidy and defined capital investment for ECMCC allows the county to accurately budget and plan for years to come. My administration believes this subsidy is also appropriate given ECMCC's growing obligation to care for our community's most vulnerable citizens.

The centerpiece of the new agreement involves building a replacement for the current Erie County Home in Alden. The plan calls for a new facility on ECMC's Grider Street Campus at a cost of approximately \$105 million. In addition to shifting jobs to Buffalo, the new facility will add development to the city's East Side. Also as part of the settlement, ECMCC agreed to reduce the county's current capital obligation to ECMCC from \$23 million to \$11.5 million and earmark it toward construction of the new facility on Grider Street. This \$11.5 million investment is included in our 2011 Capital Budget. ECMCC will continue to pay the bond debt incurred when the public benefit corporation was established in 2004, eliminating that substantial expense for Erie County taxpayers.

### **Union Contracts**

Since taking office in 2008, I have negotiated and signed new contracts with the four largest county unions. These contracts honored my pledge to never sign a new union contract that did not deal with the strangling cost of retiree health care in a real and meaningful way. The membership of AFSCME and NYSNA ratified these proposals, while the Teamsters and CSEA rejected them. The proposals I put forward were fair to both employees and taxpayers, and represent the best offer my administration will advance. In absence of new contracts, Teamsters and CSEA employees will continue to live under the terms of their most recent expired contract and will receive no pay increases.

### **Four-Year Operations Plan**

We have developed a Four-Year Operations Plan to encompass fiscal years 2011 through 2014. The 2011 Proposed Budget and projected 2010 results form the basis for the 2011-2014 Four-Year Plan. This plan calls for property tax revenue to grow only through estimated market value growth and new construction (the past 5 years of market value growth has been 4.2%) and for sales tax revenues to increase by 3% in 2011-2014. My administration does acknowledge a revenue gap in the Four-Year Plan. We are confident that gap will be closed by proposed changes to Social Service delivery at both the County and State level. Erie County is currently developing an action plan to totally revamp our Department of Social Services intake system for 2011. This plan will result in significant cost savings. At the State level, both candidates for Governor have pledged Medicaid relief to county governments by either absorbing costs or eliminating non-mandated programs. A detailed Four-Year Plan is presented in this book.

### **Six-Year Capital Plan**

The 2010 Adopted Budget included an aggressive Capital Plan to help improve the County's neglected and aging infrastructure. This year, I am again proposing a substantial Capital Plan totaling more than \$85 million for 2011. This number reflects a large County investment and the matching State and Federal dollars available for certain projects. Our combined six-year Capital Plan totals nearly \$499 million.

As in the past, our proposed 2011 Capital Budget includes critical road and bridge repair, and reconstruction projects throughout Erie County. This proposal also includes funding to honor the County's commitment to help build a new skilled nursing facility on the ECMCC campus, make physical and electronic security upgrades to the Erie County Correctional Facility and Holding Center, and finalize improvements to the County's Public Health Laboratory. In addition, capital funding has been earmarked for the building of an access road at the former Spaulding Fibre site, as local and State partners work to bring new development opportunities to this parcel in the heart of the City of Tonawanda. We will also continue to honor our responsibilities to Erie Community College with funding earmarked for a new Life Sciences building on the North Campus, as well as upgrades to Ralph Wilson Stadium.

### **Conclusion**

In closing, I am confident you will find this Budget reasonable, responsible and fiscally sound given the state of our economy. I also hope you see this Budget as an opportunity to continue to reshape and right size Erie County government for the future. This government has made incredible strides over the last few years, and I look forward to continuing to work with your body to advance our common agenda.

My Administration looks forward to working with you on the adoption of the 2011 Budget and 2011-2014 Four-Year Plan. We are prepared to provide any requested material, respond to inquiries, and explain the details of the Recommended 2011 Executive Budget and Four-Year Plan.

Thank you for your cooperation and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Collins", with a long horizontal flourish extending to the right.

CHRIS COLLINS

Erie County Executive





---

# FOUR YEAR OPERATIONS PLAN FISCAL YEARS 2011-2014







# COUNTY OF ERIE

**CHRIS COLLINS**  
COUNTY EXECUTIVE

## **FOUR-YEAR OPERATIONS PLAN FISCAL YEARS 2011-2014**

### **Introduction**

Enclosed herein is the 2011-2014 Four-Year Operations Plan. Section 2603 of the Charter specifies certain budget requirements, including submission of an annual budget proposal and a financial forecast for the next two years. In addition, Public Authorities Law §§ 3957 creating the Erie County Fiscal Stability Authority (ECFSA) requires that the County Executive submit a four-year financial plan with his proposed budget. The attached Four-Year Operations Plan satisfies both the Charter and ECFSA requirements of a financial plan.

We view the 2011-2014 Four-Year Operations Plan and the 2011 Proposed Budget not as an historical accounting document, but a performance management tool engineered to drive savings and efficiencies, in accordance with Six Sigma and performance based budgeting. In addition, it provides a long-term financial road map for Erie County.

The 2011 Proposed Budget and projected 2010 results form the basis for the 2011-2014 Four-Year Operations Plan. The plan calls for 2-3% average annual growth in property tax revenue without a tax rate increase. The growth is based on estimated market value growth and new construction only. In the past 5 years, average annual market value growth has been 4%. The plan calls for sales tax revenues to increase by 3% in 2011 from the 2010 budget and 3% each year thereafter in line with inflation.

The 2011 Proposed Budget includes the last six months of Federal Medical Assistance Percentages (FMAP). The decline of that revenue, combined with increases in mandated programs and the loss of almost \$33 million of sales tax base revenue, has resulted in projected potential gaps in our 2011-2014 Four-Year Operations Plan totaling approximately \$55 million.

It is important to highlight that our plan is based on "reasonable assumptions" at the time of submission of this budget and Four-Year Operations Plan.

This administration has received three ratings upgrades and two recalibration of ratings, Moody's A2, Fitch A and Standard and Poor's BBB+, which demonstrate the improving fiscal condition of the county under this Administration's management. The positive results recorded in 2009 and expected in 2010, the 2011-2014 Four-Year Operations

Plan, and the ongoing management initiatives and efficiencies that have already driven proven savings are part of the action plan that will ensure the continued fiscal stability of Erie County.

We expect the Erie County Fiscal Stability Authority (ECFSA) to approve and endorse our 2011 Budget and 2011-2014 Four-Year Operations Plan.

**FOUR-YEAR OPERATIONS PLAN (Reasonable and Appropriate Assumptions)**

<b>Revenue</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Sales Tax Growth	3%	3%	3%
Real Estate Market Value Growth	2%	3%	3%
Property Tax Rate Increase	0%	0%	0%
<b>Expense</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Personnel Services	1.5%	1.5%	1.5%
Health Insurance <sup>1</sup>	8%	8%	8%
Pension Rate	16.3%	16.3%	16.3%

The estimated baseline gaps in the Fiscal 2011-2014 Four-Year Operations Plan are:

<b>2012</b>	<b>-</b>	<b>\$20,387,080</b>
<b>2013</b>	<b>-</b>	<b>\$13,822,627</b>
<b>2014</b>	<b>-</b>	<b>\$20,505,394</b>

In addition to the cost cutting in the Four-Year Plan presented, the Administration will continue to identify and create new initiatives through Lean Six Sigma, utilization of remaining State funded efficiency grants and other reform initiatives including consolidations and elimination of non-mandated programs as was done in the 2011 budget.

At the State level, both candidates for Governor have pledged Medicaid relief to county governments by either absorbing costs or eliminating non-mandated programs.

---

<sup>1</sup> Estimates provided by LMHF (Labor Management Healthcare Fund) as consultants to Erie County.

**County of Erie  
2011-2014 Four-Year Operations Plan**

Fund 110 plus Library 820 (County Share)	Account Type	2009 Actuals	2010 Adopted Budget	2011 Executive Budget	2012 Projection	2013 Projection	2014 Projection
<b>Revenue</b>							
<b>Local Source Revenue</b>							
<b>Property Tax Levy</b>							
	Property Tax Levy - Operating	201,134,493	210,242,141	217,461,445	222,174,111	229,384,489	236,811,179
	Property Tax Levy - Library	22,171,833	22,171,833	18,171,833	18,171,833	18,171,833	18,171,833
	<b>Property Tax Levy Total</b>	<b>223,306,326</b>	<b>232,413,974</b>	<b>235,633,278</b>	<b>240,345,944</b>	<b>247,556,322</b>	<b>254,983,012</b>
<b>Property Tax Related</b>							
	Sec 520 Exemp Removal	616,433	492,471	652,584	652,584	652,584	652,584
	Gain Sale Tax Acquired Property	0	20,000	20,000	20,000	20,000	20,000
	Payments In Lieu of Taxes	5,147,630	4,750,000	5,108,550	5,210,721	5,367,043	5,528,054
	Interest & Penalties-Property Tax	13,889,181	16,814,247	18,711,686	18,992,361	19,277,247	19,566,405
	Omitted Taxes	8,544	3,000	3,000	3,000	3,000	3,000
	Dec Property Tax Deferred Revenue	(8,592,851)	(13,579,322)	(13,622,495)	(13,826,832)	(14,034,235)	(14,244,748)
	<b>Property Tax Related Total</b>	<b>11,068,937</b>	<b>8,500,396</b>	<b>10,873,325</b>	<b>11,051,834</b>	<b>11,285,638</b>	<b>11,525,295</b>
<b>Sales Tax (County Share)</b>							
	3% Sales Tax	124,960,767	124,989,428	128,739,111	132,433,687	136,406,693	140,498,894
	1% Sales Tax	121,251,199	122,008,244	126,043,491	129,266,912	133,519,919	137,900,517
	0.50% Sales Tax	66,514,689	66,122,610	68,106,288	70,883,456	73,009,960	75,200,258
	0.25% Sales Tax	33,257,345	33,061,765	34,053,618	35,441,728	36,504,980	37,600,129
	<b>Sales Tax (County Share) Total</b>	<b>345,984,000</b>	<b>346,182,047</b>	<b>356,942,508</b>	<b>368,025,783</b>	<b>379,441,552</b>	<b>391,199,798</b>
<b>Fees Fines or Charges</b>							
	Election Expenses Other Govts Respread	5,204,038	6,623,349	5,771,418	5,857,989	5,945,859	6,035,047
	All Other Fees Fines or Charges	27,870,855	25,959,635	25,492,221	25,747,143	26,004,615	26,264,661
	<b>Fees Fines or Charges Total</b>	<b>33,074,893</b>	<b>32,582,984</b>	<b>31,263,639</b>	<b>31,605,132</b>	<b>31,950,474</b>	<b>32,299,708</b>
<b>Other Sources</b>							
	Interest Earnings-General Investments	980,351	600,000	940,000	1,034,000	1,137,400	1,251,140
	Hotel Occupancy Tax Revenue	7,514,807	7,752,000	7,752,000	7,907,040	8,065,181	8,226,484
	Welfare Recoveries/Repayments	20,499,171	20,742,844	19,875,809	20,273,325	20,678,792	21,092,368
	All Other Source Accounts Incl Interfund	25,510,234	16,817,845	16,126,433	16,448,962	16,777,941	17,113,500
	<b>Other Sources Total</b>	<b>54,504,563</b>	<b>45,912,689</b>	<b>44,694,242</b>	<b>45,663,327</b>	<b>46,659,313</b>	<b>47,683,492</b>
	<b>Local Source Revenue Total</b>	<b>667,938,719</b>	<b>665,592,090</b>	<b>679,406,992</b>	<b>696,692,020</b>	<b>716,893,299</b>	<b>737,691,304</b>
<b>State Partial Reimbursement Revenue</b>							
	State-Education of Children with Special Needs	26,960,864	30,430,327	31,563,552	33,141,730	34,798,816	36,538,757
	State-Mental Health	38,248,722	38,714,081	36,266,930	36,266,930	36,992,269	37,732,114
	State-Family Assistance	8,513,953	8,611,000	9,328,319	9,328,319	9,468,244	9,610,267
	State-Soc Serv Administration	28,766,672	27,825,338	28,160,964	29,882,155	31,520,109	32,499,998
	State-Safety Net Assistance	14,655,816	17,410,168	22,625,169	22,625,169	22,964,547	23,309,015
	State-Child Welfare Services	22,112,235	19,940,169	19,528,165	19,528,165	19,918,728	20,317,103
	State-Serv For Recipients	13,086,485	9,438,887	8,472,028	8,472,028	8,641,469	8,814,298
	State-Day Care	6,842,947	7,197,869	7,574,606	7,574,606	7,726,098	7,880,620
	All Other State Accounts	28,183,875	25,772,342	24,361,309	24,726,729	24,850,362	24,974,614
	<b>State Partial Reimbursement Revenue Total</b>	<b>187,371,569</b>	<b>185,340,181</b>	<b>187,881,042</b>	<b>191,545,830</b>	<b>196,880,641</b>	<b>201,676,786</b>
<b>Federal Partial Reimbursement Revenue</b>							
	Federal-Family Assistance	4,178,747	4,098,599	6,617,491	6,617,491	6,749,841	6,884,838
	Federal-Soc Serv Administration	28,310,146	35,760,628	35,075,900	38,203,925	41,180,676	41,180,676
	Federal-Day Care	20,455,389	20,673,993	20,879,571	20,879,571	21,297,162	21,723,106
	Federal-CWS Foster Care	12,395,365	16,186,888	14,398,351	14,398,351	14,686,318	14,980,044
	Federal-Safety Net TANF Cases	426,240	506,850	469,660	469,660	479,053	488,634
	Federal Stimulus Enhanced Medicaid	41,023,202	33,106,247	13,000,000	0	0	0
	All Other Federal Accounts	89,321,722	86,893,139	84,327,644	86,014,197	86,444,268	86,876,489
	<b>Federal Partial Reimbursement Revenue Total</b>	<b>196,110,811</b>	<b>197,226,344</b>	<b>174,768,617</b>	<b>166,583,195</b>	<b>170,837,318</b>	<b>172,133,787</b>
	<b>State &amp; Federal Partial Reimbursement Revenue Total</b>	<b>383,482,380</b>	<b>382,566,525</b>	<b>362,649,659</b>	<b>358,129,025</b>	<b>367,717,960</b>	<b>373,810,573</b>
	<b>Total Operating Revenue (Excluding Shared Sales Tax)</b>	<b>1,051,421,099</b>	<b>1,048,158,615</b>	<b>1,042,056,651</b>	<b>1,054,821,045</b>	<b>1,084,611,259</b>	<b>1,111,501,877</b>

**County of Erie  
2011-2014 Four-Year Operations Plan**

Fund 110 plus Library 820 (County Share)	Account Type	2009 Actuals	2010 Adopted Budget	2011 Executive Budget	2012 Projection	2013 Projection	2014 Projection
<b>Expense</b>							
<b>Personal Services Related Expense</b>							
<b>Personal Services</b>							
	Full-Time Salaries (incl paid time off)	164,178,886	171,114,339	156,346,931	158,692,135	161,072,517	163,488,605
	Overtime - Sheriff & Jail	10,072,386	7,420,812	9,822,149	8,954,481	9,088,798	9,225,130
	Overtime - All Other	4,550,613	3,992,417	4,076,591	4,137,740	4,199,806	4,262,803
	Part-Time Wages	2,802,747	3,647,898	3,354,299	3,404,613	3,455,683	3,507,518
	Regular Part-Time Wages	7,338,080	10,264,635	10,522,961	10,680,805	10,841,017	11,003,633
	Contractual Union Salary Reserve - PBA	0	1,143,135	942,000	956,130	970,472	985,029
	Turnover (Vacancy Savings) with Benefits	0	(6,109,322)	0	0	0	0
	Seasonal Emp Wages	765,851	513,590	348,557	353,785	359,092	364,479
	<b>Personal Services Total</b>	<b>189,708,563</b>	<b>191,987,504</b>	<b>185,413,488</b>	<b>187,179,690</b>	<b>189,987,386</b>	<b>192,837,196</b>
<b>Employee Payments non-salary</b>							
	Shift Differential	1,081,630	1,065,163	1,003,745	1,018,801	1,034,083	1,049,594
	Uniform Allowance - Sheriff	628,500	646,500	652,750	662,541	672,479	682,567
	Holiday Worked	1,647,251	1,527,050	1,474,365	1,496,480	1,518,928	1,541,712
	Line-Up -Sheriff	1,703,303	1,692,400	1,679,300	1,704,490	1,730,057	1,756,008
	Other Employee Payments/Allowances	391,507	301,086	325,724	330,610	335,569	340,603
	<b>Employee Payments non-salary Total</b>	<b>5,452,191</b>	<b>5,232,199</b>	<b>5,135,884</b>	<b>5,212,922</b>	<b>5,291,116</b>	<b>5,370,483</b>
<b>Fringe Benefits</b>							
	Fringe Benefits-FICA	14,681,917	15,090,377	14,256,046	14,469,887	14,686,935	14,907,239
	Fringe Benefits	26,650	0	0	0	0	0
	Fringe Benefits-Medical insurance	34,739,086	41,116,728	37,631,433	40,641,948	43,893,303	47,404,768
	Fringe Benefits-Workers Compensation	6,803,651	8,961,561	8,565,553	8,736,864	8,911,601	9,089,833
	Fringe Benefits-Unemployment Ins	382,030	650,845	2,933,446	387,760	393,577	399,481
	Fringe Benefits-Unemployment Fund Balance Transfer	0	0	(2,933,446)	0	0	0
	Fringe Benefits-Retiree Med Insurance	16,684,397	20,323,186	18,226,056	19,684,140	21,258,872	22,959,581
	Fringe Benefits-Retirement Pension	13,839,204	22,554,593	30,052,470	31,359,996	31,830,396	32,307,852
	Fringe Benefits-Retirement Pension Amortization Pmt (2002/06)	2,181,601	2,181,601	0	0	0	0
	<b>Fringe Benefits Total</b>	<b>89,338,536</b>	<b>110,878,891</b>	<b>108,731,558</b>	<b>115,280,595</b>	<b>120,974,684</b>	<b>127,068,754</b>
	<b>Personal Services Related Expense Total</b>	<b>284,499,290</b>	<b>308,098,594</b>	<b>299,280,930</b>	<b>307,673,208</b>	<b>316,253,186</b>	<b>325,276,433</b>
<b>Other Departmental Expense</b>							
<b>Supplies &amp; Repairs</b>							
	Auto Supplies	1,548,013	1,881,600	1,808,500	1,862,755	1,918,638	1,976,197
	Jail Management	3,353,980	3,610,500	3,382,600	3,484,078	3,588,600	3,696,258
	All Other	3,383,086	4,141,396	3,403,421	3,505,524	3,610,689	3,719,010
	<b>Supplies &amp; Repairs Total</b>	<b>8,285,079</b>	<b>9,633,496</b>	<b>8,594,521</b>	<b>8,852,357</b>	<b>9,111,927</b>	<b>9,391,465</b>
<b>Other</b>							
	Lawsuits/Legal Settlements	1,241,684	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
	Control Board	573,799	400,000	400,000	400,000	400,000	400,000
	Social Services	12,572,141	12,423,443	12,796,146	13,180,031	13,575,432	13,982,695
	Utilities	1,809,097	2,391,500	2,109,713	2,215,199	2,325,959	2,442,257
	Equipment	1,153,198	571,981	307,064	322,417	338,538	355,465
	Sheriff Equipment	553,733	353,750	28,290	329,705	346,190	363,499
	All Other	3,653,777	5,977,843	4,981,513	5,081,143	5,182,766	5,286,421
	<b>Other Total</b>	<b>21,557,429</b>	<b>25,118,517</b>	<b>23,622,726</b>	<b>24,528,494</b>	<b>25,168,884</b>	<b>25,830,336</b>
<b>Contractual</b>							
	Social Services	20,632,653	18,746,977	19,626,837	20,215,642	20,822,111	21,446,775
	Mental Health	42,514,047	41,372,212	40,653,637	41,466,710	42,296,044	43,141,965
	Youth Detention	2,038,532	2,981,000	2,963,200	3,022,464	3,082,913	3,144,572
	All Other Contractual	23,984,094	29,901,347	25,893,510	26,411,380	26,939,608	27,478,400
	<b>Contractual Total</b>	<b>89,169,326</b>	<b>93,001,536</b>	<b>89,137,184</b>	<b>91,116,196</b>	<b>93,140,676</b>	<b>95,211,711</b>
<b>Allocation</b>							
	County Share-Utilities	3,769,058	5,012,600	4,040,336	4,242,353	4,454,470	4,677,194
	County Share-Grants	3,514,134	4,283,813	3,933,028	3,992,023	4,051,904	4,112,682
	County Subsidy - Road	10,769,842	10,445,084	12,883,718	13,888,974	14,097,308	14,308,768
	Fund Balance Transfer - Road Fund Deficit	4,000,000	0	0	0	0	0
	County Subsidy - E911	0	0	2,557,336	2,595,696	2,634,631	2,674,151
	All Other Allocations	7,234,391	5,774,507	7,532,289	7,645,273	7,759,952	7,876,352
	<b>Allocation Total</b>	<b>29,287,425</b>	<b>25,516,004</b>	<b>30,946,707</b>	<b>32,364,319</b>	<b>32,998,267</b>	<b>33,649,147</b>

**County of Erie  
2011-2014 Four-Year Operations Plan**

Fund 110 plus Library 820 (County Share)	Account Type	2009 Actuals	2010 Adopted Budget	2011 Executive Budget	2012 Projection	2013 Projection	2014 Projection
<b>Expense</b>							
<b>Program Related</b>							
	MMIS-Medicaid Local Share	193,202,451	200,523,333	206,604,870	212,686,407	217,846,990	227,159,197
	Family Assistance	35,418,544	38,099,500	43,652,584	44,525,636	45,416,148	46,324,471
	CWS-Foster Care	56,763,426	61,911,490	58,937,199	59,526,571	60,717,102	61,931,444
	Safety Net Assistance	35,338,398	39,472,078	46,446,426	46,910,890	47,849,108	48,806,090
	Child Care-DSS	31,723,860	33,207,910	32,163,255	32,484,888	33,134,585	33,797,277
	Children With Special Needs Program	58,030,886	65,063,121	64,075,487	67,279,261	70,643,224	74,175,386
	State Training School (STS)	3,098,007	3,538,766	3,852,740	3,891,267	3,969,093	4,048,475
	All Other Program Related Accounts	16,509,400	7,101,687	5,198,318	5,250,301	5,381,559	5,516,098
	<b>Program Related Total</b>	<b>430,084,972</b>	<b>448,917,885</b>	<b>460,930,879</b>	<b>472,555,221</b>	<b>484,957,810</b>	<b>501,758,438</b>
<b>Debt Service</b>							
	Interest-Revenue Anticipation Notes	1,681,875	419,061	405,710	446,281	490,909	540,000
	Interest-Bond Anticipation Notes	0	1,175,976	0	0	0	0
	General Bond Debt Service (Excludes ECMCC)	41,241,861	37,614,956	50,193,854	58,039,339	61,096,726	64,835,381
	<b>Debt Service Total (Excluding ECMCC)</b>	<b>42,923,736</b>	<b>39,209,993</b>	<b>50,599,564</b>	<b>58,485,620</b>	<b>61,587,635</b>	<b>65,375,381</b>

<b>Sub-Total County Run Department Expense</b>	<b>905,807,257</b>	<b>949,496,025</b>	<b>963,112,511</b>	<b>995,575,415</b>	<b>1,023,224,385</b>	<b>1,056,492,912</b>
--	--------------------	--------------------	--------------------	--------------------	----------------------	----------------------

**Other Agency Expense**

<b>Other Agency Expense</b>							
	Library	22,171,833	22,171,833	18,171,833	18,171,833	18,171,833	18,171,833
	Community Colleges						
	Erie Community College Subsidy	15,420,778	15,629,317	15,420,778	15,420,778	15,420,778	15,420,778
	County Residents Enrolled in Other Community Colleges	4,838,796	4,952,555	5,657,616	6,110,225	6,599,043	7,126,967
	Community College Chargeback Respread Revenue	(3,928,430)	(4,246,018)	(4,838,796)	(4,952,555)	(5,657,616)	(6,110,225)
	Convention & Visitors Bureau Subsidy	2,600,000	3,125,000	3,250,000	3,250,000	3,250,000	3,250,000
	Convention Center Subsidy	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
	One-Time Convention Center Grant	0	225,000	0	0	0	0
	Buffalo Bills Game Day Expenses	3,988,172	4,282,923	4,302,923	4,432,011	unknown	unknown
	NFTA Sec 18b Subsidy	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200	3,657,200
	Legal Aid/County Bar Subsidy	10,419,668	10,909,008	11,031,586	11,252,218	11,477,262	11,706,807
	Cultural Agency Support	5,147,176	6,512,086	4,441,000	4,441,000	4,441,000	4,441,000
	<b>Sub Total</b>	<b>65,965,193</b>	<b>68,868,904</b>	<b>62,744,140</b>	<b>63,432,710</b>	<b>59,009,500</b>	<b>59,314,360</b>
	<b>ECMCC</b>						
	DSH-IGT expense to ECMCC	13,024,021	8,000,000	0	0	0	0
	UPL-IGT expense to ECMCC	8,007,970	8,007,970	0	0	0	0
	ECMCC Subsidy	0	0	16,200,000	16,200,000	16,200,000	16,200,000
	ECMCC Other Debt Service	14,965,073	13,785,716	13,788,456	4,531,225	0	0
	Fund Balance Transfer for ECMCC debt	0	0	(13,788,456)	(4,531,225)	0	0
	<b>Sub Total ECMCC</b>	<b>35,997,064</b>	<b>29,793,686</b>	<b>16,200,000</b>	<b>16,200,000</b>	<b>16,200,000</b>	<b>16,200,000</b>
	<b>Total Other Agency Expense</b>	<b>101,962,257</b>	<b>98,662,590</b>	<b>78,944,140</b>	<b>79,632,710</b>	<b>75,209,500</b>	<b>75,514,360</b>

<b>Total Erie County Expense (Excluding Shared Sales Tax)</b>	<b>1,007,769,514</b>	<b>1,048,158,615</b>	<b>1,042,056,651</b>	<b>1,075,208,125</b>	<b>1,098,433,885</b>	<b>1,132,007,271</b>
---	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

<b>Revenue Less Expense Surplus (Gap)</b>	<b>43,651,585</b>	<b>0</b>	<b>0</b>	<b>(20,387,080)</b>	<b>(13,822,627)</b>	<b>(20,505,394)</b>
---	-------------------	----------	----------	---------------------	---------------------	---------------------

**For Reference Only  
Budget Including Shared Sales Tax**

<b>Shared Sales Tax</b>							
	3% Sales Tax Distributed to Cities, Towns & Schools	259,620,335	259,842,561	267,637,838	275,146,185	283,400,570	291,902,587
	1% Sales Tax Distributed to Cities & Towns	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
	3% Sales Tax Distributed to NFTA (1/8th of 1%)	16,720,917	16,813,531	17,317,937	17,720,864	18,252,490	18,800,065
	<b>Shared Sales Tax Total</b>	<b>288,841,252</b>	<b>289,156,092</b>	<b>297,455,775</b>	<b>305,367,049</b>	<b>314,153,060</b>	<b>323,202,652</b>

<b>Total Fund 110 &amp; Library 820 (County Share) Budget Revenue &amp; Expense (Including Shared Sales Tax)</b>	<b>1,296,610,766</b>	<b>1,337,314,707</b>	<b>1,339,512,426</b>	<b>1,380,575,174</b>	<b>1,412,586,946</b>	<b>1,455,209,923</b>
--	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------



---

# KEY REFORM INITIATIVES



# LEAN SIX SIGMA INITIATIVE

---

Results of the Lean Six Sigma initiative from 2008-2010 have significantly exceeded expectations. At December 31, 2010, Erie County will have 35 trained and certified Green Belts, 98 Yellow Belts, and 7 Black Belts. A Rapid Action/Workout initiative is being launched during the 4<sup>th</sup> quarter 2010. The Rapid Action Toolkit complements the traditional Lean Six Sigma Green/Black Belt methodologies. Rapid Action projects are less complex in scope and are completed within a 60-90 day time frame. Wave 1 projects (listed below) have saved taxpayers \$2.2 million in 2008 and an additional \$2 million in 2009. Wave 2 projects saved \$1.6 million in 2009 and an additional \$2.6 million in 2010. Wave 3 projects saved \$199,465 in 2009 and an additional \$351,772 in 2010. Wave 4 projects will be completed by the 4<sup>th</sup> quarter 2010. Additional training for Lean Six Sigma and Rapid Action is planned for 2011.

## 2008-2009 Projects – Wave 1 Green Belts

<u>Department</u>	<u>Project</u>
<b>Public Works</b>	Fleet Management Buildings & Grounds Overtime
<b>Social Services</b>	Streamlining Application Workflow Decreasing Office of Child Support Enforcement Backlog
<b>Parks</b>	Management of Equipment and Repairs Shelter Rentals
<b>Health</b>	Family Planning Enrollment
<b>Mental Health</b>	Children's System of Care Forensic Mental Health Services

## 2009 Projects – Wave 2 Green Belts

### **Special Needs**

### **Health**

This program authorizes and pays for services for infants and toddlers (birth-2 years old) with developmental delays. The program authorizes over \$13,000,000 (with a 30% County share) in payments per year and is experiencing a 12% annual growth rate. This project will implement a family centered methodology that targets parent involvement for more efficient service delivery, increased quality of services and parent/care-giver satisfaction.



**Delinquent Real Property****Real Property Tax**

Focus to improve collection of delinquent taxes and related charges owed to Erie County. Delinquent dollars approximate \$35,000,000 in total. Target is to maximize dollars collected.

**Hiring Process****Personnel**

To review, analyze and streamline the hiring process, decreasing the length of time it takes to fill a vacancy in the Department of Social Services. Currently the Department has approximately 134 vacancies with an average fill time of 107 days (based on sample data set from 2008). The goal will be to identify waste in the process and reduce overall cycle time. Getting qualified candidates hired quicker will provide better service to County residents, reduce processing backlogs and, in some instances, reduce overtime.

**Departmental Purchase Orders****Purchasing**

Departmental Purchase Orders (DPO's) are an acceptable purchasing process when used for emergencies and/or one-time purchases under \$1,000. However, DPO purchases bypass approval requirements and controls by the Purchasing, Budget and DISS Departments. Data shows departments are paying more for products, services and shipping than are included in existing bids. In addition, DPO purchases are not currently captured by SAP and cannot be included in total usage figures used by Purchasing that could further leverage power buys for Erie County. The goal will be to reduce DPO usage and lower base prices paid and additional shipping/handling costs.

**911 Public Safety Answering Points****Central Police Services**

There are 21 Public Safety Answering Points (PSAPs) with a total of 95 Call Taking Positions in Erie County. The hardware currently used in at least 59 of these positions will be obsolete by 2010. The project objective is to reduce the future cost while preserving the safety of the citizens of Erie County.

**High Speed Copier/Printer Optimization****Information & Support Services**

High speed/volume copier/printers are located in the Rath Building on the 15th floor and sub-basement print shop resulting in redundancy of equipment and staffing. The project will focus on consolidating high speed/high volume copier/printers in the Rath building and reduce usage of convenience copiers and multi-function devices (MFDs).

**Workers Compensation****County Attorney**

Workers compensation expense approximates \$8,000,000 annually. Each Department /Division throughout Erie County employs different management practices in their handling of claims. Payouts are trending up each year due to increases in medical costs, statutory increases in weekly indemnity limits, and other factors. The project focus is to re-engineer existing processes, ensure timely filing of all required documentation, and timely resolution of open claims.

**Paper Recycling**

**Environment & Planning**

The weight of paper sent for recycling at the Rath Building is not maximized. Due to lack of knowledge or awareness, recyclable paper is being placed in the regular trash by employees or maintenance. The project will optimize recycle revenue potential, and increase the amount of paper recycled at the Rath Building through employee education and recycling promotion. Benefits include; increased recycling revenue through increased paper volumes, reduced solid waste disposal, and savings of energy, natural resources, and landfill space

**Child Protective Services**

**Social Services**

Child Protective Services; investigates calls dealing with abuse and/or neglect, arranges for services for families as needed to ensure safety and reduce future risk, including court action if necessary, to ensure safety of the children of Erie County. The project will streamline processing and reduce the amount of overtime.

**Length of Stay for Homeless**

**Social Services**

Social Services is required by Federal and State mandate to place homeless individuals and families in temporary housing, while working towards more permanent housing. This program costs approximately \$2,300,000 annually (County share is 44%). Focus will be on re-engineering the process and engagement of the provider community to reduce lengths of stay for emergency shelter placement and accelerate more permanent housing placement.

<b>Wave 2 - Total 2009 Savings</b>	<b>\$1,644,113</b>
<b>Wave 2 - Total 2010 Savings Estimate</b>	<b>\$2,589,992</b>

**2009 Projects – Wave 3 Green Belts**

**Dental Clinic**

**Health**

The Erie County Dental Clinic provides a range of services that include exams, x-rays, fillings, extractions and cleanings for Erie County residents. The School Dental Program is a separate outreach program that educates 2nd and 4th grade students on the importance of oral health care. The project will look for opportunities to improve the number of children examinations, return visits for services, and increase the percentage of appointments kept.

**Direct Data Entry/3209 Waiver**

**Social Services**

The project will review case processing to reduce cycle time, error rates, and duplication of work by shifting data entry from Data Entry Operators to Caseworkers. The current process is redundant, prone to error, involves constant rework, and includes several individuals to process a single transaction.

**Day Care****Social Services**

The project will examine opportunities to reduce the number of “over-grants” (overpayments) to individuals receiving Day Care payments.

**Re-entry Initiative****Mental Health**

NYS parolees wait an extended period of time in the Erie County jail to complete the restoration process, increasing the number of bed days (currently 2100 per month). The project will decrease the cycle time for a parolee to be restored back in the community.

**Coordinated Jail Services****Health, Mental Health & Social Services**

The project will review Re-arrest/Recidivism rates in the Erie County Holding Center (EHC) and Erie County Correctional Facility (ECCF). This project will identify opportunities to improve links for seriously mentally ill individuals incarcerated in EHC/ECCF to community diversion services and Specialty Courts through Erie County Adult Mental Health Services, Forensic Division. This will reduce the length of stay (and related costs) to the County.

**Help Desk****Information & Support Services**

Reduce the cycle time to complete a help desk ticket (from the time the user calls until the call is resolved to the user's satisfaction). Seek opportunities to eliminate redundant maintenance and hardware costs.

**Complaint Calls Response Efficiency****Sewerage Management**

The project will review the number and types of complaint calls and seek to reduce the number of calls and reduce cycle time to successfully respond to complaints.

**Release Under Supervision****Central Police Services, Probation & Sheriff**

Identify opportunities to increase the number of referrals (for low risk offenders) from Judges for Release Under Supervision. This will help to reduce jail overcrowding, congestion, and traffic. The County will save expenses associated with inmate housing.

**Holding Center****Sheriff**

Identify opportunities to more efficiently process and move offenders (people and associated paperwork) to and from City Court.

<b>Wave 3 - Total 2009 Savings Estimate</b>	<b>\$ 199,465</b>
<b>Wave 3 - Total 2010 Savings Estimate</b>	<b>\$ 351,772</b>

**2010 Projects – Wave 4 Green Belts**

**Pre-Sentence Investigation Process**

**Probation**

Reduce the time to process a Pre-Sentence Investigation (PSI) report between conviction and sentencing. Focus is on delays in the transcription process.

**Facilities Optimization**

**Real Estate & Asset Management**

Optimize exterior facilities management across all County departments. Determine the most efficient use of resources to reduce overall costs. This includes equipment, 3rd party contracting, travel time, and expertise.

**Equipment Purchasing/Sharing**

**Budget**

Improve equipment purchasing and sharing by increasing efficiency, reducing fleet size; improve fleet age and condition, and establishing County policy and tracking mechanism on sharing of large County assets.

**GIS Routing & Scheduling**

**Environment & Planning**

Increase the efficiency for scheduling and routing of field workers conducting Weights & Measures, and Department of Health Inspections. The project will focus on maximizing the number of site visits through more efficient scheduling/routing, and increasing time spent in the field (out of the office).

**Special Needs - Early Intervention Providers/Therapists**

**Health**

Implement an Amendment tracking measurement system to determine if there is variation across providers and therapists in the type and number of services received by program recipients. Recognize providers who engage and leverage family members in the treatment process resulting in successful outcomes and child/parent satisfaction. Savings are incorporated in Wave 2.0 Special Needs project.

**Long-term Care/Nursing Home Process**

**Social Services**

Streamline and standardize the Long-Term Care application process and provide benefits in a timely manner. The project will focus on reducing cycle times, improving processing capacity, and reducing the use of overtime.

**Workers Compensation - Back to Work Program**

**Office of the Disabled**

Workers Compensation costs have increased to over \$12,000,000 annually. The project will strive to implement a "Return to Work" modified duty program to reduce the time and related costs for employees on extended outages.

**Business Certification Process-MBE/WBE**

**County Attorney**

The cycle time to process Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) applications is too long. The project will focus on streamlining the application and approval process to facilitate more business awarded to MBE and WBE certified businesses.

**Wave 4 - Total 2010 Savings Estimate**                      **\$ 1,142,494**  
**Wave 4 - Total 2011 Savings Estimate**                      **\$ 1,368,624**

**2010 Projects – Black Belts**

**Release Under Supervision**

**Probation**

Identify opportunities to increase the number of referrals (for low risk offenders) from suburban court judges for Release Under Supervision. This will help to reduce jail overcrowding and save the county approximately \$128.28 per day per inmate.

**Children's System of Care**

**Mental Health**

The project will focus on the reduction in admissions to Residential Treatment. The project will target communication amongst the key individuals and seeks to optimize the shortened lengths of stay in residential treatments programs to ensure better results for youths.

**Direct Data Entry**

**Social Services**

The project will review case processing to reduce; cycle time, error rates, and duplication of work. The current process is redundant, prone to error, involves constant rework, and includes several individuals to process a single transaction. Data Entry Operator time is being redeployed to other functions.

**Medicaid**

**Social Services**

Reorganize the Medicaid work process to meet the NYS elimination of the requirement of face-to-face interview while continuing to meet the state and federal regulations.

**Preventative Maintenance**

**Parks**

Optimization of the general repair and preventative maintenance for all vehicles operated by most county departments. This project will address talent and tool availability as well as, buildings and locations, to determine the best way to service vehicles.

**Black Belts - Total 2010 Savings Estimate**                      **\$ 929,000**  
**Black Belts - Total 2011 Savings Estimate**                      **\$ 1,848,500**

<u>2010 Savings Estimate</u>	<u>2010 Estimates</u>
Wave 2 - Total 2010 Savings Estimate	\$2,589,992
Wave 3 - Total 2010 Savings Estimate	\$ 351,772
Wave 4 - Total 2010 Savings Estimate	\$ 1,142,494
Black Belts - Total 2010 Savings Estimate	<u>\$ 929,000</u>
2010 Total Savings Estimate	<u>\$ 5,013,258</u>

<u>2011 LEAN SIX SIGMA DEPLOYMENT PLAN</u>	<u>2011 Estimates</u>
Total 2010 Value of Carry-Over Savings	
Wave 4	\$1,368,624
Black Belts	\$1,848,500
2011 Green Belt (6) Wave 5 Estimate	\$ 600,000
2011 Black Belts (2)	\$ 300,000
New Projects Scheduled for Wave 1-4 Green Belts & Black Belts 2011 Savings Estimate	\$1,250,000
2011 Rapid Action Projects Savings Estimate	<u>\$ 500,000</u>
Total 2011 Savings Estimate	<u>\$5,867,124</u>

# REAL ESTATE/ SPACE UTILIZATION INITIATIVE

---

The Real Estate initiative which was introduced to Erie County government in 2008 continues to improve efficiencies throughout the County's real estate portfolio. Erie County has 6.5 million square feet of County owned space spread out over 269 buildings countywide. Public buildings are among the County's most valuable assets and represent significant taxpayer investments. This initiative incorporates industry standard real estate practices when designing, constructing, managing, and maintaining owned and leased buildings and grounds. Cost savings are also anticipated through competitive sourcing, consolidation, disposal of real property assets and re-negotiation of leases. Policies will continue to be scrutinized as we work to incorporate industry standard methodology into government real estate management. This initiative will continue to expand as we evaluate our practices and overall mission including the following:

- Maintain space utilization standards for all County-wide properties as a measure to reduce waste in County owned and leased buildings.
- Execute a Quality Management Plan (QMP) in Capital Projects that will reduce change orders and future maintenance costs. By incorporating pro-active design practices, building operating systems will be evaluated during the design phase, thereby reducing future operating system repairs, replacements and overall construction costs.
- Enforce industry standard property management practices to improve efficiencies.

## **Initiative Achievements**

- \$4 million in savings as a result of lease terminations, re-negotiations and industry standard process implementation
- \$585,000 was saved in 2010 alone as a result of lease terminations
- 22 third party leases will have been terminated since initiative inception
- \$1.04 million saved as a result of the relocation of the County Attorney's space into a County owned facility. The department's overall space was reduced by 32%.
- \$908,000 saved as a result of the relocation of the Auto Bureau into a County owned facility
- 45% reduction in rent as a result of renegotiation of lease for Court of Appeals
- 43% average space reduction due to procedure implementation for space standards and procedures
- 100,000 square feet of office space will be evaluated in 2011 to determine additional opportunities

**2011 Estimated Savings**

**\$1.041 million**

**Estimated Savings over a Standard Lease Cycle:**

**\$4.187 million**

---

# OVERVIEW

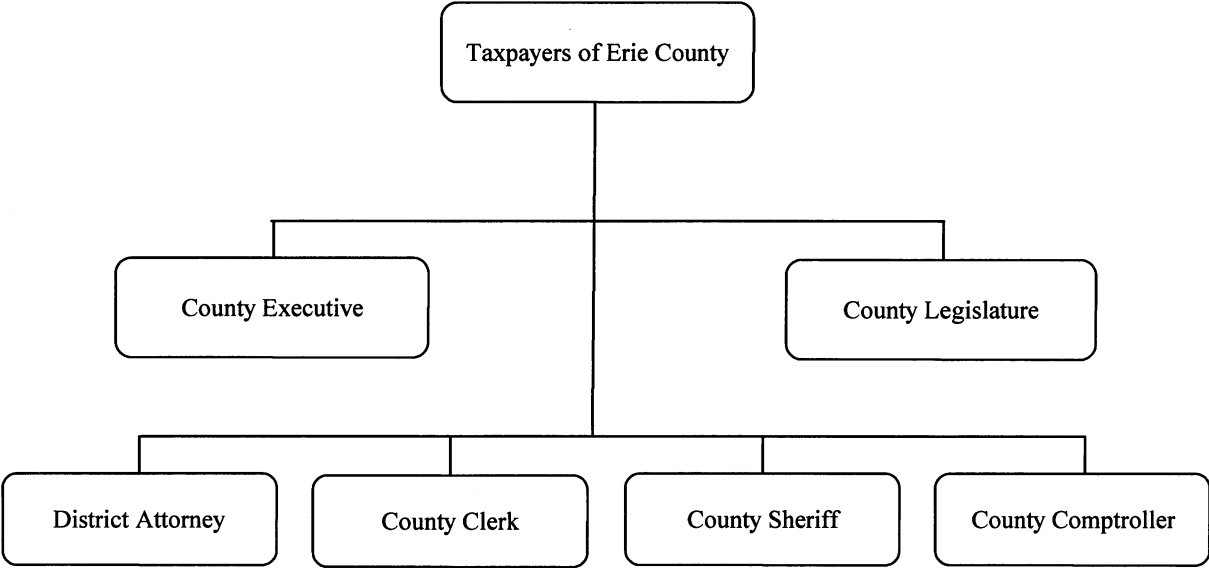


**Lean  
Six Sigma**



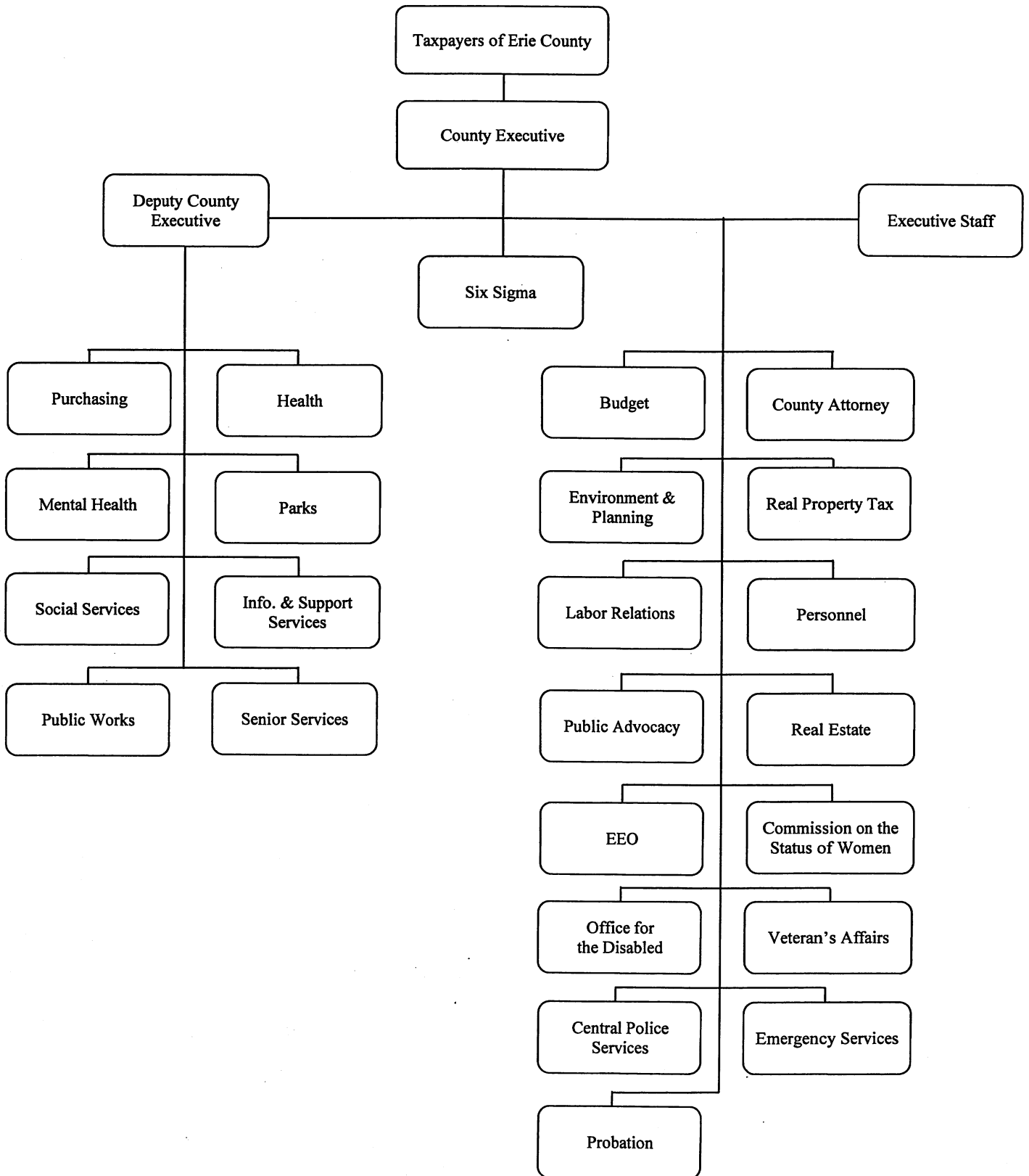
# Erie County Elected Officials

---



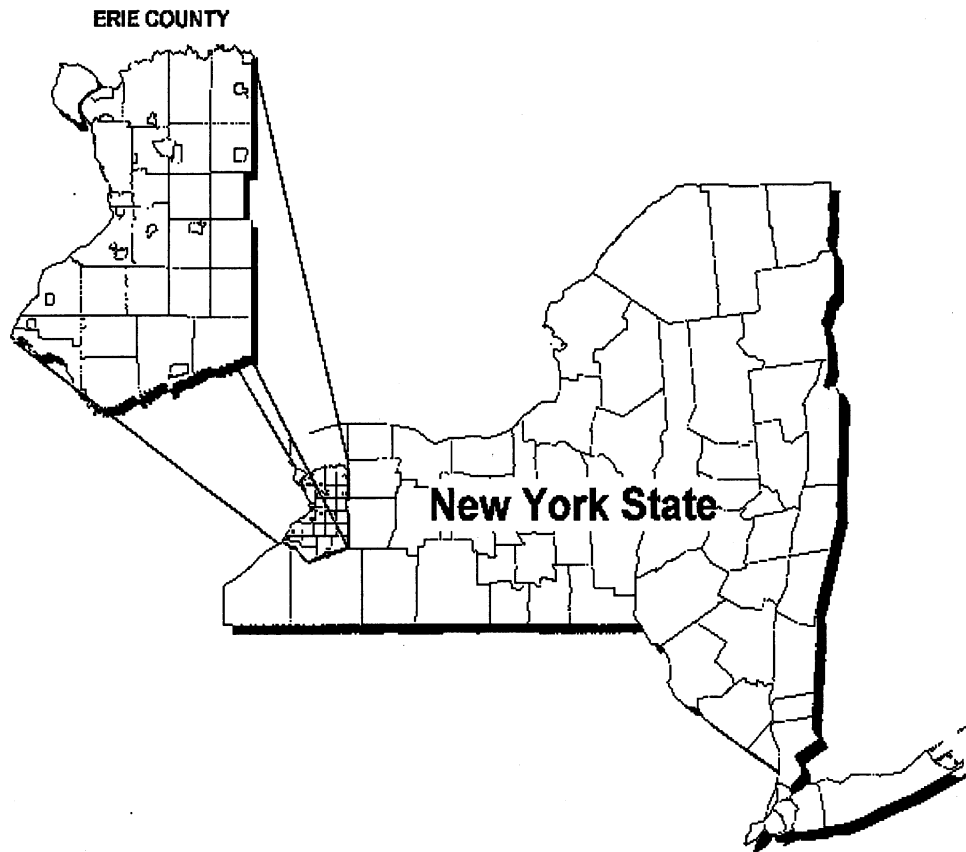
# Erie County Organizational Chart

---



## SNAPSHOT OF ERIE COUNTY

---



### **Geographic Size**

Erie County is a metropolitan center located on the western border of the State covering 1,058 square miles. The County is bounded by Lake Erie to the west, Niagara County and Canada to the north, Genesee County and Wyoming County to the east, and Cattaraugus and Chautauqua Counties to the south. More than half the population in both countries (160,000,000 people), as well as 52 percent of the personal income (\$5 trillion) created by the United States and Canada, are within 500 miles of Erie County. In addition, three-quarters of Canada's manufacturing activity and 55 percent of the United States' manufacturing activity fall within that radius. Located within the County are three cities and 25 towns, including the City of Buffalo, the second largest city in the State, which serves as the County seat.

## Government

Erie County is governed under a home rule charter which provides for the separation of legislative and executive functions. The Erie County Charter was enacted as Erie County Local Law No. 1 - 1959, and was approved by referendum on November 3, 1959, and became effective when filed with the Secretary of State on November 17, 1959. The County Executive, elected to a four year term, is the chief executive officer and chief budget officer of the County. The County Legislature, consisting of 15 members elected to two year terms, is the County's governing body. Other elected positions are Comptroller, County Clerk, District Attorney, and Sheriff.

## Population

The Bureau of Census population statistics for Erie County are as follows:

<u>Year</u>	<u>Population</u>
1970	1,113,491
1980	1,015,472
1990	968,532
2000	950,265
2009*	909,247

The population of the cities and five largest towns are as follows:

<u>Municipality</u>	<u>2009 Population*</u>
Buffalo, City	270,240
Lackawanna, City	17,539
Tonawanda, City	14,766
Amherst, Town	115,535
Cheektowaga, Town	87,496
Tonawanda, Town	71,749
Hamburg, Town	55,989
West Seneca, Town	43,753

\*2009 population figures are estimated.

## Economy

Erie County is a major New York industrial and commercial center. The following tables illustrate the major components of employment in the Buffalo-Niagara Falls Metropolitan Statistical Area (MSA).

## 2009 - Ten Largest Employers in WNY

<u>Organization</u>	<u>Employees</u>
State of New York	16,775
SUNY at Buffalo	10,010
Kaleida Health	10,000
U.S. Government	10,000
HSBC Bank USA	5,848
City of Buffalo Schools	5,389
Employer Services Corporation	5,380
Catholic Health Systems	5,191
Erie County	4,775
Tops Markets LLC	4,640

Source: 2009 Business First Book of Lists

## Total Labor Force

<u>Year</u>	<u>Total Labor Force</u>
1999	467,400
2000	468,500
2001	464,100
2002	469,800
2003	469,900
2004	473,200
2005	473,100
2006	471,800
2007	467,300
2008	472,700
2009	462,579

Source: NYS Department of Labor - [www.labor.state.ny.us](http://www.labor.state.ny.us)

## Ten Largest Taxpayers (As of July 1, 2010)

	<u>Equalized Taxable Valuation</u>
National Fuel Gas	\$1,358,291,754
National Grid/Niagara Mohawk	1,238,546,528
Huntley Power Plant	801,594,639
Benderson Development Co.	732,973,522
Verizon	635,604,177
NYSEG	496,233,151
BG – Various Properties	335,655,541
Pyramid Co. of Buffalo	334,647,097
DDR MDT LLC	257,990,376
Norfolk/Conrail/CSX	<u>235,038,907</u>
<b>TOTAL</b>	<b><u>\$6,426,575,692</u></b>

Source: Erie County Division of Real Property Tax Services

## Total Market Value of Erie County Real Estate

Year	Equalized Full Market Value Tax Base	Percentage Change from Prior Year
2006	38,102,215,597	
2007	40,477,681,759	6.23%
2008	42,445,603,001	4.86%
2009	44,382,615,356	4.56%
2010	46,120,909,989	3.92%
<b>2011</b>	<b>46,759,758,193</b>	<b>1.39%</b>

### 4.20% Average 5-Year Growth

Source: Erie County Division of Real Property Tax Services

---

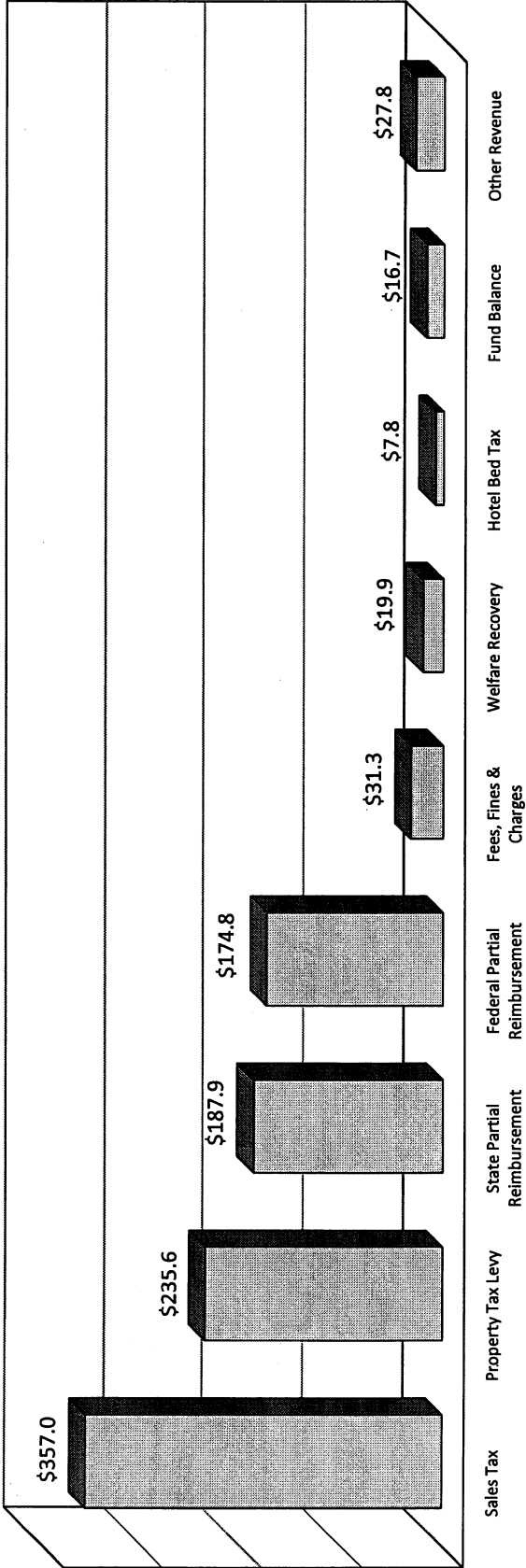
# UNDERSTANDING THE 2011 ERIE COUNTY BUDGET



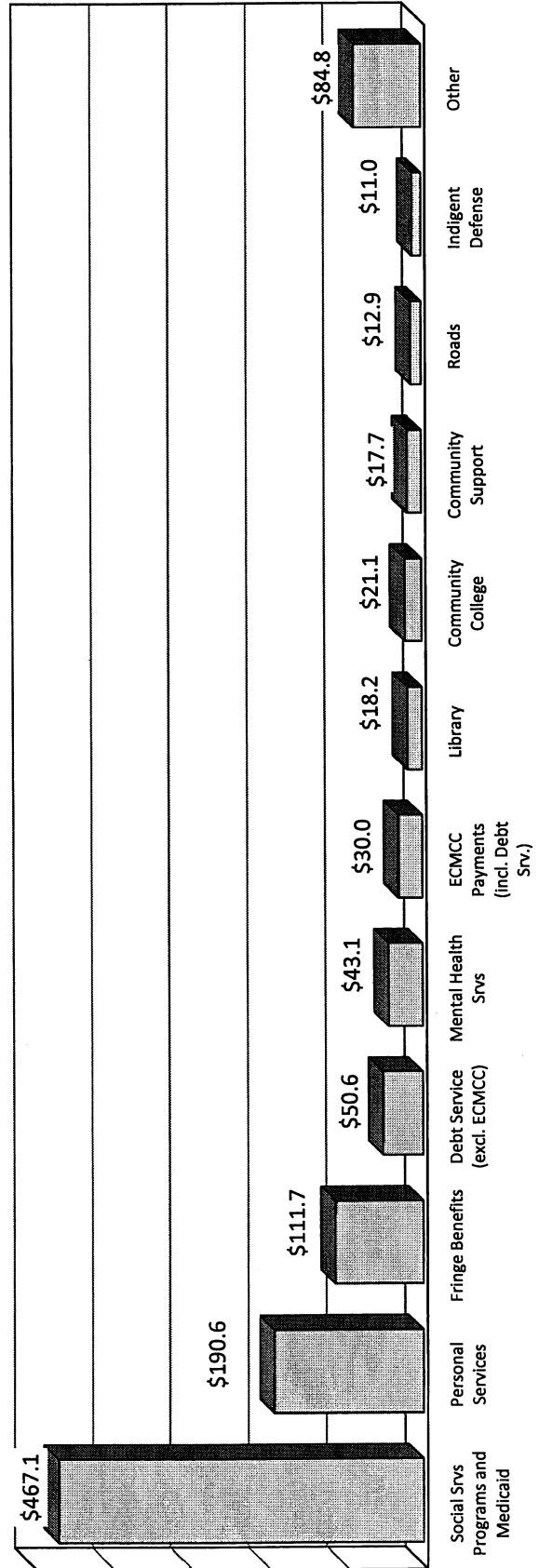
**Lean  
Six Sigma**

# The Annual Budget is \$1,058,778,553.

## Revenue (in millions)



## Expense (in millions)





## Summary of Undesignated Fund Balances Recorded 2003-2009

---

Fund Name	2003	2004	2005	2006	2007	2008	2009
<b>110 General</b>	17,860,956	(10,774,000)	4,647,000	23,069,000	32,960,569	45,389,000	74,044,894
<b>210 Road</b>	<u>(3,670,000)</u>	<u>(4,484,414)</u>	<u>(7,898,000)</u>	<u>(6,911,000)</u>	<u>(6,977,463)</u>	<u>(4,000,000)</u>	<u>0</u>
<b>Subtotal</b>	<b>14,190,956</b>	<b>(15,258,414)</b>	<b>(3,251,000)</b>	<b>16,158,000</b>	<b>25,983,106</b>	<b>41,389,000</b>	<b>74,044,894</b>
<b>820 Library</b>	1,173,000	550,000	629,000	2,216,000	2,599,307	2,342,000	3,311,000
<b>Total</b>	<b>15,363,956</b>	<b>(14,708,414)</b>	<b>(2,622,000)</b>	<b>18,374,000</b>	<b>28,582,413</b>	<b>43,731,000</b>	<b>77,355,894</b>

In governmental funds, fund balance may be broken out between designated (reserved) and undesignated (unreserved) fund balance. The county may appropriate a portion of the undesignated fund balance and must report designated and undesignated fund balance. Charter revisions in 2006, Article XXVI, Section 2605, call upon the County to maintain a fund balance equal to or greater than five percent of the amount contained in the budget of each fund in the immediately preceding fiscal year.

## TAX LIENS

---

### Estimated Collectable Balance Due: 12/31/2010

2006	\$	1,500,225
2007		2,225,115
2008		6,022,200
2009		10,255,850
2010		<u>16,520,300</u>
Total	\$	<u>36,523,690</u>

- As a general rule the County of Erie collects 97.5% of the total taxes levied each year by the tax lien certificate date, which is the last week of November.
- At the time a tax lien certificate is filed against a property an average of 18% interest and penalty have accumulated.
- Historical trends indicate that 100% of the original tax lien (including the 18% interest and penalty) is collected over the next 3 years as follows:

Year 1 Jan-Feb = 15%  
Year 1 Mar-Dec = 45%  
Year 2 Jan-Dec = 30%  
Year 3 Jan-Dec = 10%

- Erie County Tax Liens were sold off in 2002, 2003, 2004, and 2005 as a portion of the gimmicks used to fill operating deficits. The tax liens were not sold in 2006, 2007, 2008, 2009 and 2010 resulting in an outstanding collectable balance owed to Erie County taxpayers of **\$36,523,690** (these tax liens grow at an annually compounded rate of 18%).
- Since the tax liens are actual dollars owed to Erie County, and will be collected by Erie County, they have been included in the Restated Undesignated General Fund Balance.

## RESTATED FUND BALANCE

---

The Restated Undesignated General Fund Balance is the total of the audited Undesignated General Fund Balance plus the sum of balances of tax liens, board of elections and community college respreads.

	<u>Amount</u>	<u>Subtotal</u>
Audited Undesignated General Fund Balance (as of 12/31/2009)	\$74,044,894	
Community College Respread		\$74,044,894
2009	4,838,796	
2010	<u>4,952,555</u>	
		9,791,351
Board of Election Respread		
2009	5,771,418	
2010	<u>5,857,989</u>	
		11,629,407
Tax Liens – <i>Expected Collections</i>		
2006	\$ 1,500,225	
2007	2,225,115	
2008	6,022,200	
2009	10,255,850	
2010	<u>16,520,300</u>	
		<u>\$36,523,690</u>
<b>TOTAL AVAILABLE RESTATED FUND BALANCE</b>		<b>\$131,989,342</b>
<b>5% OF 2011 COUNTY SHARE OPERATIONS BUDGET OF \$679,406,992</b>		<b>\$33,970,350</b>
<b>EXCESS ABOVE 5% FUND BALANCE</b>		<b><u>\$98,018,992</u></b>

Note: The Erie County Charter calls for a General Fund Balance of 5.0%

**ERIE COUNTY DEBT  
2006-2014  
Erie County General Obligation Debt Outstanding  
(Excluding Sewers)**

<b>Year</b>	<b>Outstanding GO Debt January 1</b>	<b>Outstanding ECMCC Debt January 1</b>	<b>GO Debt Issued BAN/Bond During Year</b>	<b>Debt Run-Off During Year</b>	<b>Debt Balance December 31</b>
2006	446,484,077	101,375,000	46,055,000	-31,736,298	562,177,779
2007	460,802,779	101,375,000	0	-37,264,750	524,913,029
2008	423,538,029	101,375,000	0	-44,292,562	480,620,467
2009	379,245,467	101,375,000	103,535,000	-44,361,437	539,794,030
2010	438,419,030	**	68,985,000	-41,696,009	465,708,021
2011*	465,708,021		40,000,000	-51,824,255	453,883,766
2012*	453,883,766		40,000,000	-44,101,848	449,781,918
2013*	449,781,918		40,000,000	-42,232,179	447,549,739
2014*	447,549,739		40,000,000	-45,842,707	441,707,032

\*Estimated

\*\* As per the Agreement between ECMCC and the County, ECMCC will be making all future payments on the \$101.375M bond.



---

# OVERVIEW OF REVENUES



## PROPERTY TAX LEVY

---

2010 Budget: \$232,413,974  
2011 Proposed: \$235,633,278

The County property tax levy represents the total amount of real property revenue to be raised by the County. The amount of the real property tax levy is the difference between total expenses and all other projected revenue sources, including sales tax. The proposed 2011 County property tax levy totals \$235,633,278.

The share of the tax levy for each jurisdiction is based on its percentage of the County's total equalized full value. For example, if 16.8 percent of the County's equalized full value is located in the Town of Amherst, then Amherst would be responsible for 16.8 percent of the total County property tax levy.

A ten-year history on the amount of Erie County's annual property tax levy is shown below.

### Twelve-Year History Erie County Property Tax Levy

<u>Year</u>	<u>Amount of Property Tax Levy</u>	<u>Tax Rate/Per \$1000 Assessed Value</u>
2011	235,633,278	5.03
2010	232,413,974	5.03
2009	223,306,326	5.03
2008	211,837,793	4.94
2007	200,031,205	4.94
2006	188,094,445	4.94
2005	157,641,229	4.34
2004	152,529,551	4.42
2003	152,529,551	4.54
2002	152,529,551	4.74
2001	152,529,551	4.78
2000	181,766,441	5.60

A breakout of the total property tax levy into two required reporting categories for 2010 and 2011 totals:

	<u>2010</u>	<u>2011 Proposed</u>
General Fund	\$210,242,141	\$217,461,445
Library Fund	\$ 22,171,833	\$ 18,171,833
<b>Total Property Tax Levy</b>	<b>\$232,413,974</b>	<b>\$235,633,278</b>

### Average County Full Market Value Property Tax Rate

When the operating budget is presented to the County Legislature, the average tax rate is expressed in terms of a rate per thousand dollars of equalized full value.

The average County property tax rate is calculated by dividing the tax levy by the total amount of County Equalized Full Market Value expressed in thousands:

$$\begin{array}{l} \text{County Tax Levy} \div \text{Total Equalized Full Market Value} = \text{Average County Full Market Property Tax Rate} \\ \$235,633,278 \div \$46,759,758,193 = \$5.03 \text{ Per } \$1,000 \text{ Assessed Value} \end{array}$$

### Equalized Full Market Value

Compared to 2010 the amount of equalized full value has increased by 1.39 percent. The amount of equalized full value is determined as follows:

$$\begin{array}{l} \text{Total Taxable Assessed Value} \div \text{Equalization Rate (rounded)} = \text{Equalized Full Market Value} \\ 2010 \quad \$34,851,607,714 \div .7560 = \$46,120,909,988 \\ 2011 \quad \$35,483,249,993 \div .7588 = \$46,759,758,193 \end{array}$$

A five-year history of Erie County's equalized full value property tax base is shown below:

Year	Equalized Full Market Value Tax Base	Percentage Change From Prior Year
2006	38,102,215,597	
2007	40,477,681,759	6.23%
2008	42,445,603,001	4.86%
2009	44,382,615,356	4.56%
2010	46,120,909,989	3.92%
2011	46,759,758,193	1.39%

**4.20% Average 5-Year Growth**



## Constitutional Tax Margin

The constitutional tax margin of the County is determined in accordance with Section 10 of Article VII of the New York State Constitution. This limits the amount counties may raise in real estate taxes in any fiscal year, exclusive of debt service, to 1.5 percent of the five-year average full value of taxable real estate of the County.

The computation of the County's constitutional taxing power for 2011 is set forth below:

### Computation of Constitutional Tax Power for 2011

2006	\$ 38,102,215,597
2007	40,477,681,759
2008	42,445,603,001
2009	44,382,615,356
2010	46,120,909,989
Total <sup>(a)</sup>	\$211,529,025,702
Five-Year Average Full Valuation	\$ 42,305,805,140
Tax Limit (1.5%)	634,587,077
Total Exclusions (Debt Bonds)	63,684,940
<b>Total Taxing Limit</b>	<b>698,272,018</b>
<b>Total Tax Levy for 2011<sup>(b)</sup></b>	<b>246,243,492</b>
<b>Unused Tax Limit</b>	<b>\$ 452,028,526</b>

<sup>(a)</sup>The County's Constitutional Tax Limit is computed utilizing the previous five years of full value as adjusted and provided by the NYS Comptroller's Office.

<sup>(b)</sup>Includes taxes for certain election and Community College expenses totaling \$10,610,214.

## One-Percent Tax Cap

On November 13, 1978, the County enacted a local law limiting its property tax levy to one percent (1%) of the five-year average of full valuation, exclusive of debt service.

Pursuant to the terms of this local law, Erie County's estimated one-percent property tax limit, adjusted for debt service, is \$486,742,992 leaving an unused tax margin of \$240,499,500.

The one-percent property tax limit is calculated as follows:

Five-Year Average Full Valuation	\$42,305,805,140
Tax Limit (1.0%)	423,058,051
Total Exclusions	63,684,941
<b>Total Taxing Power</b>	<b>486,742,992</b>
<b>Total Levy for 2011(b)</b>	<b>246,243,492</b>
<b>Projected 1% Tax Margin</b>	<b>240,499,500</b>

<sup>(b)</sup>Includes taxes for certain election and Community College expenses.

# SALES TAX REVENUES

---

## SALES TAX REVENUES

### 2011 Budget

Sales Tax Retained by Erie County	\$356,942,508
Shared with Cities, Towns, Villages, School Districts, NFTA	<u>\$297,455,775</u>
<b>Total Sales Tax Revenues</b>	<b>\$654,398,283</b>

### Distribution

A general sales and compensating use tax of 8.75 percent is levied on all taxable retail sales in the County. Of the total 8.75 percent tax collected by New York State, 4.00 percent is retained as State revenue and 4.75 percent is returned to the County. In accordance with the sales tax sharing agreements, the 4.75 percent returned to the County is divided between the County and the Cities of Buffalo, Lackawanna, and Tonawanda; the towns, villages, school districts and the NFTA, with the County retaining 55% of the total.

#### Sales Tax Sharing Formulas 4.75% Sales Tax

	3%	1% <sup>(1)</sup>	.75% <sup>(2)</sup>
<b>County of Erie:</b>	<b>31.1389%</b>	<b>100% (less \$12.5M)</b>	<b>100%</b>
NFTA	4.1666%		
School Districts:	29.0000%	—	—
Cities:	10.0087%	—	—
Cities, Towns & Villages:	25.6858%	\$12.5 million	—

<sup>(1)</sup>1% Sales Tax authorization expires November 30, 2011

<sup>(2)</sup>.75% Sales Tax authorization expires November 30, 2011

## COUNTY SHARE SALES TAX RECEIPTS - HISTORICAL DATA

The chart below details the seventeen year history of collections of sales tax for County purposes. It also includes the 2010 adjusted budget and 2011 Executive Recommended budget for sales tax.

YEAR	3% COUNTY SHARE (less NFTA share)	1% SALES TAX (less 12.5M to local gov. starting in 2007)	.25% SALES TAX	.50% SALES TAX	Total County Share Sales Tax
1993	81,014,065	86,413,693			167,427,758
1994	85,002,895	90,617,571			175,620,466
1995	88,836,403	94,384,075			183,220,478
1996	91,039,777	97,610,220			188,649,997
1997	93,058,631	99,716,838			192,775,469
1998	91,546,934	98,009,975			189,556,909
1999	99,890,294	106,845,711			206,736,005
2000	104,716,296	112,067,315			216,783,611
2001	105,848,504	113,486,953			219,335,458
2002	106,262,629	113,526,622			219,789,251
2003	112,598,598	120,489,365			233,087,964
2004	112,585,445	120,422,959			233,008,404
2005	116,810,342	125,018,612	14,511,931		256,340,885
2006	118,951,249	<u>127,309,356</u>	31,302,516	61,522,198	339,085,319
2007	126,773,297	<u>123,189,926</u>	33,922,994	67,845,987	351,732,204
2008	129,068,864	125,653,503	34,119,468	68,238,935	357,080,769
2009	124,960,767	121,251,199	33,257,345	66,514,689	345,984,000
2010*	124,989,428	122,008,244	33,061,765	66,122,610	346,182,047
2011*	128,739,111	126,043,491	34,053,618	68,106,288	356,942,508

\* Budget

## SALES TAX SHARED WITH OTHER LOCAL GOVERNMENTS

---

The following table indicates 2011 estimated sales tax to Erie County and the amount of sales tax passed through to local jurisdictions.

	<b>2011 Estimated Collections</b>	
<b>County Sales Tax</b>		
3% Sales Tax	\$128,739,111	
1% Sales Tax	126,043,491	
.75% Sales Tax	<u>102,159,906</u>	
<b>Total 2010 Estimated County Share</b>	<b>\$356,942,508</b>	<b>55%</b>
<b>Shared Sales Tax</b>		
3% Sales Tax Distributed to Cities, Towns, Schools	\$267,637,838	
1% Sales Tax Distributed to Cities & Towns	12,500,000	
3% Sales Tax Distributed to NFTA (1/8 <sup>th</sup> of 1%)	<u>17,317,937</u>	
<b>Total to Other Jurisdictions</b>	<b>\$297,455,775</b>	<b>45%</b>

## ALL OTHER REVENUES

---

2010 Budget:       \$ 86,996,069  
2011 Proposed:    \$103,553,108

### 2011 Distribution of All Other Revenues

	<u>Total</u>
Property Tax Related	\$10,873,325
Welfare Recoveries/Repayments	19,875,809
Hotel Occupancy Tax	7,752,000
Election Expense Respread	5,771,418
Community College Respread	4,838,796
Interest Earnings-General Investments	940,000
Fees, Fines, Charges	25,492,221
Appropriated Fund Balance	16,721,902
All Other Source Accounts	11,287,637
Total	\$103,553,108

### Property Tax Related

2010 Budget:       \$ 8,500,396  
2011 Proposed:    \$10,873,325

Property Tax Related revenue includes payments in lieu of taxes, revenue from property tax exemptions, interest and penalties on delinquent tax, provisions for uncollectable taxes, and real property deferred revenue adjustments.

### Welfare Recoveries/Repayments

2010 Budget:       \$20,742,844  
2011 Proposed:    \$19,875,809

Welfare recoveries/repayments are revenues produced by the Department of Social Services (DSS) collection program. DSS recoups excess amounts paid to clients and maximizes collections on all accounts established by fraud, over-grant or assistance repayment requirements.

## **Hotel Occupancy Tax**

2010 Budget:	\$7,752,000
2011 Proposed:	\$7,752,000

A Hotel Occupancy Tax, currently ranging from 3% to 5% of room charges, was enacted in 1975. These are general County revenues, and along with the property tax and sales tax revenue supports the total net County cost of all operations.

## **Board of Elections Respread Revenue**

2010 Budget:	\$6,623,349 – 2008 election expense
2011 Proposed:	\$5,771,418 – 2009 election expense*
2012 Estimated:	\$5,857,989 – 2010 election expense*

This revenue is reimbursement from towns and cities for certain allowable expenses associated with the cost of conducting elections. The actual costs are billed back to the various towns and cities where elections are held.

*\*The County Undesignated General Fund Balance does not include the last two years of respread expenses that will be reimbursed by the towns and cities to Erie County. We have noted these amounts as part of the Restated Undesignated General Fund Balance.*

## **Community College Respread Revenue**

2010 Budget:	\$4,246,018 – 2008 actual community college payments
2011 Proposed:	\$4,838,796 – 2009 community college payments*
2012 Estimated:	\$4,952,555 – 2010 community college payments

This revenue is reimbursement from towns and cities for tuition payments made by the County for town and city residents who are enrolled in community colleges outside of Erie County. The tuition costs are billed back to the various towns and cities in the county for the town residents for whom tuition was paid.

*\*The County Undesignated General Fund Balance does not include the last two years of respread expenses that will be reimbursed by the towns and cities to Erie County. We have noted these amounts as part of the Restated Undesignated General Fund Balance.*

### **Interest Earnings**

2010 Budget:       \$   600,000  
2011 Proposed:    \$   940,000

Interest earnings, as budgeted in Countywide Accounts – Comptroller, are revenue realized from the regular investment of available funds in certificates of deposit, treasury notes and repurchase agreements.

### **Fees, Fines, Charges**

2010 Budget:       \$25,959,635  
2011 Proposed:    \$25,492,221

Revenue is received by many departments from fees or charges for their services which are provided to the public, businesses, or other outside entities. These revenues are directly attributable to departmental operations and offset a portion of their costs of providing the service. Included in this category are such revenues as: County Clerk fees; license, permit and inspection fees; fines and penalties; tax assessment services; parks and recreation fees; public health clinic fees; and Medicaid payments for children in the Early Intervention and Services to Children with Special Needs programs.

### **Appropriated Fund Balance**

2010 Budget:       \$           -0-  
2011 Proposed:    \$16,721,902

Appropriated fund balance is utilized in 2011 to offset debt service payments for ECMCC related projects in the amount of \$13,788,456 and anticipated unemployment insurance expense in the amount of \$2,933,446.

### **All Other Source Accounts**

2010 Budget:       \$12,517,827  
2011 Proposed:    \$11,308,637

This category of revenue includes such items as interfund revenue, refunds and recoveries, sale of scrap, and a wide variety of cash receipts.



## STATE PARTIAL REIMBURSEMENT

---

2010 Budget:       \$185,340,181  
2011 Proposed:     \$187,881,042

### 2011 Distribution of State Partial Reimbursement Operating Fund

	<u>Total</u>
Social Services	\$95,588,188
Youth Services	5,460,708
Youth Bureau	1,243,372
Health Department	4,388,320
Early Intervention/Pre-K/Special Ed	31,563,552
Early Intervention Administration	4,611,617
Mental Health	37,516,783
Mental Health Forensic	1,646,549
Probation	1,278,439
Sheriff/Jail	511,505
Law (Indigent Defense)	1,746,150
Buildings and Grounds	2,166,000
All Other Departments	159,859
Total	\$187,881,042

#### Department of Social Services

2010 Budget:       \$91,714,941  
2011 Proposed:     \$95,588,188

Revenue is received by the Department of Social Services for the State share of Public Assistance and supportive social services programs including Temporary Assistance to Needy Families (TANF), known as Family Assistance in New York State, Safety Net Assistance, Child Care subsidies through the Child Care Development Block Grant (CCDBG), Child Welfare Services, Emergency Assistance, Handicapped Children and Medical Assistance.

For most programs, reimbursement is one-half of the non-federal share of total cost. Child day care subsidies for families in receipt of Family Assistance are reimbursed at 75 percent of total cost from the CCDBG.

State reimbursement is also provided for some categories of administrative costs at varying rates, depending on the program administered. The Local Administrative Fund (LAF) created in 2006 to reimburse the administrative costs of Temporary Assistance, Food Stamps, Fraud Recovery and Employment programs was eliminated in the 2009-2010 State Budget and the state no longer shares the cost of administering these programs. Instead an amount equivalent to the state LAF revenue loss (\$14.42 million in the 2011 county budget) has been added to the county's federal allocation for the TANF Flexible Fund for Family Services (FFFS).

Administrative costs for Medical Assistance are a component of the Medicaid Cap in 2011. Because the local share costs of Medical Assistance administration are included in the Medicaid Cap chargeback, the State will reimburse the full non-federal share of Medical Assistance administration in the separate administrative claim. State reimbursements for all foster care services and administration are capped in a Foster Care Block Grant in 2011. Uncapped 62% State reimbursement is available for child protection services and for foster care prevention, adoption administration and independent living services.

State funding for Community Optional Preventive Services (COPS) programs was eliminated in October 2009 and no COPS programs were included in the 2011 proposed budget.

### **Health Department**

2010 Budget:	\$5,201,881
2011 Proposed:	\$4,388,320

The Health Division is reimbursed at 36 percent of net operating costs for State mandated public health functions including health education, disease control, environmental health, family health and community health assessment services. State reimbursement to the Division of Emergency Medical Services, the Public Health Lab and the Medical Examiner is budgeted at 36 percent of net operating costs.

## **Early Intervention/Pre-K/Special Education/Administration**

2010 Budget:       \$36,190,206  
2011 Proposed:     \$36,175,169

Revenues are received by the Department of Health from the State Education Department to support State mandated education and therapeutic services for 3 and 4 year old children with developmental delays. Reimbursement is budgeted at 59.5 percent of the eligible costs incurred for evaluations and corresponding services provided to children. Administrative costs for the 3 and 4 year-old program are reimbursed at \$75 per child served and/or evaluated. Other administrative costs are reimbursed at 30 percent by the State Health Department. Additionally, State revenues are received to support the Early Intervention Case Management Program serving infants and toddlers ages birth through 2 with developmental delays and their families. This program provides early intervention therapeutic services at home or in a day care center rather than at a facility-based program. Payments made by the department for screenings/evaluations, case management, and early intervention services such as speech or physical therapy are reimbursed at 50 percent by the State Health Department.

## **Department of Mental Health (including Forensic Services)**

2010 Budget:       \$38,714,081  
2011 Proposed:     \$39,163,332

Reimbursement is received by the Department of Mental Health in four different disability program areas and administration. This revenue includes a combination of 100 percent State funding for many program services and 50 percent deficit funding for other services and administration.

The State Office of Mental Health provides the majority of total funding. It supports Department services aimed at prevention and early detection of mental illness, and the maintenance of a comprehensive system of care, treatment and rehabilitation for the mentally ill. State funds from the Office of Mental Retardation and Developmental Disabilities are received to provide services designed to maintain the independence of mentally retarded or developmentally disabled clients in the least restrictive setting. Funds from the State Office of Substance Abuse Services support services and rehabilitation programs for clients who abuse drugs and for clients who experience the problems of alcoholism and alcohol abuse. Additionally, State revenues are received to support one-half of the cost of forensic mental health services provided to adults and children involved with the criminal court or family court systems. Increased Medicaid billing by community based contract agencies for clinic treatment and other services substantially offsets the expenses that would otherwise be directly claimed for State Mental Health reimbursement.

## **Probation Department**

2010 Budget:       \$1,503,140  
2011 Proposed:     \$1,278,439

Reimbursement is received from the State Division of Probation and Correctional Alternatives for expenses incurred by the Probation Department.

## **Youth Services**

2010 Budget:       \$5,756,307  
2011 Proposed:     \$5,460,708

State revenues are received to offset the operating costs of the secure and non-secure programs at the Youth Services Center. Erie County youth served in these programs are reimbursed at 49 percent of costs while those in the secure program from other counties are reimbursed at 100 percent. Additionally, reimbursement is received from the New York State Department of Education for the School Food breakfast and lunch program provided at the Detention Facility.

## **Youth Bureau**

2010 Budget:       \$1,383,849  
2011 Proposed:     \$1,243,372

State revenues are received from the State Division of Youth for Youth Development and Delinquency Prevention, and Runaway and Homeless Youth programs. State reimbursement for the Partnership for Youth and for the Special Delinquency Prevention program (SDPP) is included in the operating budget, as are the corresponding program costs that were previously separate grants. These programs are aimed at creating a healthy community environment for positive youth development as well as establishing recreational programs in an effort to deter delinquent behavior. A majority of the State revenues are redirected to other municipal and community-based agencies whose programs are monitored for effectiveness by the department. Additionally, State reimbursement is received for 49 percent of the Youth Bureau's administrative costs. Amounts budgeted in 2011 reflect the impact of state reimbursement reductions expected to continue on an ongoing basis and are consistent with current actual allocations.

## **Sheriff's Department and Jail Management**

2010 Budget:       \$509,276  
2011 Proposed:     \$511,505

The Sheriff's Department is reimbursed for expenses related to the patrol and enforcement of navigation and snowmobile laws in Erie County. Erie County does not receive revenue or incur expense related to court security as it did in previous years.

### **Law (Account 405210)**

2010 Budget:       \$1,950,000  
2011 Proposed:     \$1,746,150

Revenues are utilized to offset the expense incurred in providing legal defense for the indigent.

### **Buildings and Grounds (Account 405170)**

2010 Budget:       \$2,166,000  
2011 Proposed:     \$2,166,000

State revenues are for the reimbursement of the operation and maintenance of court facilities and interest costs associated with court improvements.

### **All Other Departments**

2010 Budget:       \$250,500  
2011 Proposed:     \$159,859

Other county departments receive minor state reimbursement for items such as burial costs of indigent veterans, handicapped parking surcharges and octane testing.

## FEDERAL PARTIAL REIMBURSEMENT

---

2010 Budget: \$197,226,344  
2011 Proposed: \$174,768,617

### 2011 Distribution of Federal Partial Reimbursement Operating Fund

	<u>Total</u>
Social Services	\$166,785,111
Youth Detention	46,927
Early Intervention/Pre-K/Special Ed	1,359,061
Sheriff/Jail	210,900
Emergency Services	275,000
Mental Health	4,405,606
Medicare Part D	1,600,000
District Attorney	55,640
Probation	30,372
Total	\$174,768,617

### Department of Social Services

2010 Budget: \$188,163,946  
2011 Proposed: \$166,785,111

Reimbursement is received by the Department of Social Services for the Federal share of Public Assistance and supportive social services programs.

These programs include Temporary Assistance to Needy Families (TANF) (known as Family Assistance in New York State), Child Day Care subsidies through the Child Care Development Block Grant (CCDBG), Medical Assistance, Foster Care and Adoption for children who qualify, and Social Services Block Grant (SSBG) supportive services under Title XX of the Social Security Act. For most of these programs, the Federal reimbursement is one-half of the total cost. Child day Care subsidies for low income families are reimbursed at 100 percent of cost from the CCDBG up to a fixed allocation ceiling. SSBG services are reimbursed at 100 percent of cost up to a fixed ceiling. Federal reimbursements are also received for administrative costs related to TANF/Family Assistance, Employment program administration, Medical Assistance, Food Stamps, Foster Care and Adoption, and Child Support.

Reimbursement of some TANF-funded administrative, transitional services and employment programs was consolidated in a new Flexible Fund for Family Fund for Family Services (FFFS) by the State in 2006. The state's Local Administrative Fund (LAF) was eliminated in the 2009-2010 State Budget. Instead, an amount equivalent to the state LAF revenue loss (\$14.42 million in the 2011 county budget) has been added to the federal FFFS allocation for TANF reimbursable expenses that can be shifted to this federal funding stream.

The temporary increase in the Federal Medicaid Assistance Percentage (FMAP), scheduled to end December 2010 has been extended for six months at a reduced rate. All other economic stimulus funding (Foster Care, Adoption Subsidies and Food Stamp administration) will expire as scheduled after December 2010. FMAP (Account 414030) is budgeted at \$13,000,000 in 2011, a \$20.1 million reduction as compared to 2010. The expiration of the other economic stimulus funding further reduces 2011 revenue by \$2.1 million from 2010.

The 2011 budget reflects the continued recovery of prior-year Food Stamp administrative reimbursements totaling \$1.84 million due to retroactive changes in the federal cost allocation methodology.

### **Youth Services**

2010 Budget:	\$46,927
2011 Proposed:	\$46,927

Federal revenue received in the Detention Facility is reimbursement for meals under the School Food Programs.

### **Early Intervention/Pre-K/Special Education**

2010 Budget:	\$2,172,775
2011 Proposed:	\$1,359,061

The revenue budgeted represents the county's Federal share of Medicaid partial reimbursement for services given to children in the Preschool Program, ages 3 and 4 and to children in the Early Intervention Program, ages birth through two. The Preschool Program portion is \$1,190,237 and represents the county's 40.5% share of this Federal revenue for the medical component of the various special education services. The Early Intervention portion is \$168,824 and represents the county's 50% share of the Federal revenue for various administrative activities associated with the Early Intervention Program. Together these portions total the revenue budgeted of \$1,359,061.

## **Sheriff's Department and Jail Management**

2010 Budget: \$556,300  
2011 Proposed: \$210,900

Federal revenue is received for the provision of meals to young adults housed at the Holding Center and in the Correctional Facility. Reimbursement is also budgeted in 2011 from the Social Security Administration through the prisoner reporting incentive program.

## **Department of Emergency Services (Account 410500)**

2010 Budget: \$260,000  
2011 Proposed: \$275,000

Revenues are received from the Federal Emergency Management Agency to support the planning and coordination of emergency response activities.

## **Department of Mental Health**

2010 Budget: \$4,405,606  
2011 Proposed: \$4,405,606

Revenues are received from the Department of Housing and Urban Development to support housing costs and supportive costs to enable consumers of mental disability and chemical dependency services to be maintained in the community. Where required, these costs are matched by state aid and by the valuation of other community-provided services.

## **Medicare Part D (Account 414100)**

2010 Budget: \$1,600,000  
2011 Proposed: \$1,600,000

Revenues of \$1,600,000 are received from the Federal government that help Erie County pay the cost of drug prescription coverage for its retirees.

## **District Attorney**

2010 Budget: \$ 20,790  
2011 Proposed: \$ 55,640

Federal money allocated to the District Attorney's Office to offset a portion of the expense related to the prosecution of juvenile offenders and to provide staff training for the prosecution of crimes against the elderly.



**Probation**

2010 Budget	\$ -0-
2011 Proposed	\$ 30,372

Reimbursement is received by the Probation Department for costs associated with FBI investigations.



---

# OVERVIEW OF EXPENDITURES



## OPERATING FUND EXPENDITURES

---

### TOTAL OPERATING FUND EXPENSES FOR COUNTY RUN DEPARTMENTS

2010 Budget:        \$1,048,158,615  
2011 Proposed:     \$1,058,778,553

#### 2011 Distribution of Operating Fund Expenses

	<u>Total</u>
Personal Services	\$190,049,372
Fringe Benefits	111,665,004
Contractual Agency Payments	76,063,956
Other Agency Expense	60,614,928
Social Services Assistance & Programs	396,845,392
Early Intervention/Pre-K/Special Ed	64,075,487
ECMCC Payments (includes debt service)	29,988,456
Interfund Transfers (County Share)	
County Share ECC	15,420,778
County Share Roads	12,883,718
County Share E-911	2,557,336
County Share Grants	3,933,028
County Share Utilities	4,040,336
Debt Service (excludes ECMCC)	50,599,564
Supplies & Repairs	8,594,521
All Other Expense	31,456,677
Total	\$1,058,778,553

#### Personal Services

2010 Budget:        \$197,531,577  
2011 Proposed:     \$190,049,372

Personal Service appropriations cover salary and wages for full-time positions budgeted in the General Fund, as well as for overtime and part-time expenditures. A contingency for union salary increases of \$942,000 is included along with an estimated savings of \$198,024 for the planned October 1<sup>st</sup> elimination of the Buffalo Lockup in the Sheriff's Holding Center.

## **Fringe Benefits**

2010 Budget: \$110,878,891  
2011 Proposed: \$111,577,580

Fringe benefit expenses are budgeted at the department level in the operating fund. In the four year plan, fringe benefits are reduced by \$2,933,466, the amount that is appropriated from fund balance to fund anticipated increase in unemployment insurance.

## **Contractual Agency Payments**

2010 Budget: \$77,833,641  
2011 Proposed: \$76,063,956

The major accounts comprising this appropriation include: Mental Health contractual agencies - \$41,713,040; Social Services contractual agencies - \$20,359,330; contractual services relating to the legal defense of the indigent - \$11,031,586; payments for youth in agency non-secure detention placements - \$2,960,000.

## **Other Agency Expense**

2010 Budget: \$66,540,576  
2011 Proposed: \$60,614,928

Includes the Library payment of \$18,171,833; Community College payments (residents enrolled in other Community Colleges) of \$5,657,616; Convention & Visitors Bureau - \$4,900,000; Buffalo Bills operational support of \$4,302,923; cultural support totaling \$4,441,000; services provided by ECMCC of \$8,094,006; and \$3,657,200 for NFTA 18-b support detailed below.

## **NFTA**

	<b>Sales Tax</b>	<b>County Subsidy (18-b)</b>	<b>Total</b>
2010 Budget:	\$16,813,531	\$3,657,200	\$20,470,731
2011 Proposed:	\$17,317,937	\$3,657,200	\$20,975,137

For the County's 2011 fiscal year, there is a State-mandated 18-b subsidy of \$3,657,200, equal to 89.2% of the State appropriation (currently \$4,100,000).

Additionally, although not part of Operating Fund expenditures, sales tax is passed through the County to the NFTA equal to \$17,317,937 in 2011.

## **Social Services Assistance Payments and Program Expenses**

2010 Budget: \$383,844,764  
2011 Proposed: \$396,845,392

The majority of Social Services Fund expenditures are for assistance payments made to or on behalf of eligible families or individuals. There are seven major assistance programs and a number of other smaller programs:

### ***Family Assistance (Account 525040)***

2010 Budget: \$38,099,500  
2011 Proposed: \$43,652,584

Public assistance benefit payments are made for basic needs, shelter and utilities, etc., to families eligible for this Federal/State/local program. Welfare reform at the Federal level replaced AFDC (Aid to Families with Dependent Children) with TANF (Temporary Assistance to Needy Families) in August 1996. In New York State, TANF is known as Family Assistance.

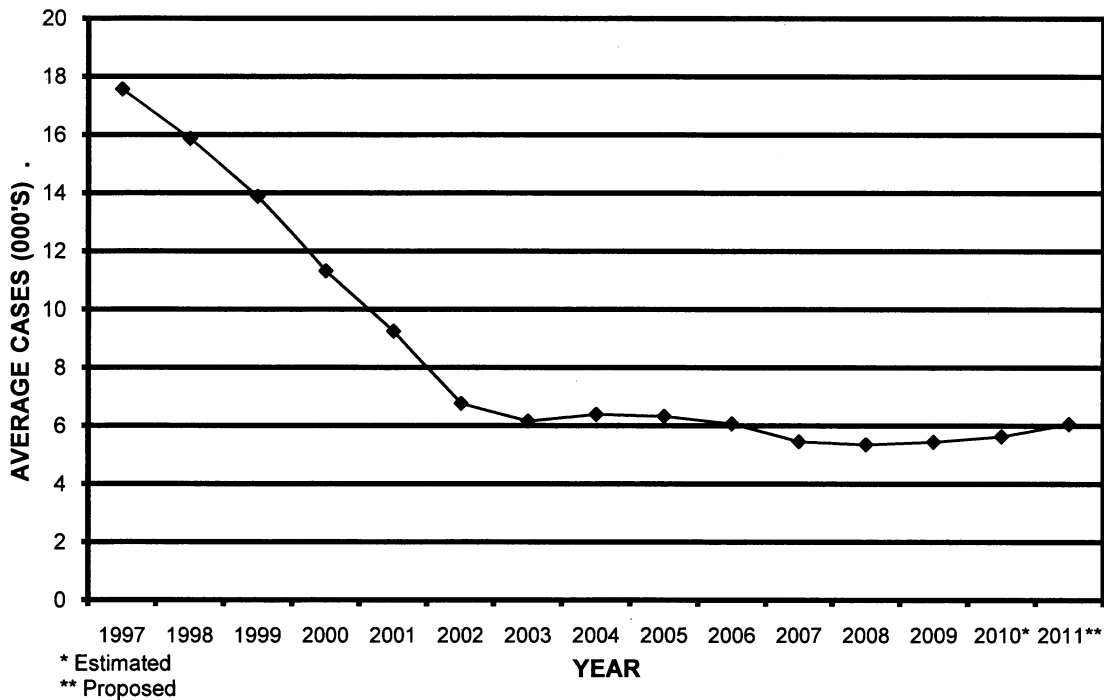
Federal Welfare Reform legislation enacted in December 1996 ended the Federal entitlement to public assistance. It provides funding to the states in the form of fixed block grants to cover temporary assistance to families. Limits are placed on the length of time families may receive Federal TANF (Family Assistance) benefits, and new work requirements are imposed for nearly all adults in Family Assistance (TANF) cases. There is a five-year (60-month) lifetime limit on Family Assistance benefits. For cases in which individuals fail to comply with drug or alcohol dependency assessment and treatment requirements, benefits must be restricted to non-cash voucher payments to landlords and utility companies with only a small personal needs allowance.

Benefits are also restricted to non-cash voucher payments and small personal needs allowances when the five-year (60-month) lifetime limit on Family Assistance eligibility is reached. This occurred for the first cases in December 2001, and additional cases reach their limit each month thereafter.

Caseloads are funded at an average level of 6,056 cases per month in 2011 with an average base monthly cost per case of \$467.92.

The 2011 caseload estimate reflects caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase for the balance of 2010 and 2011 at a monthly rate of 62 cases. This produces a beginning trend caseload estimate for 2011 that averages 6,232 cases per month.

### TREND OF FAMILY ASSISTANCE CASES (With Time Limit Shifts)



This beginning caseload estimate must, however, be reduced to reflect the transfer of currently active cases to Safety Net Assistance when they reach their 60-month lifetime federal eligibility limit. Another 324 cases are expected to reach their time limits and to be shifted to Safety Net Assistance by the end of 2011 at the current rate of 27 new cases shifted per month. In all, a monthly average of 176 time limit cases are subtracted from the trend estimate of 6,232 cases to arrive at the budgeted monthly average caseload of 6,056 which accounts for the cases that will move to Safety Net Assistance.

The 2011 monthly base cost per case estimate of \$467.92 is consistent with current actuals with adjustments to provide for voucher fuel cases and the expected commodity price of natural gas paid out on those cases.

The amount budgeted in 2011 includes an adjustment of \$5,077,656 added to the base for the costs of benefit increases enacted in the 2009-2010 State Budget. The basic grant will be increased annually by 10 percent for three years beginning July 2009. The adjustment covers the full annual cost of the 2009 and 2010 increases and six months of the 2011 increase. There is no local share for these benefit increases.

The appropriation includes added amounts for utility emergency assistance, \$1,457,961; for supplemental payments to clients as required in an annual

reconciliation of fuel allowances to actual costs, \$227,993; and \$2,884,647 for non-utility emergency assistance (formerly EAF). These amounts are consistent with current costs and cost trends.

The total County Share cost of the Family Assistance program is \$9,339,668 in 2011 after subtracting client repayments, Federal and State reimbursements and other revenues from the gross appropriation. This is an increase in local share cost of \$717,210 or 8.32 percent, compared to the 2010 Adopted Budget.

The base local share in 2011 will be adjusted in claiming for the shift by the State of \$17.14 million in Federal TANF revenue that otherwise would be applied against Family Assistance costs to Foster Care and Foster Care Administration in an effort to address Federal TANF maintenance of effort (MOE) requirements. The net TANF reductions are approximately \$1.35 million higher in 2011 as compared to the 2010 budgeted amount.

***Safety Net Assistance (Account 525060)***

2010 Budget:	\$39,472,078
2011 Proposed:	\$46,446,426

Public Assistance benefit payments are made for basic needs, shelter and utilities, etc., primarily to single individuals or childless couples who are eligible for this State/local general assistance program. Formerly known as Home Relief, this program now incorporates a two-year lifetime limit on cash benefits. After two years, and for those cases with individuals exempted from work activities because they are in drug or alcohol rehabilitation, or for those failing to comply with assessment and treatment requirements, benefits must be restricted to non-cash direct voucher payments to landlords and utility companies with only a small personal needs allowance.

Welfare reform and the creation of the new Safety Net Assistance program has affected caseloads and costs per case in much the same way as described above for the Family Assistance Program.

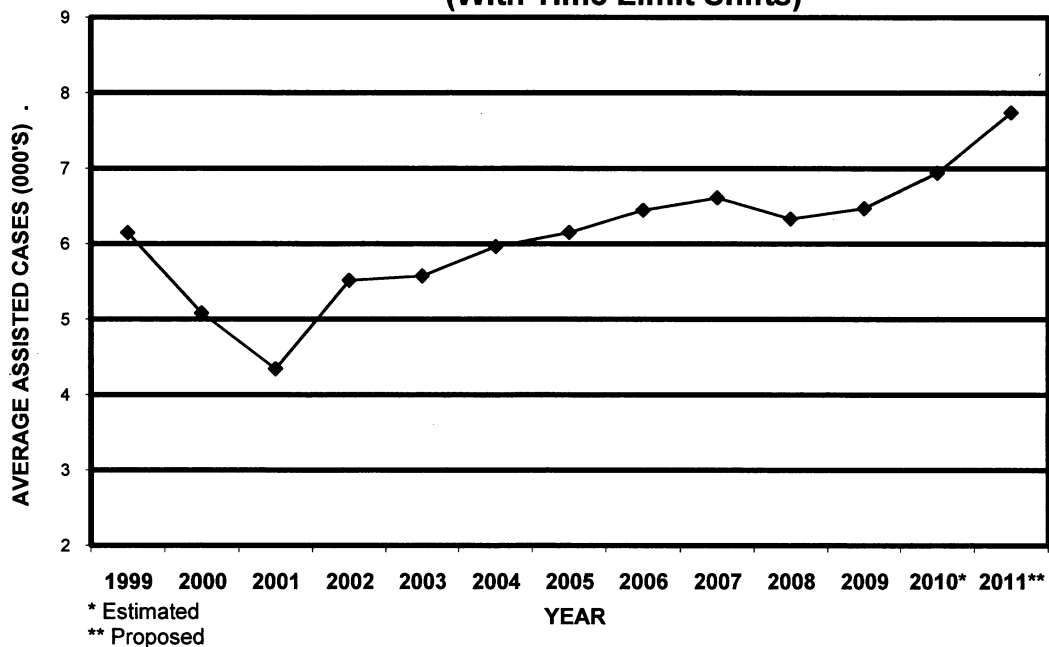
Caseloads are funded at an average level of 7,740 cases per month in 2011, with an average base monthly cost per case of \$420.39.

The 2011 caseload estimate is based on caseload trends that have occurred to date. It assumes that the current base caseload will continue to increase for the balance of 2010 and 2011 at a monthly rate of 73 cases. This produces a beginning trend caseload estimate for 2011 that averages 7,694 per month.



To this beginning caseload estimate must be added those new cases that will transfer to Safety Net Assistance when they reach their 60-month federal eligibility time limit in Family Assistance. As indicated earlier, a monthly average of 176 new cases are expected to be shifted into Safety Net Assistance. Many of these and previously transferred clients, however, are employed and case closings due to employment and income are expected to reduce the number that will actually be maintained in Safety Net Assistance once they have been transferred. In all, monthly average of 46 cases are added to the trend estimate of 7,694 cases to arrive at the budgeted average monthly caseload of 7,740.

**TREND OF SAFETY NET ASSISTANCE CASE  
(With Time Limit Shifts)**



The 2011 base monthly cost-per-case estimate of \$420.39 is consistent with current actuals with adjustments to provide for voucher fuel cases and the expected commodity price of natural gas paid out on those cases. The base cost reflects the higher costs per case of the growing proportion of family cases in Safety Net Assistance as a result of the 60-month time limit for Family Assistance eligibility, as compared to the traditional single adult Safety Net case.

The amount budgeted in 2011 includes an adjustment of \$4,821,432 added to the base for the costs of benefit increases enacted in the 2009-2010 State Budget. The basic grant will be increased annually by 10 percent for three years beginning July 2009. The adjustment covers the full annual cost of the 2009 and 2010 increases and six months of the 2011 increase. There is no local share for these benefit increases.

The appropriation includes an additional \$2,330,875 for utility emergency assistance and \$248,054 for supplemental payments to clients as required in an annual reconciliation of fuel allowances to actual costs.

The County share cost of the Safety Net Assistance program is \$17,854,316 in 2011 after subtracting client repayments, reimbursements and other revenues from the gross appropriation. This is an increase of \$2,634,685 (17.31 percent) compared to the 2010 budgeted amount.

**Medicaid – MMIS Local Share (Account 525000)**

2010 Budget:	\$200,523,333 (52 weeks)
2011 Proposed:	\$206,604,870 (52 weeks)

This appropriation is the County's net local share of all Medicaid – related costs under the State's Local Share Medicaid Cap which was effective beginning January 2006.

Legislation establishing a Medicaid Cap was enacted in 2005. The legislation sets 2005 actual cash local share costs as a base year, with costs in subsequent years fixed by an annual inflation factor. In 2011 the Medicaid Cap will be the 2010 actual Medicaid Cap amount plus 3.0 percent of the 2005 final cash basis local share Medicaid Base. It will be charged to the County by the State in 52 weekly wire transfer installment payments that are determined on the basis of a prorated State Fiscal year Medicaid cap.

In 2012 and subsequent years the cap will also grow by 3.0 percent of the 2005 Medicaid local share base annually. In any year, if actual local share costs are lower than the Medicaid Cap amount, counties will be refunded the overpayment.

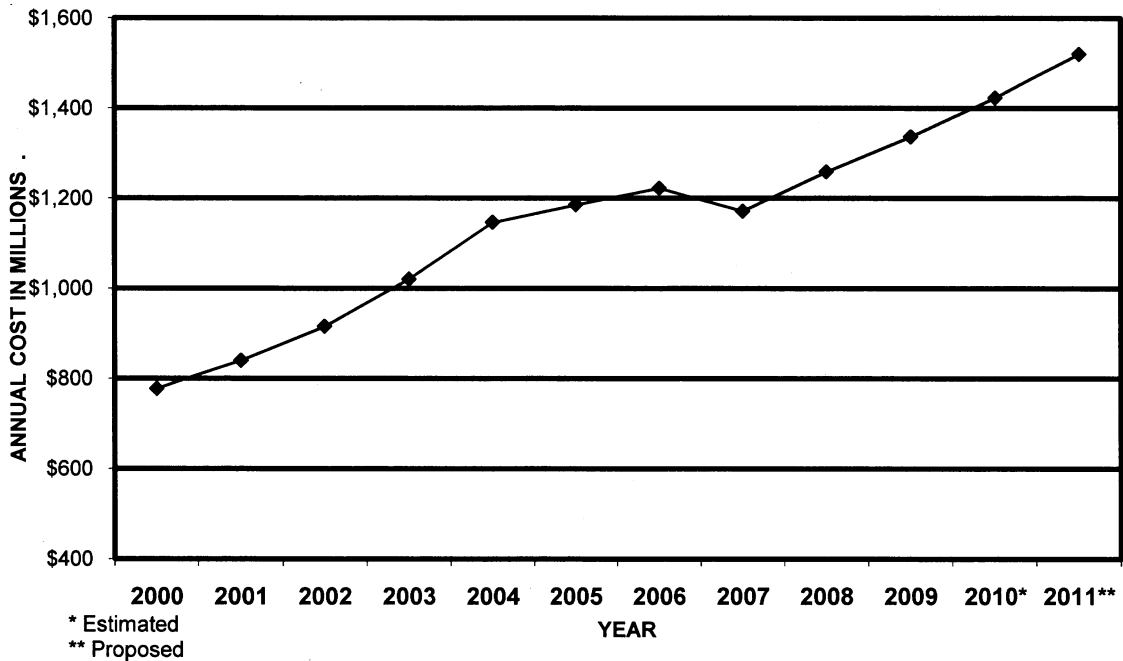
In contrast to the MMIS local share chargeback in prior years, the Medicaid Cap is all inclusive, covering the local share costs of the following components:

- Payments made to providers through the State MMIS billing/payment system (now known as eMedNY) for services rendered to eligible persons. Total medical bills are paid by the eMedNY system and the County is charged back only the local share of the gross payments made.
- Payments made locally by Erie County to transportation providers and insurance companies that are claimed for reimbursement of Federal and State shares.

- Medicaid program administration costs that are part of the monthly reimbursement claim.
- All revenues associated with Medicaid programs such as repayments.
- Medicare Part A and B premium and copayments and Part B charges that are charged quarterly to Medicaid.
- Other “off line” payments such as bad debt pool and similar quarterly payments to providers.

Excluded entirely from the Medicaid Cap are costs associated with the Family Health Plus program. The local share of Family Health Plus was entirely assumed by the State in September 2005. Also excluded from the Medicaid Cap are annual Indigent Care adjustment payments to providers that total \$2,331,775 local share.

**TREND OF MEDICAID COST (Gross Cash Basis)**



The 2011 appropriation is the amount of the 2011 Erie County Local Share Medicaid Cap plus the local share of the Indigent Care adjustment payments. It totals \$206,604,870 for all of the components listed above.

The calculation of the required appropriation starts from the total of actual cash payments required in calendar year 2011. This amount is \$204,273,095. The Indigent Care adjustment adds another \$2,331,775 for a total of \$206,604,870.

The amount required for the calendar year reflects weekly cash payments for the 2010-2011 State Fiscal Year and the 2011-2012 State Fiscal Year Medicaid caps that are both calculated based on the State's 52 payment cycles.

Elsewhere in the budget is a separate appropriation in the amount of \$16.01 million for the local share of supplemental federal payments to the Erie County Medical Center – for Disproportionate Share (DSH). These supplemental payments are specifically excluded from the Medicaid Cap. Also included elsewhere in the budget are federal revenues from the 6-month extension of a temporary increase in the Federal Medicaid Assistance Percentage (FMAP).

***Medicaid - Gross Local Payments (Account 525030)***

2010 Budget:	\$3,706,297
2011 Proposed:	\$2,734,408

Certain Medicaid payments are made directly to providers by the Erie County Department of Social Services, rather than through the State MMIS (eMedNY) system. Services paid locally from this appropriation include medical insurance premiums when private insurance coverage is available and cost-effective, and other miscellaneous medical expenses. Medical transportation services previously paid locally from this account were shifted to the State MMIS payment system late in 2009.

The 2011 appropriation includes \$165,869 for medical transportation unable to be paid through MMIS, \$2,384,788 for insurance premiums and \$183,751 for other expenses. The amount budgeted in 2011 for insurance premiums incorporates a 15 percent increase over estimated 2010 costs to cover premium inflation, and is based on recent trends and expectations about health insurance premium increases.

Because of the Medicaid Cap which includes the local share of these local payments there is no separate local share associated with this appropriation. Repayment and other revenues received locally and applied against these costs in the past will be returned to the State in claiming adjustments.

**Child Welfare Services (Account 525050)**

2010 Budget:           \$61,911,490  
2011 Proposed:       \$58,937,199

This appropriation is used to pay for the costs of the care of children placed by the Family Court into the custody of the Commissioner of Social Services. These children reside in foster homes, group homes and in child caring institutions. A majority of children are in foster home placements in connection with child protection cases. Placements in group homes and institutions are ordered primarily for Persons in Need of Supervision (PINS) or for Juvenile Delinquents (JD's).

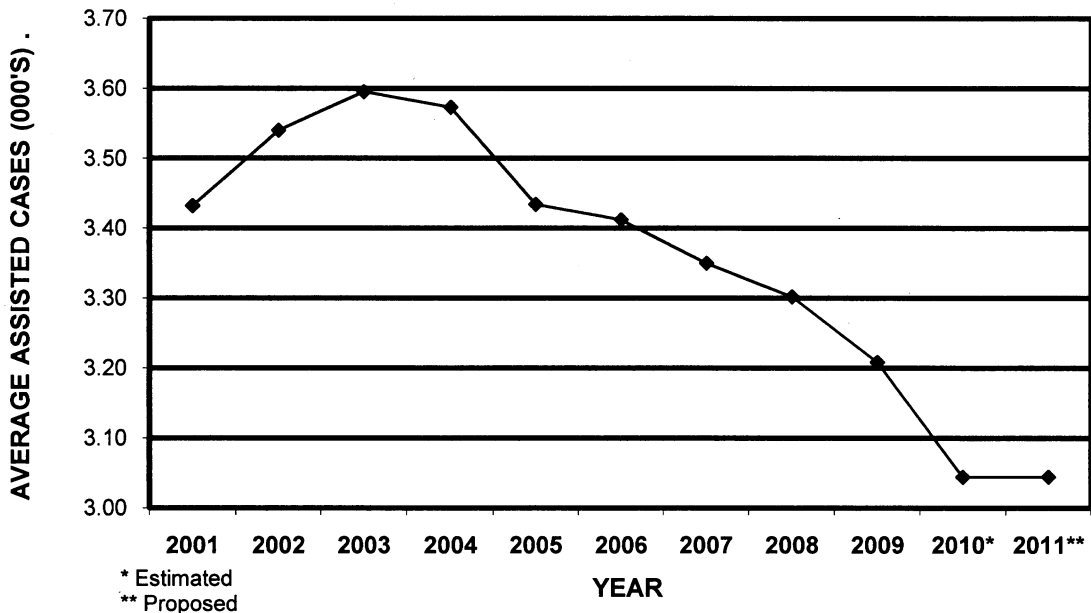
Appropriations in the 2011 budget are estimated based on analyses of historical and current trends of expenditures, children in care, monthly costs per child, and changes in per diem board, tuition and other rates.

Children assisted are funded at an average level of 3,044 per month in 2011, with an average monthly cost per child of \$1,613.48.

Based on present trends, the average monthly number of children funded in 2011 is held at the 2010 estimate of children in care, which is currently 208 children below 2009 budgeted levels. The ability to hold the total number of children served relatively steady over the last eight years is a major accomplishment after years of steady growth and given recent increases in Child Protection activity that often lead to placement. This reflects final assessment reform, enhanced front door strategies and expanded preventive services option.

Even more significantly, the proportion of children in foster care has decreased, and is expected to continue to be reduced, while the proportion of adoptions and children receiving adoption subsidies increases. Furthermore, the benefits of special initiatives to reduce placements and lengths of stay in costly institutional settings are expected to continue to favorably impact both the number of children in care and overall costs in 2011.

### TRENDS OF CWS ASSISTED CHILDREN (Foster Care and Institutional Care)



Costs per child assumed in 2011 incorporate regular congregate care rate increases of 4.5 percent in July 2010 and July 2011, as compared to current actual rates, as well as a 3.2 percent added cost of living (COLA) rate increase required by the State effective in April 2011. The average monthly cost per child also reflects changes in the distribution of children among the various levels of care, as well as the expected continued moderation in institutional care lengths of stay.

The County share cost of Child Welfare Services is \$19,108,731 in 2011 after subtracting client repayments and Federal and State reimbursements from the gross appropriation. Federal TANF/EAF revenues for foster care and PINS/JD institutional costs are budgeted at the current estimated ceilings. The 2011 base local share will be adjusted in claiming for \$13.97 million in TANF/EAF funds that are to be shifted by the State from Family Assistance to address federal TANF maintenance of effort (MOE) requirements.

Child Welfare Services costs, including foster care and PINS/JD institutional costs which cannot be claimed for federal TANF/EAF reimbursement, are included, along with Foster Care administrative costs, in the State's Foster Care Block Grant (FCBG). The FCBG covers 100 percent of non-federal costs up to the Block Grant ceiling, after which non-federal costs become 100 percent local share. Adoption Subsidy expenses are reimbursed

separately from the FCBG with a State share of 73.5 percent of non-federal costs. There is no fixed limit to this reimbursement.

***Child Care Development Block Grant (Account 525090)***

2010 Budget:           \$30,271,152  
2011 Proposed:        \$29,502,730

Child care (day care) subsidies are provided to low income families and those in receipt of Public Assistance through the Child Care Development Block Grant (CCDBG) to enable them to maintain employment or to engage in work activities. Low income families with incomes below 175 percent of the Federal Poverty Level are eligible for subsidies in that vary, depending on the day care setting. Child care subsidies are provided for families in receipt of Public Assistance to enable the parent to accept and retain employment or to participate in required work activities. The amount of the subsidy varies with the day care setting.

The 2011 budgeted amount is based on recent trends in the number of children subsidized in the various day care settings and payments to providers. A monthly average of 4,100 children in low income families are expected to receive subsidies in 2011. Children in Public Assistance families receiving subsidies are estimated at 1,951 on average each month, a number necessary to support the level of work activity participation required of parents. The 2011 total cost of low income subsidies is budgeted at \$19,403,255. These costs are 100 percent reimbursed with federal funds through the Child Care Development Block Grant. The budget includes \$10,099,475 for mandated subsidies to children in Public Assistance Families. These costs are reimbursed with state funds through the Block Grant at 75 percent of cost. The 25 percent local share cost for Public Assistance children is \$2,524,869 in 2011.

***Other Programs***

2010 Budget:           \$ 9,860,914  
2011 Proposed:        \$ 8,967,175

In this category are appropriations for a number of smaller programs administered by the Department of Social Services. These include: Account 525070 – Emergency Assistance to Adults (EAA), \$1,276,858; Account 525080 – Education of Handicapped Children in residential schools, \$871,606; Account 525130 State Training School chargebacks, \$3,852,740; Accounts 525100 and 525110 – expenses for housekeeping and home-delivered meal assistance, \$103,136; and Account 525120 – expenses for the special needs of individuals in Adult Family Homes, \$2,310. Amounts budgeted in 2011 reflect current trends in utilization, and a 15 percent rate

increase for State Training Schools as compared to current actual base billings plus an added \$826,639 for retroactive 2004 and 2009 State Training School rate adjustments.

Child care funded by Title XX, in cases of child protection and for purposes of foster care prevention, totals \$2,660,525 in Account 525090 in 2011, and Home Energy Assistance Program (HEAP) benefit costs total \$200,000 (account 525150).

### **Early Intervention/Pre-K/Special Ed**

2010 Budget: \$65,063,121

2011 Proposed: \$64,075,487

Developmental and special education programs are administered by the Department of Health, Division of Services to Persons with Special Needs. Children, birth through two years old, are identified, evaluated and placed in developmental programs by the County's Early Intervention Case Management program. Children three and four-years old are identified, evaluated and placed in special education programs by the local school districts. Eligible service costs for three and four-year old children are paid by the County and are reimbursed partially by the State Education Department. Some services to eligible three and four-year-old children also may be claimed for the Federal share of Medicaid.

Under Chapter 243 of the laws of 1989, the County also is responsible for a 10 percent share of the cost of the school age (ages five to twenty-one) summer program which is billed to the County on a net basis at the end of each school year. In addition, the County is responsible for a portion of the cost of the special committees of local school districts which place children in preschool programs.

Under 1993 State legislation, the County is responsible for the provision of various developmental services such as occupational therapy, physical therapy, speech therapy and pre-school education in the Early Intervention Program for infants and toddlers with developmental delays and their families. Services are based on an Individual Family Service Plan developed by the family, an evaluator, a County case manager and the County local early intervention official (designated by the State). The County is able to access Medicaid and third-party insurance reimbursement for eligible children. Remaining eligible service costs are paid by the County and are reimbursed partially by the State Health Department.

The 2011 appropriation for the Children with Special Needs Program in Account 528000 is \$64,075,487. The 2011 appropriation represents a 1.5 percent decrease from the 2010 adopted budget.

Other program and administrative expenses which total \$4,600,460 are included elsewhere in the budget summary, namely the personal services, ECMC



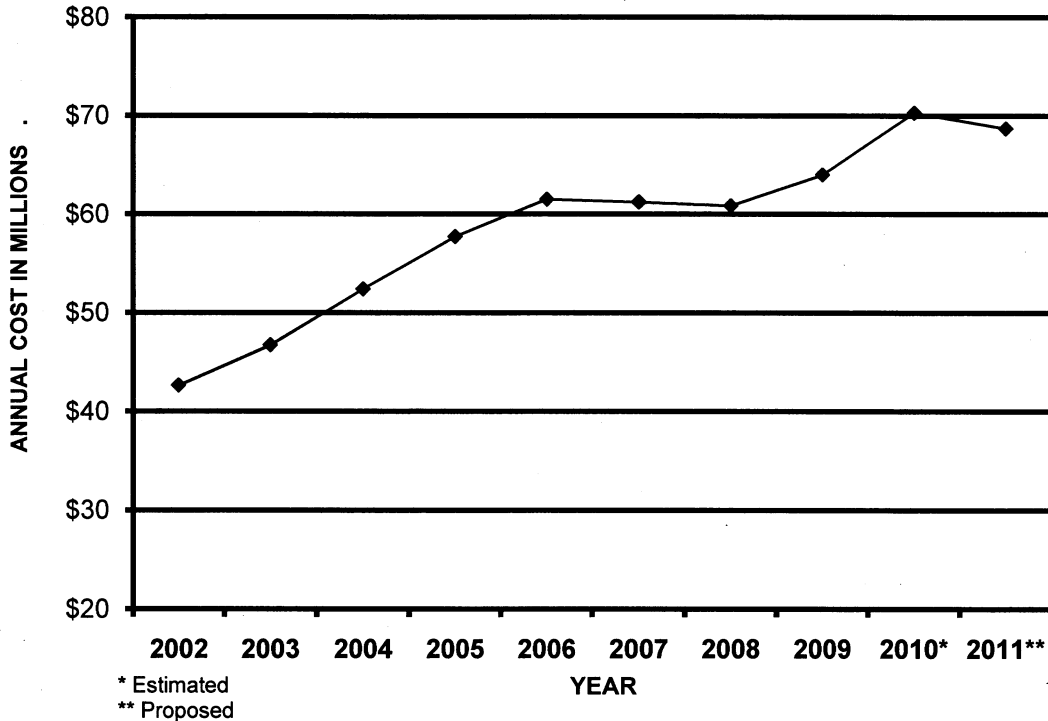
contractual, interdepartmental payments or all other expense categories, and are not included in the account 528000 appropriation.

In the 3 and 4 year-old Preschool program, County representatives can make suggestions as to the needs of the child. However, school districts, although paying nothing toward the cost of the programs, control entrance into and the services provided by the program. In the past decade the number of children in this program has increased by more than ten-fold while enrollments are expected to increase by 7 percent.

In the Early Intervention program, the average cost per child is expected to decrease in 2011. The County administers this program and a Six Sigma project has improved the quality and lowered the cost of the services provided.

The growth in total cost of these mandated programs is shown in the graph below. This trend of increased cost is expected to be reversed in 2011 due to cost reduction in the Early Intervention Program.

**SERVICES TO CHILDREN WITH SPECIAL NEEDS  
(Gross Program Costs)**



The table that follows on the next page outlines the various components of the total program for 2010 and 2011.

**2010/2011 Comparison of  
Early Intervention/Pre-K/Special Ed**

	2010 Gross	2011 Gross	2010 County Share	2011 County Share
<b>Birth – Two-Year-Old Early Intervention Program</b>	<b>\$14,722,294</b>	<b>\$11,635,670</b>	<b>\$3,834,906</b>	<b>\$3,170,749</b>
2011 vs 2010 Change		-\$3,086,623		-\$664,157
<b>Three &amp; Four Year Old Preschool Program</b>	<b>\$51,143,406</b>	<b>\$53,150,111</b>	<b>\$18,828,265</b>	<b>\$20,396,321</b>
2011 vs 2010 Change		\$2,006,704		\$1,568,056
<b>School Age Program - Summer</b>	<b>\$2,075,005</b>	<b>\$1,817,366</b>	<b>\$2,075,005</b>	<b>\$1,817,366</b>
2011 vs 2010 Change		-\$257,638		-\$257,638
<b>Administration Special Needs Division EL and Preschool Administration</b>	<b>\$2,343,524</b>	<b>\$2,013,534</b>	<b>\$977,895</b>	<b>\$724,466</b>
2011 vs 2010 Change		-\$329,990		-\$253,429
<b>GRAND TOTAL</b>	<b>\$70,284,229</b>	<b>\$68,616,681</b>	<b>\$25,716,071</b>	<b>\$26,108,902</b>
		<b>Gross Change</b>		<b>County Share Change</b>
		<b><u>-\$1,667,547</u></b>		<b><u>\$392,831</u></b>

**ECMCC Payment  
Subsidy and Debt Service**

2010 Budget: \$29,793,686  
2011 Proposed: \$29,988,456

The 2011 Budget provides \$29,988,456 in payments to ECMCC which includes \$13,788,456 in hospital related debt service and a subsidy of \$16,200,000 in County cost for State mandated supplemental Medicaid payments. For planning purposes the four year plan reduces expense by utilizing fund balance for the ECMCC debt service in 2012 and 2013 in the amount indicated.

Supplemental Medicaid payments are periodically received by the Erie County Home and the Erie County Medical Center which are designed to draw down the maximum possible federal reimbursement to those public facilities in recognition of their high proportions of Medicaid and indigent care. Payments to the Erie County Home are known as Upper Payment Limit (UPL) supplements, while payments to the Erie County Medical Center are known as Disproportionate Share (DSH) supplements. These payments require a 50 percent local share match, the costs of which are excluded from the Medicaid Cap.

The County subsidy of \$16,200,000 will offset the County share in 2011-2014. In the unlikely event that the IGT payments to ECMCC by the Federal government exceed \$16,200,000 the County has a credit pool with a balance of approximately \$10 million.

**Interfund Transfers (Allocation)**

2010 Budget: \$36,220,814  
2011 Proposed: \$38,835,196

This includes allocations for County share of the Road Fund \$12,883,718; County share of grants \$3,933,028; County share of Utility Fund totals \$4,040,336 and County share of the E-911 Fund which equals \$2,557,336.

**Debt Service**

2010 Budget: \$39,209,993  
2011 Proposed: \$50,599,564

This includes \$50,193,854 for General Obligation Bond Debt Service, excluding ECMCC and \$405,710 for interest on Revenue Anticipation Notes.

## **Supplies and Repairs**

2010 Budget: \$ 9,633,496

2011 Proposed: \$ 8,594,521

This expense category includes general office, medical, repair and maintenance supplies; in addition to food for inmates at the Jail and Correctional Facility. It also includes the purchase of fuel for vehicles countywide.

## **All Other Expenses**

2010 Budget: \$25,118,517

2011 Proposed: \$31,456,677

**Included in the Other Expense category is \$400,000 of operational expense for the Erie County Fiscal Stability Authority (Control Board).**

The balance covers all other remaining expenses in the 2011 Budget for the Operating Fund including lawsuits, interdepartmental billings, telephone charges; risk retention and equipment.

# FRINGE BENEFITS EXPENDITURES

---

## FRINGE BENEFITS – ALL FUNDS

Fringe benefits are provided for County employees based on the provisions of the various collective bargaining agreements and/or Federal, State, and local laws. The County is required to provide appropriations for FICA, medical and hospitalization insurance, dental insurance, unemployment insurance and workers' compensation. An appropriation is also provided for retired County employees eligible to participate in a joint retiree-County funded medical and hospitalization insurance program. The basis of the appropriation for each fringe benefit category is explained below:

### FICA

The required employee contribution for 2011 will normally be 7.65% of the total salary, up to the maximum wage base. The maximum salary base for 2011 is estimated to be \$108,600. In developing FICA appropriations for 2011, the portion of salaries exceeding the maximum wage base was excluded. Also, a separate adjustment factor was determined for each fund to account for salaries in excess of \$108,600 that are subject to the 1.45 percent Medicare-only portion of FICA.

### Workers' Compensation

Workers' Compensation benefits have increased dramatically – losses prior to July 1, 2007 were paid at \$400/week maximum, and escalated to \$600/week maximum for claims paid July 1, 2009 - July 1, 2010. The proposed appropriation for Workers' Compensation in 2011 accounts for this increase and were based on the current year's cost trend, adjusted for anticipated medical costs. The appropriation provides funding for medical and indemnity payments, mandated state assessments and administration fees. The total appropriation is normally budgeted through the various funds and is charged through the payroll system as expenses are incurred.

### Unemployment Insurance Coverage

The appropriation for unemployment insurance anticipates an increase due to expected staff layoffs in the 2011 Budget.

## **Medical and Hospitalization Insurance - Active Employees**

The 2011 budget estimate for active employees' medical and hospitalization insurance is based on our one source health insurance plan and was adjusted for estimated increases in premium costs for the various plans with an adjustment for those employees enrolled in the waiver program. These estimates were obtained from Labor-Management Health Care Fund, the county consultants who advise the County on health insurance issues.

## **Dental Insurance**

The estimated cost for dental insurance for County employees in 2011 is based on the current premium for all employees, the number of funded positions and the current family/single coverage ratio. A separate ratio was used for each fund.

## **Retirement Pension**

New York State increased the employer contribution rates for the Employees' Retirement System (ERS). For example, rates for Tier 4 employees rose from 11.3% to 15.8%. The pension retirement expenses were projected on the basis of a projected salary base for the period April 1, 2011 through March 31, 2012. Growth factors for each tier and year were based on estimates supplied by the Office of the State Comptroller. The estimated rate for each tier for the year ending March 31, 2012 (provided by the Office of the State Comptroller) equate to an average rate increase from 11.9% to 16.3%, an overall increase of 37%.

## **Medical and Hospitalization Insurance - Retirees**

The County's projected contribution toward retirees' medical and hospitalization insurance is based on the 2011 and 2012 cost trend and was adjusted for estimated increases in premium costs. The County currently expenses retiree health costs on a "pay as you go" basis. The unfunded future retiree health costs are described under the GASB 45 Section.

## **GASB 45**

GASB 45 is an accounting standard that requires governments to reflect in their financial statements the estimated future cost of paying for benefits, such as health insurance, promised to existing retirees, current employees, and future employees.

# UNION CONTRACTS

---

## UNION CONTRACTS

The below table details all county union contracts, contract expiration dates and who the union represents. Since taking office in 2008, this administration has negotiated new contracts with four units. These agreements held firm on reducing the county cost of employee and retiree health insurance, reducing paid leave, as well as other adjustments to out-dated and costly benefits and work rules. These new contracts break from the tradition of providing public sector employees more, with little or no return, and are in-line with wages and benefits enjoyed by private sector employees. AFSCME and NYSNA ratified the agreements while CSEA and Teamsters rejected the agreements. The County will continue to pursue negotiations with all unions that have expired contracts that are fair to both employees and taxpayers.

Union Name	Date Contract Expires/Expired	Represents
CSEA	12/31/06	White Collar
AFSCME	12/31/15	Blue Collar
NYSNA	12/31/11	Nurses
CSEA CO's*	N/A	Sheriff-Correction Officers
Teamsters	12/31/04	Sheriff-Guards
PBA	12/31/08	Sheriff-Road Patrol
Librarians	12/31/06	Librarians
Faculty	12/31/09	ECC Faculty
Administrator's	08/31/11	ECC Administration

\*CSEA Corrections Officer Unit is a new unit and has not yet negotiated a stand alone agreement. They remain covered by the CSEA proper Collective Bargaining Agreement.

---

# BUDGET PROCESS & FINANCIAL STRUCTURE



**Lean  
Six Sigma**



# BUDGET PROCESS

---

## Dynamics of Budgeting

Budgeting is a dynamic process. It demands continuous monitoring of actual expenses and revenues. It involves ongoing study to determine the accuracy of budget estimates and the need for corrective action. And, it requires periodic forecasting to determine how changes in the fiscal environment, revisions to County policies and new service demands will impact on future budgetary needs.

While budgeting is a year-round process, the development of the annual budget usually commences seven months prior to the start of the new fiscal year. The procedures governing the preparation, submission and adoption of Erie County's annual budget are prescribed in Article 26 of the Erie County Charter and Article 26 of the Erie County Administrative Code.

This is the first year we have employed an Operations Budget as a management tool to allow for meaningful analysis. In the past the budget included double counted items and was significantly distorted by including shared sales tax that was distributed to other municipalities and the NFTA.

## Budget Preparation Calendar

**May:** Budget planning for the County's next fiscal year begins in a concrete manner once the state budget has been finalized. By law the state budget should be adopted by April 1. The state budget for their current fiscal year (April 1, 2010 - March 31, 2011) was adopted on August 3, 2010.

Budget forecasts and targets are developed and evaluated based on County budget monitoring data, state budget impact data, estimates of inflationary cost increases needed to maintain current service levels, and estimates of the costs associated with new service needs.

**July:** Detailed budget instructions and specific budget targets are issued to department heads in July to guide the preparation of department budget requests.

**August:** Departments submit their detailed budget requests to the County Executive for consideration in mid-August.

**September:** Departmental budget requests are analyzed in detail by staff in the Division of Budget and Management during the month of September. Each expenditure and revenue account is evaluated to determine the best estimates of

revenue available and the most accurate estimates of necessary and optional expenses.

Proposed budget recommendations and alternatives are prepared by the Budget Division for review and consideration by the County Executive. The County Executive's budget decisions are then incorporated by Budget staff into a Proposed Budget document which the County Executive submits to the Erie County Legislature. The County Executive's recommended Proposed Budget is the starting point for the Legislature's adoption of a County budget.

### **Budget Adoption Process**

The County Executive is required by the Erie County Charter and the Administrative Code to submit a Proposed Budget for the next fiscal year to the Erie County Legislature on or before October 15th each year. The Proposed Budget contains estimates of operating revenues and expenses for each administrative unit of County government, a capital budget and a six-year capital program. It must be presented in the form of a line-item budget.

The Proposed Budget is accompanied by the County Executive's Budget Message. The message highlights important features of the Proposed Budget and outlines the key assumptions, policies and initiatives on which it is based.

After receiving the Proposed Budget, the Legislature holds public hearings and considers whether proposed budget items should be amended. They may add, delete, increase or decrease items of expense (appropriation), except for those items required by law or for repayment of debt.

The 2011 budget must be adopted by the Legislature by the first Tuesday in December (December 7, 2010). An annual budget adoption meeting is held for this purpose, at which time the Legislature votes on any changes to be incorporated into the Adopted Budget.

If the Legislature fails to approve changes to the Proposed Budget, it is considered to have been adopted with no further action required by the County Executive. If the budget adopted by the Legislature does contain additions or increases, it must be presented to the County Executive by the first Wednesday following the first Tuesday of December (December 8, 2010) for consideration of vetoes.

The County Executive may veto any items added or increased by the Legislature to which he objects. Deletions or decreases are not subject to veto. If items are vetoed by the County Executive, a statement indicating the vetoed items and the reason for each veto must be returned to the Legislature by the Monday preceding the second Tuesday in December (December 13, 2010).

The Legislature may override the County Executive's vetoes by a two-thirds majority vote. This must be done on the second Tuesday of December (December 14, 2010).

The budget, incorporating any legislative changes, executive vetoes, and legislative veto overrides is considered adopted in final form as of the second Tuesday in December (December 14, 2010).

### **Revisions after Budget Adoption**

Once adopted, no County department may spend funds in excess of the amount appropriated for each line-item of expense. Occasionally, it is necessary to revise the Adopted Budget during the year to adjust appropriations to match actual spending requirements. This is done either by transferring funds from one appropriation to another within the same administrative unit, or by appropriating unanticipated revenue that has been received.

The County Executive may transfer part or all of the unencumbered appropriation balance between line-items of expense within the same administrative unit if the amount for a given line-item transfer is \$10,000 or less. Approval of the Legislature is required, in the form of a legislative resolution, if the transfer exceeds \$10,000 or if it would affect any salary rate or salary total.

The appropriation of any unanticipated revenue requires the approval, by resolution, of the Erie County Legislature, as does the creation or deletion of any staff position associated with an appropriation revision.

Resolutions which seek approval to revise the Adopted Budget are submitted to the Legislature by County administrative units, through the County Executive's Office. They are considered by the Legislature throughout the year at their bi-monthly legislative sessions.

### **Budget Monitoring Process**

The Division of Budget and Management produces monthly Budget Monitoring Reports which are commonly referred to as the BMR. The BMR reports on approximately twenty-five appropriation and revenue accounts that are critical to maintaining a balanced budget. The report also contains impact statements on the local effects of federal and state policies.

The BMR is designed to give management a measurement tool for determining if actual revenues and expenditures are in line with estimated amounts. This timely information allows the County to detect problems and take corrective budgetary action, if required.

In addition to the BMR, other reports are generated periodically to evaluate budget performance, including:

- on-going tracking and analysis of personnel matters including overtime usage, full-time position vacancies and part-time employee accounts;
- on-going tracking and analysis of local share Medicaid expenditures, as well as Safety Net Assistance and Family Assistance caseloads.

### **Adapting To Change**

Approximately 18% of Erie County's operational revenue comes from New York State through various partial reimbursement programs.

The Division of Budget and Management devotes considerable staff resources to evaluating and quantifying potential impacts of the Governor's proposed annual budget. This fiscal impact information is shared with State Legislative representatives, members of the County Legislature and interested citizens as a means for lobbying for change.

Subsequent to the New York State Legislature's adoption of a final New York State Budget, a "Statement on the Fiscal Impact of the New York State Budget" may be released to the Erie County Legislature, along with a comprehensive set of budget amendments if any are necessary to offset state reimbursement losses with expenditure reductions and unanticipated revenues. The Erie County Legislature reviews any proposed amendments that may be submitted and usually enacts the plan, along with its own amendments to it.

The County Administration and the County Legislature's willingness to adapt to change in a timely manner have allowed Erie County government to maintain balanced budgets in uncertain economic times.

# OPERATING BUDGET CALENDAR

---

## January

County fiscal year begins January 1<sup>st</sup>.

Division of Budget and Management (DBM) works with Comptroller's Office to close prior year books.

Tax bills sent to taxpayers in the City of Buffalo and first class towns.

## February

DBM reviews impact of Governor's Proposed Budget. State Budget Impact Report sent to State Legislators.

DBM develops monthly budget allotments for current year budget.

Subjects identified for special studies on cost containment and revenue enhancement.

Tax bills sent to 2<sup>nd</sup> class towns.

## March

Special studies continue.

## April

DBM begins development of ensuing year budget forecast.

## May

Special studies continue.

## June

DBM assembles ensuing year budget instructions including appropriation and revenue worksheets and preliminary personal services data runs.

Special studies are concluded

DBM begins to develop budget targets for departments.

## July

Budget instructions sent to departments including budget targets.

## August

Departments prepare ensuing year budget revenues and submit to DBM.

Departments submit personnel change requests to Personnel Department.

Community agency budget requests are developed.

## September

County Executive and DBM review and make recommendations on requests from Departments and community agencies.

Special studies are incorporated into Proposed Budget.

## October

County Executive and DBM finalize recommendations for Proposed Budget.

County Executive submits Proposed Budget to Legislature by October 15<sup>th</sup>.

## November

Legislature reviews Proposed Budget and conducts hearings.

Legislature holds public hearings.

## December

Deadline for Legislature to Adopt 2011 Budget – 12/7/10.

Deadline for Legislature to return Budget to County Executive if any increases – 12/8/10.

Deadline for County Executive to veto any increases – 12/13/10.

Deadline for Legislature to meet and consider County Executive's vetoes – 12/14/10.

Final equalized tax rates are determined. Legislature adopts final real property tax levies.

# FINANCIAL STRUCTURE

---

## **Fiscal Year**

The County's fiscal year begins January 1<sup>st</sup> and ends December 31<sup>st</sup> of each calendar year.

## **Fund Structure**

The County's budgetary and accounting systems are organized and operated on a "Fund" basis. Each fund is considered a separate entity and is made up of a set of inter-related and self-balancing accounts. Together, these accounts comprise a fund's assets, liabilities, fund/balance/retained earnings, revenues and expenditures/expenses.

The accounts in a fund are segregated and related to one another for the purpose of carrying out specific activities or attaining certain objectives. They are created and operated in accordance with law and/or special regulations, restrictions or limitations, or as dictated by generally accepted accounting principles (GAAP).

Erie County utilizes the funds described below. All funds are included in the annual budget documents except the Downtown Mall Fund and the Tobacco Proceeds Fund. All funds are included in the County's General Purpose Financial Statements.

### ***Operations Budget (General Fund 110 & Library Fund 820–County Share)***

This budget format is the basis on which the 2011 Operations Budget and 2011-2014 Four-Year Operations Plan are presented. This budget includes all revenue and expenses of our General Fund plus the county portion of the Library Fund. It excludes the large amount of sales tax pass-through to other municipalities and the NFTA since Erie County plays no role in collecting or spending these taxes. We note them as a footnote to our budget but do not include them in any of our operational calculations. We also exclude all the double counting in the Utilities Fund, Road Fund, and Debt Service Fund including sewer authority debt service. The details of these funds are shown in Book A, but are not part of our Operations Budget.

***General Fund (Budget Fund 110):*** the principal operating fund which includes all operations, activities and resources not required to be recorded in other funds. Funding Sources: Real property taxes; Sales taxes; Departmental charges; State and Federal partial reimbursements; Client recoveries; Fees, Fines and Other Charges; and Hotel Bed Tax.

**Special Revenue Funds:** used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The annual budget documents include the following Special Revenue Funds which are shown in the same manner in the County's annual financial statements.

**Grant Fund (Budget Fund 281 and Budget Fund 821 – Library)**

Funding Sources: Transfer payments and/or subsidy from General Fund; State and Federal partial reimbursement; grant income.

**Community Development (Budget Fund 290)**

Funding Sources: Federal Reimbursement.

**Sewer Fund (Budget Fund 220)**

Funding sources: Sewer Real Property Tax; user fees.

**Road Fund (Budget Fund 210)**

Funding Sources: Subsidy payment from General Fund; partial State reimbursement; Real Estate Transfer Tax; charges.

**E-911 Fund (Budget Fund 230)**

Funding Sources: Telephone access line surcharge; State reimbursement; subsidy payment from General Fund.

The following Special Revenue Fund is included in the County's annual financial statements as a component unit:

**Public Library Fund (Budget Fund 820)**

Funding Sources: Real Property tax; State reimbursement; library charges.

**Debt Service Fund (Budget Fund 310):** used to account for current payments of principal and interest on general obligation long-term debt (bonds) and for Financial resources accumulated in reserve for payment of future principal and interest on long-term indebtedness.

Funding Sources: Transfers from other funds; interest earnings on reserves.

The following two funds are included in the County's annual financial statements but are not included in the annual budget documents.

**Downtown Mall Fund**

Funding Sources: Special district assessment.

**Tobacco Proceeds Fund:** used to fund capital projects that otherwise would have been supported by operating funds or the issuance of bonds.

Funding Sources: Net proceeds from the County's securitization of its share of the 1998 Master Settlement Agreement.

**Capital Projects Funds (Budget Funds 410-490):** used to account for the financial resources to be used for the acquisition, construction or reconstruction of major permanent facilities having a relatively long useful life and for equipment purchased from the proceeds of long-term debt (other than those financed by the Enterprise Fund).

Funding Sources: Proceeds from bonds issued; State reimbursement.

**Enterprise Fund:** used to account for ongoing organizations or activities that are similar to those found in the private sector which provides goods or services to the general public. The costs of providing goods or services to the public on a continuing basis are financed or recovered primarily through user charges.

**Utilities Fund (Budget Fund 140)**

Funding Sources: Utility user charges.

**Erie County Medical Center  
Erie County Home**

The Erie County Medical Center and Erie County Home are no longer included in the County budget. The ECMC Healthcare Network became a Public Benefit Corporation in 2004.

**Erie Community College:** used to account for the resources received and used to operate the Community College. The State mandates a fiscal year ending August 31<sup>st</sup> for the Community College. For this reason, and also because of differences in accounting principles for colleges and those for local governments, the Community College budget and financial statements are separate. The Community College budget is adopted in July of each year.

Funding Sources: State reimbursement; student tuition; County subsidy from the County budget-General Fund.

**County Operating Funds/Budget**

The funds and their associated budgets that are related to the annual spending plan for the County operations, services and normal maintenance are referred to as the Operating Budget. In 2011, the Operating Budget includes the following operating funds: General Fund; Road Fund; E-911 Fund; Debt Service Fund; the Enterprise Fund (Utilities Fund); and the Public Library Fund.

Other funds that appear in the budget documents (Community Development, Sewer Fund; Grant Fund; and Capital Projects Fund) are in the documents



because of Charter requirements or the need for specific legislative authorizations. They are not a part of the Operating Budget, nor are they included among the operating funds. Their revenue and appropriations are excluded in calculating the amount of the total operating budget or the operating funds total.

### **Accounting and Budgeting Principles**

The Erie County Charter and Administrative Code require a line-item budget organized or classified on the basis of administrative units. The budget, accounting and reporting system are structured to support this requirement on an ongoing basis for local purposes.

The accounting and budget structure required by the local Charter and Code is not consistent with the Uniform System of Accounts for Counties (USAC) structure required by the State for financial reporting purposes. Specialized account coding is used to convert detailed County accounting data to the USAC structure as required for financial reporting and for the preparation of the annual financial statements.

The County's financial statements are prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities, and are presented in the USAC format.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Measurement focus is the determination of what is expressed in reporting an entity's financial performance and position, (i.e., expenditures or expenses). A particular measurement focus is accomplished both by considering what resources will be measured and the basis of accounting.

Basis of accounting refers to when revenues, expenditures/expenses, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus.

**Accrual Basis** – Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Modified Accrual Basis** – Under this basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from federal, state, or other

grants designated for specific County expenditure are recognized when the related expenditures are incurred.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due and expenditures for inventory-type items and for prepayments (except retirement) are recognized at the time of the disbursements.

In the County's Comprehensive Annual Financial Report ("CAFR"), the government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund financial statement. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

### **Budgets and Budgetary Data**

Annual appropriated budgets are adopted and employed for control of the General Fund; the Road; Sewer, and E-911 Special Revenue Funds; the Utilities Aggregation Enterprise Fund; and the Debt Service Fund, minimally detailed to the department and account level. These budgets are adopted on a basis consistent with GAAP, except that encumbrances are reported as budgetary expenditures in the year of incurrence of commitment to purchase, as well as in the year of expenditure if the expenditure occurs in a fiscal year subsequent to the commitment in the General and the enumerated Special Revenue Funds. All unencumbered appropriations lapse at the end of the fiscal year. Annual appropriated budgets are not employed for the Grants and Community Development Special Funds. A reconciliation to convert GAAP basis data to the budgetary basis is provided in the financial statements.

### **Account and Budget Codes**

Account and budget codes classify expenditures/appropriations and revenues by category. The structure of account and budget codes used by Erie County is consistent with the local Charter and Code requirements for a line-item budget organized by administrative unit.

**Administrative Unit Codes:** The budget and accounting systems are structured so that budgeting and accounting can be controlled at the fund, business area/fund center and department level as appropriate. Budgets are usually adopted at the department level in the General Fund including Social Services, the Utilities Fund (Enterprise Fund) and Special Revenue Funds. Budgets are adopted for grants and Community Development projects. The Debt Service Fund is adopted at the fund level.

Administrative Unit coding in the budget and accounting systems is categorized according to the following structure:

Fund  
 Department  
 Fund Center (Business Area)

Fund center coding is used to identify separately budgeted administrative units. A three digit Fund Center designates the overall department level. If divisions within a department are separately budgeted, they are designated with a five digit fund center code.

**Account Codes:** Account codes are used to identify expenditures/appropriations and revenues.

Revenues and expenditures are appropriated and adopted by the Legislature at the account level, which is indicated by a six-digit account code in the budget. All accounts are part of a hierarchy which serves to group accounts into like categories.

Expenditures/appropriation and revenue coding in the budget and accounting systems is generally categorized according to the following structure:

Expenditure/Appropriation Codes		Revenue Codes	
Account*	Description	Account*	Description
500000-500350	Personal Services	400000-400070	Real Property Tax Revenues
501000	Overtime	402000-402600	Local Source Revenues
502000-502130	Fringe Benefits	415000-467000	Fees, Other Taxes
504992	Contractual Salary Reserve	405000-409040	State or Other Partial Reimbursement
504990-504995	Reductions for Turnover	410000-414020	Federal or Other Partial Reimbursement
505000-506400	Supplies & Repairs	486000-486030	Interfund Revenues
510000-555050	Other		
516000-520110	Contractual		
525000-530020	Assistance Payments		
561250-561450	Equipment		
550000-550800	Debt Service		
910100-980000	Interdepartmental		
559000-575000	Interfund		

\*Specific descriptive account titles and codes are provided throughout the budget documents for each account.

## **Budgeting for Fringe Benefits**

Fringe benefits are appropriated separately in each fund included in the budget which also has budgeted employees and authorized payroll expenses.

Fringe benefits are budgeted at the department level in the operating fund. Fringe Benefits are budgeted at the individual project level for grants and community development projects. They are budgeted for each sewer district in the Sewer Fund.

---

# GLOSSARY



**Lean  
Six Sigma**

# GLOSSARY

---

## **Account**

A category of expense, such as office supplies, personal services, or utilities. Accounts for expense may be broken down into subcategories called subaccounts.

## **Accrual**

Recognition and recording of accounts receivable as revenue and accounts payable as expenditures in the current period, but for which cash receipts or disbursements have not yet occurred.

## **Accrual Accounting**

A basis of accounting in which expenditures and revenues are recorded at the time they are incurred or are available, as opposed to when cash is actually received or spent.

## **Adjusted Budget**

The adopted budget as modified by all changes to budgeted revenue and appropriation accounts approved and processed as of July 31st.

## **Adopted Budget**

The budget plan for the next fiscal year, which has been formally approved pursuant to the provisions of Article 26, Financial Procedures, Section 2608, of the Erie County Charter.

## **Appropriated Fund Balance**

The amount of unreserved fund balance (surplus) available from previous years designated for use in the current year. An appropriated fund balance is an excess of liquid assets over liabilities. The Erie County Charter prescribes that a fund balance from a given year cannot be appropriated until the next succeeding budget year. Thus, a 2009 fund balance may be appropriated in 2011.

## **Appropriation**

A specific amount of money authorized by the Legislature for the purchase of goods and services.

## **Assessed Valuation**

The value set upon real property by local tax assessors and the state as the basis for levying real property taxes.

### **Board of Election Respread**

Reimbursement from towns and cities for certain allowable expenses associated with the cost of conducting elections. The actual costs are billed back to the various towns and cities where elections are held and recorded as a revenue in the operating fund.

### **Capital Budget/Expenditures**

Budgets/expenditures in the Capital Projects Fund for major physical improvements and construction, or for purchase of equipment having a useful life of at least five years. The Capital Budget is included in the annual budget documents, as required by the County Charter, but is not a part of the operating budget, nor is it considered part of the operating fund.

### **Community College Respread**

Revenue that is attributed to reimbursement from towns and cities for tuition payments made by the County for town and city residents who are enrolled in community colleges outside of Erie County. The tuition costs are billed back to the various towns and cities in the county for the town/city residents for whom tuition was paid.

### **Community Development Fund**

A Special Revenue Fund used to assist participating municipalities in the development of locally approved community or economic development activities, including housing programs, which are eligible under Federal program regulations. This fund is included in the County's annual budget documents in order to secure legislative authorizations, but it is not a part of the operating budget nor is it considered an operating fund.

### **Contingency**

An appropriation of funds to cover unforeseen events that may occur during the fiscal year, or reserved to cover future events, which can be foreseen.

### **Convention and Visitors Bureau (CVB)**

An organization, funded with taxpayer dollars and organized to serve as the county's marketing arm to the nation and world. The CVB is tasked with attracting visitors and conventions to the Buffalo Niagara region.

### **County Share**

The amount of support required from general county resources (e.g., property or sales taxes), after all other revenue sources attributed to the operations of a department or division are subtracted from total appropriations or expenditures.

### **Countywide Appropriations/Revenues**

Appropriations and revenues, such as debt service expenditures or sales tax revenues, which cannot be directly attributed to the operations or operational responsibilities of specific departments.

**Debt Service**

The county's obligation to pay the principal and interest on all bonds and other debt obligations according to a predetermined payment schedule.

**Debt Service Fund**

A special fund established to account for the payment of interest and principal on long-term debt. The Debt Service Fund is a part of the operating budget and is considered an operating fund.

**Deficit**

The excess of expenditures over revenues during an accounting period.

**Downtown Mall Fund**

A Special Revenue Fund used to account for revenues raised through a special district charge and the subsequent expenditure of these monies for the operation and maintenance of a downtown pedestrian/transit mall. This fund is not included in the county's annual budget documents, nor is it considered an operating fund.

**ECIDA**

The Erie County Industrial Development Agency (ECIDA) is a public benefit corporation which coordinates economic development for Erie County. It authorizes industrial revenue bonds for eligible projects and administers a revolving loan program for businesses in specific county areas.

**Encumbrance**

Financial commitments related to unperformed contracts for the purchase of goods and services. Purchase transactions which are not yet completed, but for which funds have been designated and specifically reserved (encumbered) for future payment when the purchase transaction is completed. Outstanding encumbrances at year-end are reported as reservations of fund balance because the commitments will be honored during the subsequent year.

**E-911 Fund**

A self-balancing Special Revenue Fund for appropriations and revenues associated with the operation of the Enhanced 911 emergency telephone system as required by State law when a telephone surcharge is utilized to offset E-911 service cost. The E-911 Fund is a part of the operating budget and is considered an operating fund.



## **Enterprise Funds**

Self-supporting governmental funds in which the services provided are financed and operated similarly to those of a private business, with user charges providing the majority of the revenues necessary to support operations. The Utility Fund is budgeted as an Enterprise Fund. The Enterprise Fund is a part of the operating budget and is considered part of the operating funds.

## **Equalized Full Valuation of Taxable Property**

The term used to indicate the value of all real property in a taxing jurisdiction, appraised at 100% of market value at a specified prior point in time, which has been adjusted by a factor to reflect different rates of housing market price change from area to area. The equalization factor allows comparison of full valuation on an equal dollar basis for all areas and for all time periods.

## **Equalized Full Value Tax Rate**

The amount of property tax levied for each \$1,000 of equalized full valuation for all non-exempt property in the county. It is calculated by dividing the equalized full valuation of taxable property by \$1,000 and then dividing the county property tax levy by the result. This rate is used for all comparisons of property tax growth or reduction.

## **Full Valuation**

The term used to indicate a real property appraisal at 100% of market value at a specified prior point in time.

## **Fund**

A set of inter-related accounts to record revenues and expenditures associated with a specific purpose. Funds are self-balancing. The Erie County budget includes ten (10) funds: General Fund, E-911 Fund; the Utilities Enterprise Fund; Grant Fund; Capital Fund; Sewer Fund; Road Fund; Community Development Fund; the Debt Service Fund; and the Public Library Fund.

## **Fund Balance**

The section of the financial statement that reports the results of operations. It can include various reserves including: encumbrances; retirement system credits; tax stabilization; advances to enterprise funds; and prepayments. The section can also include various designations including: subsequent years' expenditures; judgments and claims; property tax relief; and contingencies. The last part of fund balance is the undesignated portion that equals the years' surplus or deficit.

## **GASB 45**

GASB 45 is an accounting standard that requires governments to reflect in their financial statements the estimated future cost of paying for benefits, such as health insurance, promised to existing retirees, current employees, and future employees.

**Gain**

A position and/or job title not currently authorized in a department, which is transferred in from another department or budget entity.

**General Fund**

The principal operating fund of the county, which includes the budgets, revenues and expenditures for most county departments.

**Generally Accepted Accounting Principles (GAAP)**

Conventions, rules and procedures that define accepted accounting and financial reporting practice, including broad guidelines and detailed practices. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Grant**

A contribution by a government or other organization to support a particular function, service or program.

**Grant Budget/Expenditures**

Budgets/expenditures in the Grant Special Revenue Fund related to defined projects funded by contributions from other governments or organizations to support particular functions, services or programs. The Grant Fund is not a part of the operating budget but appears in the budget documents in order to secure necessary legislative authorizations.

**Indirect Costs**

Costs associated with, but not directly attributable to, the operation of county departments. These "overhead" costs are usually incurred by other departments in support of all operating departments.

**Interdepartmental Billing**

The reimbursement received by a division, such as Information and Support Services, for services provided to other county departments within the same fund. Interdepartmental billings are quasi-revenues budgeted as negative appropriations.

**Interdepartmental Payment**

An appropriation of funds for reimbursing other county departments, such as Information and Support Services, for services provided by departments within the same fund.

**Interfund Transfers/Revenue**

Amounts transferred from one fund to another.

**Job Group**

The grouping of similar position classifications and their assignment to a range of salaries within a county pay scale.

**Lean Six Sigma**

A business improvement methodology that maximizes taxpayer value by achieving the fastest rate of improvement in customer and employee satisfaction, cost, quality, and process speed. Lean Six Sigma focuses on waste elimination and variation reduction in the day-to-day processes of County government. Lean Six Sigma is a major policy initiative of the County Executive and has proven its ability to save millions over time.

**Line-Item Budget**

A budget that lists each expenditure and revenue category separately, along with the amount budgeted for each specified category.

**Local Source Revenue**

Funds that the county receives as income from local sources, such as property and sales taxes, service fees, and interest income, as opposed to funds received from other governments.

**New Position**

A new position in an existing job title and/or a new job title not previously budgeted.

**NFTA**

The Niagara Frontier Transportation Authority, created in 1967 as a public benefit corporation under the Public Authorities Law of the State, administers the regional transit system in Erie and Niagara Counties which includes a transit line, public buses and airport facilities. The NFTA receives a portion of the county sales tax plus a subsidy from the county general fund.

**Operating Fund**

The Operating Fund, as referred to in this Budget document, is the General Fund 110 (excluding shared Sales Tax) and including the County portion of the Library Fund 820. Budgets/expenditures/revenues related to the annual program and spending plan for county operations, services and normal maintenance are included.

**OTB Revenues**

Revenues received from a portion of profits of the Western Regional Off-Track Betting Corporation from a pari-mutuel wagering tax.

**Other than Personal Services**

Expenditures for all non-personal services, goods and services including supplies, equipment, contractual services, utilities, rental and repairs.

**Performance Based Budgeting**

Is a reader-friendly format for presenting data in a budget by tying it to outcomes.

**Personal Services**

Expenditures for salaries and wages for full-time and part-time employees, overtime costs, shift differential, and holiday pay, etc.

**Project**

A project is a distinct organizational unit with a separate budget which is identified by a unique name usually used in the capital fund.

**Proposed Budget (Tentative Budget)**

The budget plan for the upcoming fiscal year recommended to the County Legislature by the County Executive for its formal approval. The Erie County Charter designates this as the "Tentative Budget". It is popularly known as the "Proposed Budget".

**Public Library Fund**

The Public Library Fund is used to record transactions of the Buffalo and Erie County Public Library which is supported, in whole or in part, by real property taxes. The use of the Library Fund assures compliance with Education Law, Section 259, which provides that all monies received from taxes or other public sources for library purposes shall be kept in a separate fund.

The Public Library Fund is a special revenue fund. The accounting is the same as the General Fund including the use of budgetary, revenue, expenditure and fund balance accounts. It is a part of the county's operating budget and is considered an operating fund.

**Reallocation**

A change in job group but not in position title for a currently authorized position; an upgrading of a position.

**Real Property Tax**

The net County tax requirement determined by subtracting the total estimated revenues from the total proposed expenditures as set forth in the budget – Erie County Charter, Article 26, Financial Procedures, Section 2609.

**Reclassification**

A change in position title which may or may not change the job group for a currently authorized position.

**Reductions from Personal Services (Turnover)**

Anticipated savings in salary and fringe benefit expenses resulting from temporary job vacancies created by employee turnover. This amount is subtracted from the amount budgeted for salaries and fringe benefits in the form of a negative appropriation.

**Reserve**

Funds which are accumulated, held and set-aside for future use or the payment of some future obligation. Funds held in reserve may be restricted to particular uses or they may be unrestricted.

**Restated Fund Balance**

Where referenced in this document, Restated Fund Balance refers to the sum of balances of tax liens, board of elections and community college respreads, in addition to the audited Undesignated Fund Balance, net of Road Fund.

**Revenue**

Funds that the county receives as income, including tax payments, service fees, receipts from other governments, fines, forfeitures, grants, and interest income, etc.

**Road Fund**

A Special Revenue Fund used to account for all revenues and expenditures related to the maintenance of county roads and bridges, snow removal, and the construction and reconstruction of county roads not required to be recorded in the Capital Projects Fund. The Road Fund is a part of the operating budget of the county and is considered an operating fund.

**Transfer**

A currently authorized position and/or job title in a department, which is transferred out to another department or business area.

**Sales Tax**

A charge placed on certain goods when they are purchased from a vendor. Sales Tax revenue accounts for a considerable portion of the discretionary budget. Erie County's Sales Tax Rate is 4.75%.

## **Sewer District Budgets/Expenditures**

Budgets/expenditures in the Sewer Special Revenue Fund related to the annual program and spending plan for sewer facility operations, services and normal maintenance. Sewer districts are self-supporting entities with a separate authority to levy real property taxes. The Sewer Fund is included in the annual budget documents because of the need for legislative authorizations, but it is not a part of the operating budget, nor is it considered an operating fund.

### **Source**

A category of revenue, such as local source, state aid, or federal aid. Revenue sources may be broken down into sub sources.

### **Subaccount - Expense**

A subcategory of expense, such as electric, telephone, and water, within a category of expense (utilities).

### **Subaccount – Revenue**

A subcategory of revenue, such as sales tax, interest earnings, service fees, within a revenue category or source (local source revenues).

### **Surplus**

The excess of revenues over expenditures during an accounting period.

### **Taxable Assessed Valuation**

The value of non-exempt (taxable) real property in a taxing jurisdiction on which the jurisdiction's portion of the County real property tax levy is spread.

### **Taxable Assessed Value Tax Rate**

The amount of property tax levied for each \$1,000 of taxable assessed valuation of real property in each taxing jurisdiction. It is calculated by dividing each jurisdiction's share of the County real property tax levy by the taxable assessed valuation of all non-exempt (taxable) real property in the jurisdiction, and dividing the result by 1,000.

### **Tax Lien**

A lien imposed on a piece of property by law to secure payment of taxes. Tax liens hold value and incur interest charges which increase their value. Tax liens are account receivables of the county but do not appear on the county balance sheet and are not included in the audited Undesignated General Fund Fund Balance. They are included in the Restated Fund Balance.

### **Tentative Budget (Proposed Budget)**

The budget plan for the upcoming fiscal year recommended to the County Legislature by the County Executive for its formal approval. The Erie County Charter designates this as the "Tentative Budget". It is popularly known as the "Proposed Budget".

### **Turnover (Reductions from Personal Services)**

Anticipated savings in salary and fringe benefit expenses resulting from temporary job vacancies created by employee turnover. This amount is subtracted from the amount budgeted for salaries and fringe benefits in the form of a negative appropriation.

### **Utilities Fund**

An Enterprise Fund created to provide financial accounting and support necessary for the operation of the Erie County Utilities Aggregation. This fund allows members of the aggregation (cities, towns, villages, and authorities in Erie and neighboring counties) to jointly purchase natural gas, heating oil and electric utilities at reduced cost. The Utilities Fund is part of the operating budget and is considered an operating fund.

### **Variable Minimum**

A request to hire an employee at a pay step higher than the normal entry level step. Variable Minimums are often requested to appropriately compensate potential job candidates who possess qualifications and experience in excess of what a position normally requires, and are subject to the approval of the Erie County Legislature.