



THE COUNTY OF ERIE

Four-Year Financial Plan Fiscal Years 2008-11

Transmitted by:

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To

The Erie County Fiscal Stability Authority

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ERIE COUNTY FOUR-YEAR FINANCIAL PLAN

This four-year plan document for fiscal years 2008-11 is organized into three major sections.

SECTION ONE is a reforecast of baseline expense and revenue assumptions for 2008 through 2011 based upon the projection of 2007 year-end results and the Executive Budget for 2008. As with last year's plan, this document utilizes the reporting categories contained in the County's monthly Budget Monitoring Reports. This method allows for easier tracking and explanation in relation to the County's established budgetary structure.

SECTION TWO discusses particular issues related to the six-year capital improvement program for 2008 and future years through 2013.

SECTION THREE outlines the strategies to close the future budget gaps as identified in the baseline revenue and expense assumptions from Section One. These strategies consist of 1) management initiatives intended to achieve both increased revenue and operating savings, 2) reduction of the obligation to provide further capital dollars to Erie County Medical Center, 3) a three-year phase-out of the County's cost for Sheriff's Road Patrol to those towns which do not have their own municipal police departments, and 4) collective bargaining concessions that offset any wage increases with employee contributions to health care and/or work rule changes.

The financial plan was prepared using guidelines from the publication, *Multiyear Financial Planning*, provided to local governments by the Office of the State Comptroller.

SECTION ONE: BASELINE FORECAST OF REVENUES AND EXPENSE

Overview (See attached spreadsheet)

The 2008 Executive Budget is balanced. Based upon the 2008 budget, the forecast of revenues and expenses shows a cumulative gap of \$29,904,222 by fiscal year 2011. This gap grows incrementally in the intervening years as follows:

- Fiscal Year 2009: \$ 7,862,491
- Fiscal Year 2010: \$12,832,157
- Fiscal Year 2011: \$ 9,209,574

These gaps for the future years exist because the County's two major sources of revenue – property taxes based upon growth of assessed value and the sales tax – do not increase at a sufficient rate to offset the main drivers of expense growth: Medicaid, employee health care, and the debt service cost of infrastructure maintenance. Nonetheless, the incremental annual gaps are less than 1% of the total budget and can be managed through the strategies outlined in Section Two.

History (Fiscal years 2005 through 2007)

The attached spreadsheet shows the history of the County's fiscal performance in the last three years, which is summarized briefly as follows:

Fiscal Year 2005: The County ended the year with a positive operating result of \$9,352,599. However, this result was achieved by lowering actual expenditures versus 2004 by \$88.7 million and by the refinancing of the 2000 tobacco settlement which brought \$108.0 million of one-time proceeds.

Fiscal 2006: The adopted 2006 budget reflected a structural balance in which recurring expenses were matched with recurring revenues. This balance was achieved with two major tax increases: 1) an increase in the sales tax to a rate of 8.75%, which allowed for higher budgeted revenues of \$83.4 million versus 2005, and 2) an increase in the real estate tax rate which allowed for higher budget revenues of \$30.5 million versus 2005. The County ended the year with a positive operating result of \$23,812,688.

Fiscal 2007: The budget for 2007, as adopted by the County Legislature, was balanced without increases in taxes or fees. The forecast for the current year was outlined in the September 6 letter from the Budget Director to the County Legislature. Assuming the sale of tax liens at the close of 2007, the County

should end the year with a positive operating result of over \$4,500,000. In addition, the County could realize over \$10 million in one-time proceeds from the sale of tax liens remaining from the 2006 year-end pool.

Revenue Assumptions

Real Property Tax: There is no countywide increase in the property tax rate during the four-year plan period. The rate is assumed to remain at 4.94% per \$1,000 of property value through fiscal 2011. Nonetheless, property tax revenues will increase in 2008 because of growth in assessed values. Total equalized full value assessment in Erie County for 2008 is estimated at \$42,866,825,579 – an increase of 5.9% over 2007. This increase is similar to the percentage growth from 2006 to 2007. For future years, the plan conservatively assumes assessed value growth of 4% annually.

Exclusive of the separate tax for the library, the total levy is forecast to grow from \$177,859,372 in 2007 to \$189,665,960 in 2008 – and then to \$213,348,410 by 2011. The levy for the library in 2007 was \$22,171,833 and is planned to remain at that level through 2011.

Section 520 Exemptions: The plan assumes \$492,471 for 2008 and all future years – the same as the adopted 2007 budget. This estimate is conservative, since the 2007 forecast amount is \$621,249.

Payments in Lieu of Taxes: The plan assumes \$5,200,000 for 2008 and all future years – the same as the adopted 2007 budget. Again, this estimate is conservative, since the 2007 forecast amount is \$5,910,424.

Property Tax Interest and Penalties: The 2007 forecast amount has two components: 1) \$3,909,439 of collections on the Erie I-IV tax lien pools, and 2) \$3,000,000 of collections on the 2006 lien pool. The plan presumes there will be a sale of the remaining 2006 lien pool sometime before the conclusion of 2007.

Thus, for 2008 and future years, the County will continue to collect on the Erie I-IV lien pools. The amount is estimated at \$355,000 per month in 2008 – for an annual total of \$4,020,000. The amount is estimated at \$466,000 per month in the three future years – for annual total each year of \$5,592,000.

Incremental Tax Lien Revenue: The plan presumes the County will enter into a contract with XSPAND for tax lien sales in 2007, 2008, and future years. The offering rate is assumed at 105% of the year-end uncollected taxes. Continuation of the tax lien program will provide \$4,646,827 of incremental revenue in 2008 – growing to \$5,367,656 in 2011.

Sales Tax Revenue: The plan assumes a 2.5% increase in sales tax revenues for 2008 over the adjusted 2007 forecast. As previously reported, the County received retroactive sales tax payments in June of over \$5 million from the State. Analysis indicates that approximately \$2.6 million of this amount should have been collected in 2006. Thus, our revised estimates of the “true” sales tax receipts for 2006 and 2007 are as follows:

Adjusted 2006 Sales Tax:	\$358,679,409	
Adjusted 2007 Sales Tax:	\$370,859,062	3.4% increase over 2006
Budgeted 2008 Sales Tax:	\$380,130,538	2.5% increase over 2007

As seen, the budgeted 2.5% increase for 2008 is conservative compared to the 3.4% increase estimated for 2007 over 2006. The plan for the future years maintains the assumption of 2.5% annual increases. Total County share sales tax revenue would grow to \$409,359,013 by 2011.

The plan presumes no change to the sales tax-sharing formula for the permanent 3% of the County sales tax. Thus, the cities, towns, and school districts will receive \$262,661,933 in 2008 – and that amount will grow by 2.5% annually in the future years.

The agreement to share an extra \$12,500,000 of sales tax revenue from the “eighth penny” of the sales tax effective in 2007 is presumed to continue through 2011. This is a fixed amount that does not grow annually.

Board of Election Revenues: This amount is budgeted for 2008 at \$4,768,682 – higher than prior years – but increased due to the two-year lag in reimbursement recovery for higher expenses incurred in 2006. The revenue is projected to grow at 3.5% annually in the future years of the plan.

Fees, Fines, and Charges: This amount is budgeted for \$27,986,734 in 2008 – virtually flat to the 2007 forecast. Growth in future years is presumed to be 1% annually.

Interest Earnings: Interest earnings on the County’s cash balances are budgeted for \$5,434,000 in 2008 – also virtually flat to the 2007 forecast amount. Because of uncertainty about the size of cash balances and the level of interest rates in future years, the plan assumes the same \$5,434,000 annually through 2011.

Hotel Occupancy Tax: This amount is estimated at \$7,100,000 in 2008 and is assumed to have 2% growth in the future years.

Other Local Revenues: This category contains all other local revenue sources and is estimated at \$39,017,758 for 2008. It is about \$3 million lower than the 2007 forecast because there is no contribution assumed from Erie County

Medical Center. Going forward, this revenue source is forecast to grow 1.0% annually through 2011.

State Aid: The County's financial assistance from the State is largely related to provision of various human and health service programs. Each of these programs has its own reimbursement formulas tied to the level of the County's expense. The projections of State revenue in the accompanying spreadsheet were calculated using the reimbursement formulas applied to the forecast growth of expense. Total State aid is forecast to increase from \$198,096,141 in 2008 to \$214,972,101 in 2011.

Federal Aid: Like State assistance, Federal aid is received for reimbursement of social service programs using various rates tied to expense growth. The forecast of Federal revenues thus flows from the expected expense growth for these programs in the four-year period – increasing from \$142,234,476 in 2008 to \$151,770,534 in 2011.

Total Revenues: Total revenues in the General Fund are budgeted at \$1,271,570,520 in 2008 – an increase of 2.59% over the 2007 forecast. They grow at a forecast rate of 2.72% in 2009, 2.67% in 2010, and 2.63% in 2011. Total revenues are estimated to reach \$1,376,365,854 by 2011.

Expenditure Assumptions

Salaries: Contracts with all the County's employee unions expired at the end of 2006. The 2008 budget does not assume any new contract agreements to be in effect for 2008.

Thus, there is no provision for cost-of-living wage increases. Total personal services are budgeted for \$183,986,759 in 2008 – an actual decrease of \$2,776,171 over the 2007 budget. Three factors are at work in this assumption:

- The transfer of 140 court positions from the Sheriff to the State Office of Court Administration eliminates \$7,851,404 of expense from the budget.
- While there are no cost of living increases, the County still must pay raises for employee longevity at cost of \$1,448,360.
- The 2008 budget creates a net gain of 75 positions at a cost of \$3,626,873. These positions are primarily in Social Services and are largely reimbursed by the State.

(Note: The forecast personnel expense of \$165,895,193 for 2007 – significantly lower than budget – is the result of managing position vacancies. These savings from the budgeted amount have been regularly discussed in the monthly Budget Monitoring Reports.)

Beyond 2008, personal services are forecast to grow 3.3% annually – to a total amount of \$202,809,145 in 2011. This percentage assumes 1.75% for annual cost-of-living increases and 1.55% for longevity increases. However, as discussed in the gap closing section below, the plan recommends that the next County Administration not negotiate any contract agreements for 2009 and beyond unless the expense of cost-of-living raises are offset with union concessions on health care and work rules.

As it did in 2007, the 2008 budget also includes a planned amount for vacancy savings – also known as a “turnover account”. The amount is budgeted at \$3,800,000 for 2008 – growing 3.3% annually to \$4,188,751 by 2011.

Other Employee Pay: The assumptions for other components of employee pay are as follows:

- 3.3% annual increases for holiday time worked, line-up pay, and overtime – all tied to the same assumption as salary increases.
- 1% annual increases for shift differential and all other employee payments.

In total, other employee pay would increase from \$18,165,129 in 2008 to \$19,854,311 in 2011.

FICA Payments: The employer contributions for Social Security are budgeted at \$14,976,895 in 2008 and are forecast to grow to \$16,392,875 in 2011 – based upon Federal government formulas.

Retirement Costs: The County’s contribution to the State’s public employee retirement system is based upon costs calculated by the State Comptroller’s Office: and is heavily determined by the Comptroller’s investment performance for that system. The Erie County charge from the State Comptroller will actually decline by over \$2 million in 2008 to \$18,456,679. It is then forecast to grow moderately to \$19,015,935 by 2011.

Workers Compensation: Expenses for Workers Compensation claims are projected to be \$8,287,055 in 2008 – an increase of 6.6% from the 2007 forecast. Going forward, however, the growth rate should slow as claims from ECMC prior to the 2004 sale are reduced. The plan assumes a growth rate of 3% for 2009 and 2% for 2010 and 2011. These expenses are forecast with assistance from the County’s independent consultant, Self Funding, Inc. -- and their analysis is available.

Medical Insurance: The County is benefiting from its participation in the Labor Management Healthcare Fund – a cooperative venture between management and the public employee unions to control the cost of medical insurance –

especially the agreement to have a single managed care provider. Some of the Fund's initiatives include incentive-based prescription plans and employee wellness programs. The Fund is keeping the County's medical insurance costs lower than most other employer-sponsored plans in the region.

For active employees, the 2008 budget is \$33,427,442 – an increase of 9.0% over the 2007 forecast of \$30,659,000. The future years of the plan assume an annual increase of 10.2% based upon analysis provided by the Fund.

For retired employees, the 2008 budget is \$16,135,000 – an increase of 18.6% over the 2007 forecast of \$13,600,000. This number reflects provision for an unusually high number of employee retirements that occurred during the course of 2007. For 2009 and future years, the retiree segment is assumed to have the same 10.2% rate-based increase as the active employee segment.

Supplies and Repairs: This category of expense is budgeted at \$9,282,005 in 2008 and is forecast to grow at 2.5% annually in the future years.

ECMCC Contribution: For 2008, the operating subsidy to the Erie County Medical Center (as stipulated by the Consent Decree) is confined to debt costs related to the 2004 sale agreement. The amount is \$5,561,532 -- but then grows to \$7,631,245 annually in the future years.

Risk Retention Fund: The plan assumes that the Risk Retention Fund will be replenished in the amount of \$4,000,000 for 2008 and \$3,700,000 in the future years.

Convention and Visitors Bureau: Dedication of the hotel occupancy tax to the CVB will give that organization \$5,286,644 in 2008 – versus a 2007 budget amount of \$2,300,000. The County is keeping a portion of total bed tax proceeds to cover debt service costs on the Convention Center. In future years, the allocation to the CVB is projected to increase at the same 2% rate as the growth of the tax. Should the tax grow faster, the CVB would receive a higher amount.

Other Contractual Accounts: This expense category is budgeted at \$131,337,653 for 2008 and is forecast to grow by 2.5% annually in the future years.

Contingency Fund: We have provided \$2,500,000 in the 2008 budget for unexpected contingencies – in particular the potential need to house prisoners in other counties if the State Commission on Corrections proceeds with its order to that effect.

Erie Community College: The subsidy is increased from \$13,570,777 in 2007 to \$15,420,778 in 2008 and the three future years. This increase will allow the County to meet its required contribution under State guidelines for community college sponsorship.

Utilities Fund: This fund provides for the County's energy costs and is budgeted in 2008 at \$5,261,070 – with 8.0% annual increases in future years to meet the rise in energy costs.

County Share – Grants: This allocation provides County monies to fulfill matching requirements for State and Federal grants. This category is budgeted for \$4,204,951 in 2008 and is assumed to increase 3.0% annually in the future years.

Road Fund: The County's share of the Road Fund expense is budgeted at \$3,757,302 in 2008 and is assumed to grow at 4.0% annually in the future years.

CHIPS Funding: As part of its 2007 budget resolution, the Legislature requested a change in the method by which the County generates funds to conduct the highway repairs which then earn reimbursement under the State CHIPS program. Past practice was to use borrowed funds – and the 2007 capital budget provided \$4.8 million for this program. Starting in 2008, the County is initiating a four-year transfer of this funding to current revenues. This phase-in will begin with \$2.2 million in 2008 and will reach the \$4.8 million by 2011.

Medicaid Local Share: In 2005 the State enacted a cap on the amount of local dollars that counties across New York State must pay for their share of the Medicaid program.

This cap is calculated as a 3.0% growth annually off the County's fiscal year 2005 base. Using this formula, Medicaid is budgeted at \$191,222,362 in 2008 – and will grow to \$206,604,870 by 2011. Because county fiscal years calendars are different than the State fiscal year calendar, the County amount does not grow at an even 3% annually.

Family Assistance: Expenditures for this program are forecast using an assumption of .5% annual increase in caseloads, but a constant cost per case. Total expenditures are expected to grow from \$34,460,834 in 2008 to \$34,980,336 in 2011 – with the County paying 25% of that cost.

Foster Care: This program experienced over-budget expenses in 2007 because of unanticipated mandates by the State to raise the rates paid to foster care providers. These rate increases are built into the 2008 budget assumptions. Going forward, the program is assumed to have a 5.0% annual increase in provider costs, but a constant enrollment. Total expenditures are forecast to grow from \$61,027,176 in 2008 to \$68,535,090 in 2011. The County pays about one-third of this total cost.

Safety Net Assistance: This program is assumed to have a 6.6% annual increase in caseloads, but constant cost per case. Total expenditures are forecast to grow

from \$39,051,277 in 2008 to \$47,304,979 in 2011 – with the County paying about half those costs.

Child Care: Provision of daycare and other services to low-income children is effected by varying assumption about enrollment and costs in its component programs. Total expense is forecast to grow from \$29,894,450 in 2008 to \$30,515,304 in 2011. Most of these costs are paid by the State and Federal governments – with limited County share.

Children With Special Needs: This program has several components including pre-school programs, early intervention programs, and transportation costs. The forecasted expense growth is based on various assumptions that include both expanding enrollment and rising costs. The total expense is budgeted for \$58,989,318 in 2008 – growing to \$63,525,044 in 2011. The County share of these costs is about 36%.

RAN Interest Expense: The Comptroller's Office has estimated the interest expense on short-term borrowing in 2008 to be \$3,700,000 – down from \$4,279,000 in 2007. The plan keeps the 2008 numbers as the estimate for the future years.

Long-term Debt Service: The County share of General Fund debt service is projected to grow from \$59,033,359 in 2008 to \$77,775,792 in 2011. This number does not include debt service related to the 2004 ECMC sale (discussed above.) It also reflects net debt service after reimbursements from the State for certain components of County borrowing and the use of prior year Capital Fund interest earnings. Refer to Section Two for a further discussion of these trends.

Total Expenditures: Total General Fund appropriations are budgeted at \$1,271,570,520 in 2008 – an increase of 2.94% over the 2007 forecast. This total grows 3.34% in 2009, 3.63% in 2010, and 3.27% in 2011. Total spending appropriations are forecast at \$1,406,270,076 in 2011.

**Erie County
2008-2011 Four Year Plan**

Fund 110	Account Type	2005 Actuals	2006 Actuals	2007 Legislative Adopted	2007 Projected	2008 Executive Recommended	2009 Projection	2010 Projection	2011 Projection
Revenue									
Local Source Revenue									
	Property Tax Levy	135,969,466	166,422,612	177,859,372	177,859,372	189,665,960	197,252,598	205,142,702	213,348,410
	Property Tax Related								
	Sec 520 Exemp Removal	682,806	705,157	492,471	621,249	492,471	492,471	492,471	492,471
	Gain Sale Tax Acquired Prop	0	1,254	85,000	85,000	85,000	85,000	85,000	85,000
	Payments In Lieu Of Taxes	5,179,152	5,517,162	5,200,000	5,910,424	5,200,000	5,200,000	5,200,000	5,200,000
	Interest & Penalties-Prop Tax	6,098,171	16,520,650	3,909,439	6,909,439	4,020,000	5,592,000	5,592,000	5,592,000
	Omitted Taxes	22,974	23,680	30,000	30,000	30,000	30,000	30,000	30,000
	Net Incremental Tax Lien Proceeds				4,307,298	4,646,827	4,845,623	5,102,334	5,367,656
	Dec-Prop Tax Def Rev	750,000	(13,127,964)						
	Property Tax Related Total	12,733,103	9,639,939	9,716,910	17,863,410	14,474,298	16,245,094	16,501,805	16,767,127
	Sales Tax	132,429,318	134,868,036	139,218,155	141,135,663	143,341,565	146,925,104	150,598,232	154,363,188
	1% Sales Tax	125,018,612	127,309,356	131,427,548	133,380,749	135,307,984	138,690,684	142,157,951	145,711,899
	.25 % Sales Tax	14,511,931	31,302,516	32,856,887	33,333,320	33,826,996	34,672,671	35,539,488	36,427,975
	New .50% Sales Tax		61,522,198	65,713,775	66,666,633	67,653,993	69,345,343	71,078,976	72,855,951
	Sales Tax (County Share)	271,959,861	355,002,106	369,216,365	374,516,365	380,130,538	389,633,801	399,374,646	409,359,013
	Sales Tax (Distrib. to Local Gov'ts)			255,100,871	255,100,871	262,661,933	269,228,481	275,959,193	282,858,173
	Fees Fines or Charges								
	Election Exp Other Govts	3,915,118	3,766,761	3,033,717	3,033,717	4,768,682	4,935,586	5,108,331	5,287,123
	All Other Fees Fines or Charges	21,859,089	26,417,788	30,433,518	27,806,039	27,986,734	28,266,601	28,549,267	28,834,760
	Fees Fines or Charges Total	25,774,207	30,184,549	33,467,235	30,839,756	32,755,416	33,202,187	33,657,599	34,121,883
	Other Sources								
	Int & Earn - Gen Inv	3,024,177	5,733,714	4,971,000	5,402,713	5,434,000	5,434,000	5,434,000	5,434,000
	Hotel Occupancy Tax Revenue	5,812,213	6,608,305	6,046,181	6,546,181	7,100,000	7,242,000	7,386,840	7,534,577
	All Other Sources Accounts	99,030,113	67,760,007	38,312,825	42,682,415	39,017,758	39,407,936	39,802,015	40,200,035
	Other Sources Total	107,866,503	80,565,452	49,330,006	54,631,309	51,551,758	52,083,936	52,622,855	53,168,612
	Local Source Revenue Total	554,303,140	641,814,658	894,690,759	910,811,083	931,239,903	957,646,098	983,258,801	1,009,623,218
						% change from prior year	2.84%	2.67%	2.68%
	State Aid								
	State Aid-Education Of Handicapped Children	24,931,289	26,529,247	28,329,695	28,329,695	28,924,953	29,648,077	30,389,279	31,149,011
	State Aid-Mental Health	29,163,285	28,375,500	32,639,903	32,837,853	35,029,886	35,905,633	36,803,274	37,723,356
	State Aid-Family Assistance	9,842,088	9,298,276	9,547,641	8,439,543	8,323,330	8,409,482	8,496,065	8,583,081
	State Aid-Soc Serv Admin	12,574,363	32,386,401	27,123,400	24,731,236	27,083,999	27,907,518	28,759,861	28,894,974
	State Aid-Safety Net Assistance	13,695,452	14,921,901	15,898,735	16,887,407	17,210,269	18,464,166	19,800,821	21,225,695
	State Aid-Child Welfare Services	22,554,601	19,512,327	18,597,782	20,484,820	20,168,832	20,296,799	20,634,029	21,026,986
	State Aid-Serv For Recipients	2,051,872	8,653,821	11,882,890	11,237,796	12,535,020	12,704,082	12,750,151	12,938,575
	State Aid Day Care	5,159,788	4,439,307	7,717,987	5,097,116	5,286,137	5,812,108	5,956,684	6,549,374
	All Other State Aid Accounts	56,498,515	48,616,023	50,250,162	42,009,305	43,533,715	44,622,058	45,737,609	46,881,050
	State Aid Total	176,471,253	192,732,803	201,988,195	190,054,771	198,096,141	203,769,923	209,327,773	214,972,101
						% change from prior year	2.86%	2.73%	2.70%

**Erie County
2008-2011 Four Year Plan**

Fund 110	Account Type	2005 Actuals	2006 Actuals	2007 Legislative Adopted	2007 Projected	2008 Executive Recommended	2009 Projection	2010 Projection	2011 Projection
Federal Aid									
	Federal Aid-Family Assistance	9,698,921	7,919,477	5,866,730	2,488,852	2,268,947	2,355,099	2,441,682	2,528,698
	Federal Aid-Soc Serv Admin	24,332,025	22,140,362	32,565,342	30,166,161	32,830,473	33,942,534	35,093,517	36,284,785
	Fed Aid Day Care	22,208,612	19,519,510	21,924,995	20,864,914	21,577,549	20,876,265	20,683,497	19,893,244
	Federal Aid-CWS Foster Care	14,736,580	14,785,213	14,500,357	16,977,556	16,692,248	17,003,825	17,824,921	18,781,701
	Federal Aid-Safety Net Tanf Cases	761,663	930,540	1,265,840	763,470	778,071	834,773	895,218	959,652
	All Other Federal Aid Accounts	61,782,211	55,562,667	61,992,799	67,344,736	68,087,188	69,789,363	71,534,102	73,322,454
	Federal Aid Total	133,520,012	120,857,769	138,116,063	138,605,689	142,234,476	144,801,864 1.81%	148,472,937 2.54%	151,770,534 2.22%
Interfund Revenue Total									
		33,819,568	381,666	0		0	0	0	0
Total Fund 110 Revenue									
		898,113,973	955,786,896	1,234,795,017	1,239,471,543	1,271,570,520	1,306,217,885	1,341,059,511	1,376,365,854
	Amount Change from Prior Year	53,373,274	57,672,923	279,008,121	283,684,647	32,098,977	34,647,365	34,841,626	35,306,343
	% Change		6.42%	29.19%	29.68%	2.59%	2.72%	2.67%	2.63%

**Erie County
2008-2011 Four Year Plan**

Fund 110	Account Type	2005 Actuals	2006 Actuals	2007 Legislative Adopted	2007 Projected	2008 Executive Recommended	2009 Projection	2010 Projection	2011 Projection
Expense									
Personal Service Related Expense									
Personal Services									
	Full-Time Salaries	164,971,568	162,292,949	179,741,058	160,063,115	177,123,987	182,269,079	188,307,058	194,544,291
	Part-Time Wages	1,676,051	2,265,982	3,611,571	2,755,425	3,598,126	3,716,864	3,839,521	3,966,225
	Regular Part Time Wages	1,504,808	1,999,394	2,535,617	2,291,033	2,369,620	2,447,817	2,528,595	2,612,039
	Seasonal Emp Wages	560,754	539,876	874,684	785,620	895,026	924,562	955,072	986,590
	Personal Services Total	168,713,181	167,098,201	186,762,930	165,895,193	183,986,759	189,358,322	195,630,247	202,109,145
						% change from prior year	2.92%	3.31%	3.31%
Employee Payments non-salary									
	Shift Differential	984,910	1,044,130	1,017,671	1,057,110	1,040,503	1,050,908	1,061,417	1,072,031
	Uniform Allowance	629,000	655,938	726,750	596,836	614,500	614,500	614,500	614,500
	Holiday Worked	1,420,412	1,556,323	1,408,381	1,496,278	1,539,498	1,590,301	1,642,781	1,696,993
	Line-Up	1,807,924	1,829,617	1,727,880	1,518,234	1,640,700	1,694,843	1,750,773	1,808,548
	Other Employee Pymts	85,911	467,513	358,340	497,569	435,836	440,194	444,596	449,042
	Overtime	12,809,399	15,594,952	11,897,627	16,570,426	12,894,092	13,319,597	13,759,144	14,213,195
	Employee Payments non-salary Total	17,737,556	21,148,473	17,136,649	21,736,453	18,165,129	18,710,344	19,273,211	19,854,311
						% change from prior year	3.00%	3.01%	3.02%
Fringe Benefits									
	Fringe Benefits- FICA	14,326,988	14,153,670	14,968,265	14,194,005	14,976,895	15,370,217	15,873,259	16,392,875
	Fringe Benefits-Medical Insurance	28,846,994	27,367,803	29,533,274	30,659,000	33,427,442	36,823,670	40,564,955	44,686,354
	Fringe Benefits-Workers Compensation	7,302,295	7,115,457	7,771,416	7,771,416	8,287,055	8,535,667	8,706,380	8,880,508
	Fringe Benefits-Unemployment Insur.	3,899,691	292,713	401,805	295,000	450,000	450,000	450,000	450,000
	Fringe Benefits-Retiree Med Insur.	8,888,560	13,176,345	11,072,834	13,600,000	16,135,000	17,774,316	19,580,187	21,569,533
	Fringe Benefits-Retirement	24,899,245	23,919,226	20,796,101	20,566,563	18,456,679	18,641,246	18,827,658	19,015,935
	Fringe Benefits Total	88,163,773	86,025,214	84,543,695	87,085,984	91,733,071	97,595,115	104,002,439	110,995,206
							6.39%	6.57%	6.72%
	Reductions (Vacancy Savings)		0	(2,800,000)	0	(3,800,000)	(3,925,400)	(4,054,938)	(4,188,751)
	Personal Service Related Expense Total	274,614,510	274,271,888	285,643,274	274,717,630	290,084,959	301,738,381	314,850,959	328,769,910
						% change from prior year	4.02%	4.35%	4.42%
Other Departmental Expense									
	Supplies and Repairs	6,278,847	8,262,519	9,562,812	9,827,586	9,282,005	9,514,055	9,751,907	9,995,704
Other									
	Risk Retention	722,428	3,495,487		4,700,000	4,000,000	3,700,000	3,700,000	3,700,000
	Risk Retention ECMCC			1,000,000					
	Net Inc Def Rev-Uncollected Taxes								
	All Other	21,964,856	14,585,607	19,764,176	22,384,911	21,268,140	21,799,844	22,344,840	22,903,461
	Other Total	22,687,284	18,081,094	20,764,176	27,084,911	25,268,140	25,499,844	26,044,840	26,603,461
						% change from prior year	0.92%	2.14%	2.14%
Contractual									
	Contractual-ECMCC Healthcare Network	20,431,189	28,642,727	14,000,000	14,000,000	5,561,532	7,631,248	7,631,245	7,631,245
	Sales Tax Distrib.to Cities, Towns & Sch Dist.			255,100,871	255,100,871	262,661,933	269,228,481	275,959,193	282,858,173
	Distribution To Cities And Towns			12,500,000	12,500,000	12,500,000	12,500,000	12,500,000	12,500,000
	Convention and Visitors Bureau	3,140,292		2,300,000	2,893,084	5,286,644	5,793,600	5,909,472	6,027,661
	All Other Contractual Accounts	107,089,153	107,923,104	124,140,788	128,052,700	131,337,653	134,621,094	137,986,622	141,436,287
	Contractual Total	130,660,634	136,565,831	408,041,659	412,546,655	417,347,762	429,774,424	439,986,532	450,453,367
						% change from prior year	2.98%	2.38%	2.38%

**Erie County
2008-2011 Four Year Plan**

Fund 110	Account Type	2005 Actuals	2006 Actuals	2007 Legislative Adopted	2007 Projected	2008 Executive Recommended	2009 Projection	2010 Projection	2011 Projection
	Contingency			3,250,000	-	2,500,000			
	Equipment	123,260	846,206	1,369,441	2,210,892	1,573,431	1,612,767	1,653,086	1,694,413
						% change from prior year	2.50%	2.50%	2.50%
	Allocation								
	Interfund-Erie Community College	13,570,777	13,570,777	13,570,777	13,570,777	15,420,778	15,420,778	15,420,778	15,420,778
	Interfund-Utilities Fund	4,632,339	4,909,813	4,840,300	4,840,300	5,261,070	5,681,956	6,136,512	6,627,433
	Interfund-Capital (Highways Projects)					2,200,000	3,200,000	4,000,000	4,800,000
	County Share - Grants	3,520,478	3,086,272	3,491,450	3,561,450	4,204,951	4,331,100	4,461,033	4,594,863
	Interfund-Road	369,500	3,695,954	3,315,024	3,315,024	3,757,302	3,907,594	4,063,898	4,226,454
	All Other Allocation Accounts	(1,419,815)	8,765,652	3,765,360	3,846,335	6,199,972	6,647,630	7,112,227	7,595,405
	Allocation Total	20,673,279	34,028,468	28,982,911	29,133,886	37,044,073	39,189,057	41,194,447	43,264,934
						% change from prior year	5.79%	5.12%	5.03%
	Program Related								
	MMIS-Medicaid Local Share	181,145,871	180,116,198	185,962,536	189,105,830	191,222,362	193,520,843	200,523,333	206,604,870
	Family Assistance	40,536,507	38,404,879	39,242,291	34,927,178	34,460,834	34,633,138	34,806,304	34,980,336
	CWS - Foster Care	58,136,605	55,849,896	54,381,339	62,023,460	61,027,176	62,146,747	65,097,145	68,535,090
	Safety Net Assistance	33,250,064	35,589,870	38,108,588	38,387,636	39,051,277	41,628,661	44,376,153	47,304,979
	Child Care-DSS	31,350,375	24,423,816	33,774,538	29,285,574	29,894,450	30,154,545	30,225,421	30,515,304
	Children With Special Needs Program	51,349,655	55,363,429	57,677,439	57,677,439	58,989,318	60,464,051	61,975,652	63,525,044
	State Training School (Sts)	1,147,143	2,190,001	2,107,261	2,107,261	2,553,261	2,795,821	3,061,424	3,352,259
	All Other Program Related Accounts	7,181,502	14,934,715	9,213,278	17,512,402	8,538,113	8,751,566	8,970,355	9,194,614
	Program Related Total	404,097,722	406,872,804	420,467,270	431,026,780	425,736,791	434,095,372	449,035,787	464,012,495
						% change from prior year	1.96%	3.44%	3.34%
	Debt Service								
	Interest-Revenue Antic Notes	2,472,051	5,385,000	4,279,000	4,279,000	3,700,000	3,700,000	3,700,000	3,700,000
	ID General Debt Srv	27,153,787	47,660,398	52,434,474	52,434,474	59,033,359	68,956,476	75,536,601	77,775,792
	Debt Service Total	29,625,838	53,045,398	56,713,474	56,713,474	62,733,359	72,656,476	79,236,601	81,475,792
						% change from prior year	15.82%	9.06%	2.83%
	Adjustment for Reappropriation				(8,376,896)				
	Other Departmental Expense Total	614,146,864	657,702,320	949,151,743	960,167,288	981,485,561	1,012,341,994	1,046,903,200	1,077,500,166
						% change from prior year	3.14%	3.41%	2.92%
	Total Fund 110 Expense	888,761,374	931,974,208	1,234,795,017	1,234,884,918	1,271,570,520	1,314,080,375	1,361,754,158	1,406,270,076
						% change from prior year	3.34%	3.63%	3.27%
	Revenue Less Expense	9,352,599	23,812,688	0	4,586,625	0	(7,862,491)	(20,694,648)	(29,904,222)
						09 Gap	(7,862,491)	(7,862,491)	(7,862,491)
						10 Gap		(12,832,157)	(12,832,157)
						11 Gap			(9,209,574)
						Total	(7,862,491)	(20,694,648)	(29,904,222)

SECTION TWO: CAPITAL DEVELOPMENT PLAN

Erie County is a large geographic territory with an extensive infrastructure and network of physical facilities. Maintaining these capital assets in a state of good repair is a fundamental strategic challenge. Finding the resources to pay for required capital investments is equally challenging.



In a process that began in June, the various agencies of County government were requested to identify their capital needs for 2008 and the five years from 2009 through 2013. These submissions were review by the Capital Projects Committee – composed of representatives from the Administration, Comptroller’s Office, and the Legislature. The recommendations of the Capital Projects Committee are presented in Book B of the Executive Budget Submission.

2008 Capital Budget: The Executive Budget requests the Legislature to provide authorization for new capital projects of \$58,505,000. This proposed capital budget was pared down from over \$150 million of agency requests. The major categories of proposed spending include:

- Highway and bridge projects: \$19,130,000
- Public safety: \$11,480,511
- Building repairs and improvements: \$8,430,000
- Mandated and contractual items: \$12,200,000
- Environment and economic development: \$4,520,000

This \$58,505,000 of capital projects is proposed for authorization by the County Legislature as part of the fiscal year 2008 long-term borrowing. It would combine with the \$17,000,000 previously authorized for the city campus of Erie Community College – for a total borrowing of \$75,505,000. This commitment of County dollars would bring an additional \$86,080,111 of matching State and Federal dollars – primarily for highway and bridge work and for the community college construction.

Future Years Capital Needs: Outlined in Book B are identified needs for future years as follows:

- Fiscal Year 2009: \$103,725,000
- Fiscal Year 2010: \$89,310,000
- Fiscal Year 2011: \$86,850,000
- Fiscal Year 2012: \$80,656,000
- Fiscal Year 2013: \$51,000,000

The County cannot afford all of the items identified for potential funding in these future years. However, the County's capital development requirements cannot realistically be addressed with \$30 million per year. That amount was recommended two years ago in the first version of the four-year financial plan formulated under the guidance of Public Financial Management. It is more realistic to plan for future year capital budgets of approximately \$60 million per year.

This plan proposes the following guideline for consideration by the next County Administration: \$30 million to be funded with long-term debt and \$30 million to be funded with pay-as-you-go revenues. The latter source of current funds could be obtained by enactment of the reforms proposed last year in the County's method of sharing sales tax revenue with the school districts.

To recap, the key components of that proposal are as follows: 1) Eliminate the current method of sales tax sharing to school districts, 2) Maximize the total amount of State STAR assistance to which school districts are entitled, and 3) Hold the school districts financially "harmless" by creating a new Erie School Tax Credit program. If pursued aggressively, the next Administration could have this reform in place by County fiscal year 2009. It would generate approximately \$30 million of extra revenue annually for the County to fund its capital budget needs.

1. Debt Service Projections

Appendix A of this document provides a detailed analysis of debt service projections in the four-year plan. The key assumptions are as follows:

- \$75.5 million of General Obligation bonding in fiscal year 2008.
- \$30 million of General Obligation bonding in fiscal years 2009 through 2011.
- \$23 million of additional borrowing as required by the Consent Decree for Erie County Medical Center.

Based upon these borrowing assumptions, total debt service grows from \$72,276,972 in 2008 to \$89,151,753 in 2011. Despite the growth of debt service costs, the total amount of outstanding County debt would still decline from \$572,238,028 at year-end 2007 to \$530,458,194 at year-end 2011. This decline occurs because the County is retiring over \$215 million of old debt in the next four-year period.

As shown in Appendix A, debt service costs grow while total debt declines because of the high expense of the five-year judgment bonds for Erie County Medical Center. The County issued \$32,850,000 of ECMC judgment bonds in 2006. It is scheduled to issue another \$15 million by year-end 2007 and \$8 million by year-end 2008. These five-year bonds are creating most of the debt

service expense growth in the four-year plan. Accordingly – in light of the Berger Commission process -- the County Administration is asking the courts for relief from the Consent Decree requirement to provide the additional \$23 million of capital funds to the hospital. Should this lawsuit prevail, the County would save \$27,427,500 of principal and interest payments between now and the year 2013. Of that amount, \$19,141,250 would be in the fiscal 2008-11 period.

SECTION THREE: GAP-CLOSING ACTIONS

The attached summary schedule shows the proposed actions to close the budget gaps as forecast for fiscal years 2009, 2010, and 2011. There are four major categories 1) management initiatives to produce recurring savings and revenues, 2) having the towns pay for the cost of Sheriff's Road Patrol, 3) collective bargaining concessions, and 4) legal action to avoid providing further capital monies to Erie County Medical Center.

EFFICIENCY INITIATIVES



The Department of Social Services has established a reengineering strategy that seeks to integrate the delivery of health and human services on behalf of its program clients. The major areas encompassed in the three phases of this reengineering strategy include: a) Temporary Assistance, Food Stamps and Employment Programs aimed to move clients to self sufficiency, b) Children and Family services, and c) Adult and Senior Citizen services. The County administers over 25 separate federally defined programs in the above three categories. These programs are largely paper-based and clients can be enrolled in several programs without any coordination of their service information.

The key tool for integrating consumer services is the development of a technology- based Integrated Case Management System. This effort will allow the Department to collect, analyze, manage and evaluate data under a common electronic database. The result will be more effective work processes, holistic case management and improved client outcomes. The current strategy is to work with Curam Software Company to apply the capabilities of the County's SAP system to integrated case management. The result will be more effective casework that reduces the time clients spend enrolled in the various human services program.

The Department has conditional approval from the Erie County Fiscal Stability Authority for efficiency grant funds to implement this effort. Projected savings from reduced client program time are as follows:

- Fiscal 2009: \$1,200,000
- Fiscal 2010: \$2,400,000
- Fiscal 2011: \$3,600,000



Alternatives to Incarceration

The UB Regional Institute recently completed a detailed examination of the inmate populations in the Erie County Holding Center and Correctional Facility.

This report is available under separate cover. The study determined that up to 300 of the current daily inmate population would be appropriately served by alternative to incarceration programs. As a result of this study, the County is taking two major initiatives as part of its 2008 Executive Budget:

First, strengthen the capability of the Department of Probation. The budget proposes to add 10 staff members to Probation specifically for the purpose of expediting Pre-Sentence Investigation reports. The goal is to reduce the time for report preparation from 12 weeks to 4 weeks – which in turn reduces the length of stay for offenders awaiting sentencing on felony charges. The budget also proposes to buy 55 electronic monitoring devices – in addition to the 45 already purchased with ECFSA efficiency grant funds. These 100 devices will provide judges with a sentencing alternative for non-violent inmates currently serving 30 to 90 day jail sentences. Together, these two initiatives could reduce the daily population by up to 195 inmates per day.

Second, create a Criminal Justice System Coordinating Council – to be comprised of all the component parts of the criminal justice system. This Council will be staffed with a full-time director from the Office of County Executive. The objective will be to work on more difficult issues such as finding alternatives for non-violent inmates with mental health problems and speeding the transfer of prisoners to State correction facilities. These efforts could save up to 105 inmate bed per days.

The average cost of housing an inmate in the Holding Center or Correctional Facility is \$120 per day. However, because of overhead costs and the physical configuration of the facilities, a 300-inmate reduction is estimated to save an average per inmate of \$40 per day. These savings would come most readily in reduced overtime expense. Total savings could be \$4,380,000 (\$40 X 365 days X 300 inmates). These savings would be phased in over three years as follows:

- Fiscal Year 2009: \$1,460,000
- Fiscal Year 2010: \$2,920,000
- Fiscal Year 2011: \$4,380,000

Information Technology Reforms

The Department of Information and Support Services has applied to the ECFSA for efficiency grant funds to develop a Five -Year Technology Plan based on a systematic, objective evaluation of existing technology, delivery to end users, alternatives in the marketplace, and best practices.

The review will be completed in 2008, implemented in 2009 -- with savings realized in 2010 and going forward. Savings will be realized by implementing the usage of more efficient, cost effective equipment (such as thin client and VM Ware) and the consolidation and reduction of staff needed to maintain a more efficient system.

This effort is expected to produce the following savings:

- Fiscal Year 2010: \$1,341,544
- Fiscal Year 2011: \$2,736,750

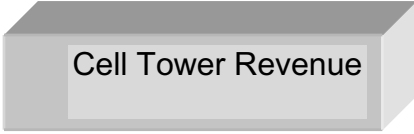
Improved Risk Management

The County will receive an efficiency grant from the ECFSA to hire a consultant to conduct a risk management gap-analysis and provide training intended to reduce claims in the Workers Compensation program. Additional training will include but is not limited to: program management, defensive driving, behavior modification, ergonomics, advanced back training, accident investigation, and train-the-trainer initiatives.

The goal of this program is to achieve the following annual reduction in Workers Compensation claims by fiscal year 2009:

- Expansion of existing return to work/light duty program (3%)
- Identifying and addressing potential workplace hazards (2%)
- Emphasis on safety training and safety awareness (3%)
- Aggressive policing of existing workers comp claims (1%)

Total Workers Compensation expense is estimated at \$8,535,667 in 2009. Thus, a 9% reduction in claims would save \$768,210 that year and a similar amount in future years.



Cell Tower Revenue

Recent trends show cellular companies moving away from building cellular towers at a cost of \$300,000 per tower to a more cost effective approach of leasing space on existing towers and/or buildings to place their equipment. Several companies are able to co-exist on each tower or building with clearly delineated spacing requirements to avoid interference. Included in contract agreements are frequencies of each company and clauses that would preclude merged companies from piggybacking on existing companies or to terminate contracts early if they are merged. Cellular companies generally enter into 5-year contracts.

The County has identified 9 towers and 32 buildings on County property that could be suitable sites for cellular towers. Proposals will be issued before year-end to lease these facilities to the following companies: Cricket, Verizon, ATT/Cingular, Nextel/Sprint, and T-Mobile. The objective is to find four companies to co-locate at 30 sites. At an estimated \$25,000 per company per year for each site, the total potential revenue is \$3 million. This effort would be phased in over three years: with a goal of \$1 million in 2009, growing to \$3 million by 2011.

SHERIFF'S ROAD PATROL

The County Executive established a Commission on Regional Law Enforcement comprised of representatives from town government, police officials, and union organizations. The commission is examining the issue of centralized versus decentralized police services in Erie County with the intent to present recommendations on the most cost efficient and functionally effective method to organize our County and municipal law enforcement agencies. The analysis will be heavily guided by comparison to other models for police services throughout the United States. There are two likely outcomes of the Commission study: First, an expansion of Sheriff's Road Patrol to cover towns that now have their own municipal police departments. Second, a decision to withdraw Sheriff's Road Patrol from towns that now receive that service to be replaced by their own departments or to merge with other municipal departments.

Regardless of the study conclusions, the County can no longer afford to provide Sheriff's Road Patrol to some municipalities and not to other municipalities. Those municipalities who choose to use the Sheriff will need to enter into a contract with the County and reimburse the costs for road patrol service. At present, as shown on the attached schedule, 21 towns use Sheriff's road patrol as their primary source of police protection. The cost of this service is calculated to be \$6,322,703 in 2008 – and is expected to grow to \$6,480,771 by 2009.

As previously proposed, the plan assumes the County will notify those towns in mid- 2008 of a three-year, phased-in charge for road patrol service. This program

FOUR -YEAR PLAN: FUNDING CHANGE TO SHERIFF'S ROAD PATROL

Town	<u>Patrol Calls For Service</u>				<u>Fiscal Impact</u>			One third charge for 2009
	2005 # of calls	2006 # of calls	Two Year Avg. # of calls	% of Calls	2008 Cost	% of Cost	2009 Cost (Inflated)	
Akron	631	682	657	2.27%	\$143,239.00	2.27%	\$146,820	\$48,940
Town of Alden	1,770	1856	1,813	6.26%	\$395,591.65	6.26%	\$405,481	\$135,160
Village of Alden	736	887	811	2.80%	\$177,024.94	2.80%	\$181,451	\$60,484
Boston	1,008	1010	1,009	3.48%	\$220,095.37	3.48%	\$225,598	\$75,199
Brant	464	639	552	1.90%	\$120,352.31	1.90%	\$123,361	\$41,120
Clarence	5,374	5551	5,462	18.85%	\$1,191,726.25	18.85%	\$1,221,519	\$407,173
Colden	618	685	651	2.25%	\$142,125.41	2.25%	\$145,679	\$48,560
Collins	732	836	784	2.70%	\$171,005.61	2.70%	\$175,281	\$58,427
Concord	855	1030	943	3.25%	\$205,638.49	3.25%	\$210,779	\$70,260
Elma	2,933	3142	3,038	10.48%	\$662,743.44	10.48%	\$679,312	\$226,437
Farnham	93	67	80	0.28%	\$17,453.59	0.28%	\$17,890	\$5,963
Grand Island	4,739	4758	4,748	16.38%	\$1,035,971.35	16.38%	\$1,061,871	\$353,957
Holland	766	795	780	2.69%	\$170,248.12	2.69%	\$174,504	\$58,168
Marilla	825	1005	915	3.16%	\$199,625.19	3.16%	\$204,616	\$68,205
Town of North Collins	457	497	477	1.65%	\$104,057.84	1.65%	\$106,659	\$35,553
Village of North Collins	480	554	517	1.78%	\$112,758.86	1.78%	\$115,578	\$38,526
Newstead	882	921	902	3.11%	\$196,707.25	3.11%	\$201,625	\$67,208
Sardinia	736	770	753	2.60%	\$164,234.81	2.60%	\$168,341	\$56,114
Seneca Indian Nation	1,152	1052	1,102	3.80%	\$240,371.58	3.80%	\$246,381	\$82,127
Springville	2,273	2383	2,328	8.03%	\$507,915.72	8.03%	\$520,614	\$173,538
Wales	600	718	659	2.27%	\$143,816.20	2.27%	\$147,412	\$49,137
Total	28,124	29,837	28,981	100.00%	\$6,322,703	100.00%	\$6,480,771	\$2,160,257

Represents an annual
inflation rate of 2.5%

would bring the County \$2,160,257 in 2009, \$4,320,514 in 2010, and the full \$6,408,771 in 2011. Should towns choose to start their own municipal departments, offsetting reductions will be made in the Sheriff's Division budget.

COLLECTIVE BARGAINING CONCESSIONS

The baseline forecasts in the plan assume 1.75% cost of living increases in the three out years of the plan. These amounts are \$3,219,768 in 2009, \$3,326,020 in 2010, and \$3,435,779 in 2011.

However, the collective bargaining strategy for the next County Executive should be that any wage increases are offset by union concessions in areas such as health care costs and work rule changes. For instance, management confidential employees in the County now contribute 15% of their medical insurance costs. Similar contributions from all County workers beginning in 2009 would save nearly \$5.5 million per year.

In its analysis, Public Financial Management estimated the following potential annual savings from work rules reforms:

- Sick leave policy changes: \$380,000
- Restructuring of vacation leave: \$400,000
- Elimination of summer hours: \$490,000
- Reform of overtime rules: \$820,000

The next County Administration should not agree to wage increases for 2009 and future years that are not cost neutral to the County as a result of concessions in health care and work rule benefits.

REDUCED CAPITAL FUNDING FOR ECMC

At present, under the Consent Decree, the County is scheduled to provide Erie County Medical Center an additional \$15 million of capital funds at year-end 2007 and \$8 million at year-end 2008. In the light of the Berger Commission process, the County is asking the court to suspend these capital payments. The resulting saving in debt service costs are as follows:

- Fiscal Year 2009: \$5,015,000
- Fiscal Year 2010: \$6,808,750
- Fiscal Year 2011: \$6,492,500

FOUR-YEAR PLAN: GAP CLOSING SUMMARY

Fiscal Year 2009

Incremental Gap	\$7,862,491
Social Services Case Management	\$1,200,000
Alternatives to Incarceration	\$1,460,000
Risk Management	\$768,210
Cell Tower Revenue	\$1,000,000
Sheriff's Road Patrol	\$2,160,257
Collective Bargaining Concessions	\$3,219,768
Reduced ECMC Capital	\$5,015,000
TOTAL	\$14,823,235

Excess over gap-closing need **\$6,960,744**

Fiscal Year 2010

Incremental Gap	\$12,832,157	Cumulative Gap	\$20,694,648
Social Services Case Management	\$1,200,000		\$2,400,000
Alternatives to Incarceration	\$1,460,000		\$2,920,000
Risk Management			\$768,210
Information Technology Reform	\$1,341,544		\$1,341,544
Cell Tower Revenue	\$1,000,000		\$2,000,000
Sheriff's Road Patrol	\$2,160,257		\$4,320,514
Collective Bargaining Concessions	\$3,326,020		\$6,545,788
Reduced ECMC Capital	\$6,808,750		\$11,823,750
TOTAL	\$17,296,571		\$32,119,806

Excess over gap-closing need **\$4,464,414** **\$11,425,158**

Fiscal Year 2011

Incremental Gap	\$9,209,574	Cumulative Gap	\$29,904,222
Social Services Case Management	\$1,200,000		\$3,600,000
Alternatives to Incarceration	\$1,460,000		\$4,380,000
Risk Management			\$768,210
Information Technology Reform	\$1,395,206		\$2,736,750
Cell Tower Revenue	\$1,000,000		\$3,000,000
Sheriff's Road Patrol	\$2,160,257		\$6,480,771
Collective Bargaining Concessions	\$3,435,779		\$9,981,567
Reduced ECMC Capital	\$6,492,500		\$18,316,250
TOTAL	\$17,143,742		\$49,263,548

Excess over gap-closing need **\$7,934,168** **\$19,359,326**

APPENDIX A

Outstanding Debt and
Related Principal and
Interest Costs

**ERIE COUNTY GENERAL OBLIGATION
DEBT OUTSTANDING AND SERVICE COSTS
(Including ECMCC 2004 Bond Issue, Excluding Sewer Debt)**

Year	Outstanding GO Debt 1/1	Outstanding ECMCC Debt 1/1	Estimated GO Debt Issued	Estimated ECMCC Judgement Debt Issued	Debt Run- Off During Year	Estimated Debt 12/31
2007	460,802,779	101,375,000	32,685,000	15,000,000	37,264,751	572,598,028
2008	471,223,028	101,375,000	75,505,000	8,000,000	44,292,562	611,810,466
2009	510,435,466	101,375,000	30,000,000		50,827,434	590,983,032
2010	491,678,032	99,305,000	30,000,000		58,405,509	562,577,523
2011	465,427,523	97,150,000	30,000,000		62,119,329	530,458,194

Fiscal year Ending	Debt Service On Existing Debt As Of 1/1/2007	Debt Service On ECMCC Debt	Estimated Debt Service On ECMCC		Total Debt Service Cost	Bond Issue Costs	Estimated Revenues and Resources to Pay Debt Service	General Fund Subsidy Required
			Estimated Debt Service On New GO Debt Issued	2007-2011				
2007	57,293,060	5,561,532			1,628,446	64,483,038		
2008	55,328,699	5,561,532	1,406,709		10,078,446	72,375,386	485,000	13,827,029
2009	51,139,196	7,631,532	7,376,609		14,272,949	80,420,286	485,000	11,948,809
2010	48,569,366	7,631,248	14,649,306		16,061,816	86,911,736	485,000	11,860,135
2011	47,654,360	7,632,074	18,119,714		15,745,606	89,151,754	485,000	11,860,961
2012	46,385,050	7,629,249	21,501,312		6,176,250	81,691,861		
2013	39,793,800	7,632,154	23,051,984		2,110,000	72,587,938		
2014	38,663,903	7,630,876	21,033,258			67,328,037		
2015	37,691,190	7,627,660	20,002,184			65,321,034		
2016	34,666,696	7,628,610	18,926,360			61,221,666		
2017	34,037,737	7,631,310	17,905,698			59,574,745		
2018	26,331,692	7,630,210	17,115,750			51,077,652		
2019	18,544,375	7,630,035	16,363,988			42,538,398		
2020	17,673,234	7,630,235	15,596,583			40,900,052		
2021	2,677,125	7,630,260	14,869,570			25,176,955		
2022	2,638,000	7,629,560	14,118,510			24,386,070		
2023	2,669,500	7,632,585	11,484,298			21,786,383		
2024	2,622,013	7,628,510	7,323,050			17,573,573		
2025	2,581,825	7,632,060	5,118,690			15,332,575		
2026	938,500	7,627,865	3,002,145			11,568,510		
2027	888,750	7,628,850	975,325			9,492,925		
2028	854,125	7,628,875	930,050			9,413,050		
2029	804,625	7,632,085				8,436,710		
2030		7,627,340				7,627,340		
2031		7,629,070				7,629,070		
2032		7,630,850				7,630,850		
2033		7,631,540				7,631,540		
2034								
2035								
TOTAL	570,446,821	201,877,707	270,871,093	66,073,513	1,109,269,134			

	ECMCC JUDGEMENT		
	BONDS TO BE AND ISSUED		
FISCAL YEAR ENDING	Summary: Fiscal Years 2008-2011		
	TOTAL	TOTAL	TOTAL
	PRINCIPAL	INTEREST	DEBT SERVICE
2008	7,625,000.00	2,453,446.00	10,078,446.00
2009	11,760,000.00	2,512,949.00	14,272,949.00
2010	14,150,000.00	1,911,816.00	16,061,816.00
2011	14,565,000.00	1,180,606.00	15,745,606.00
2012	5,750,000.00	426,250.00	6,176,250.00
2013	2,000,000.00	110,000.00	2,110,000.00
2014			
2015			
2016			
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2018			
2019			
2020			
2021			
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	55,850,000.00	8,595,067.00	64,445,067.00
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FISCAL YEAR ENDING		
	TOTAL	TOTAL
	PRINCIPAL	INTEREST
2008	7,625,000.00	3,860,155.00
2009	14,476,000.00	7,173,558.00
2010	22,954,500.00	7,756,622.00
2011	25,893,500.00	7,971,820.00
2012	19,611,500.00	8,066,062.00
2013	17,953,500.00	7,208,484.00
2014	14,573,000.00	6,460,258.00
2015	14,153,000.00	5,849,184.00
2016	13,684,500.00	5,241,860.00
2017	13,265,500.00	4,640,198.00
2018	13,072,500.00	4,043,250.00
2019	12,909,000.00	3,454,988.00
2020	12,722,500.00	2,874,083.00
2021	12,568,000.00	2,301,570.00
2022	12,382,500.00	1,736,010.00
2023	10,305,500.00	1,178,798.00
2024	6,608,000.00	715,050.00
2025	4,701,000.00	417,690.00
2026	2,796,000.00	206,145.00
2027	895,000.00	80,325.00
2028	890,000.00	40,050.00
2029	0.00	0.00
2030	0.00	0.00
2031	0.00	0.00
2032	0.00	0.00
2033	0.00	0.00
2034	0.00	0.00
2035		
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	254,040,000.00	81,276,160.00
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