

League of Women Voters of Buffalo/Niagara Statement at the Erie County Budget Public Hearing, November 25, 2013

The Erie County budget has been criticized for relying too heavily on sales tax as a major source of revenue and for using surplus, or accumulated fund balance, to bridge the budget gap. The sales tax represents one quarter of the total revenue. Unlike the property tax, it is a volatile source of revenue subject to the whims of the economy. It is not only volatile but it is a revenue source that is estimated based on eight months of data when the budget is submitted to the comptroller on October 1. The Erie County Fiscal Stability Authority recommends close monitoring of receipts and strategic decisions in the event that this major item does not meet expectations. The Erie County Citizens' Budget Review Commission strongly recommends that the Legislature reevaluate the date of submission for the County Executive's annual proposed budget to allow adequate time to review and analyze the third quarter sales tax real revenue numbers and move back the deadline for the County Budget director's submission of revenues and expenditures to the Comptroller. They also recommend that deviations from the adopted budget be accompanied by an explanation of variances to better plan for realistic future costs. **The League of Women Voters of Buffalo Niagara supports consideration of these recommendations.**

Although amortization is used by all comparable counties in New York State, amortizing pensions is a "kick the can" approach that is a last resort. The control board recommends that a minimum amount be amortized and repaid over the shortest period of time. No legislator wants to raise property taxes but this budget development began with a \$29.2 million gap and our county property taxes continue to be very low. Our real property tax rate was higher in 1993 than it is now.

We are grateful for the restoration of funding by this county executive on those items that enhance the quality of life in this community. If the legislature is not prepared to cut spending in the \$108 million portion of the budget that is discretionary, what are the alternatives? The rest of the \$1.5 billion budget is mandated. **We urge you to look at the property tax as a more predictable revenue source to bridge the gap.**

Marian Deutschman, PhD, local government chair, League of Women Voters of Buffalo Niagara