



COUNTY OF ERIE

ERIE COUNTY COUNCIL

March 11th, 2024

Subject: 2025 Published Budget Issues

To: County Council Chairman Terry Scutella

CC: County Council

Dear Mr. Chairman,

In the last two Finance Committee meetings, I've addressed issues that have arisen since we were provided with the final published budget document. We spent two months of arduous work disseminating and analyzing the County Executives Budget, sitting through many incredibly long meetings deliberating the contents of the budget Council would later adopt. Now that the Administration has published this adopted budget and loaded it into their accounting software, I'm aghast that the items that appear in this published budget neither reflect the budget that was proposed, nor the budget we adopted. This is a clear usurpation of the powers of County Council and must be addressed with haste.

In these last two finance meetings, when I directly questioned the Director of Finance as to the reasons behind these discrepancies, all members of Council witnessed the Director feign ignorance of the topic, decline to answer questions or request those questions in writing. I find it difficult to believe that I have been able to speak extemporaneously on these topics, but those who applied these changes to the budget are unaware of those issues. More likely, they wish to avoid public discussion and transparency around these topics. For this reason, I am sending this letter to enter into the record the issues we've discussed. They are as follows:

- On page 246 of the final budget document, in Grant to Other Organizations, the EMTA Grant, line 006216, has been reduced by \$105,400. Despite being listed as a council action, there was no vote, deliberation, or any council action to reduce this line item. Per our agreement with the City of Erie during the negotiations surrounding the renewal of their charter, the County is obligated to pay a percentage portion of the local EMTA match. This is an illegal reduction of a line item.
- The proposed budget listed a revenue of \$2,141,976 as a transfer from gaming on page 246. It also listed a duplicate revenue on page 251. In the proposed gaming budget only one transfer is shown. Council voted to eliminate the duplicate revenue on page 251, which Davis attempted to illegally veto. This veto was struck and added to our litigation. But now, under the gaming fund budget, there appears under council action:

- The addition of \$1,536,744 of revenue from fund balance appropriated
- A reduction of municipal projects of \$605,232
- An addition of \$2,141,976 transfer to the general fund

Council took NONE of these actions. The administration has not only vetoed to add appropriation in one ordinance but has the audacity to suggest that their veto in one ordinance can create a fund balance appropriation, a new expense transfer, and the reduction of spending in a line, in an entirely separate ordinance. All of this despite never being proposed, deliberated or voted on by Council.

- During the budget process I pointed out that there were 5) sections of the budget where the underlying line-item totals did not match the roll-up totals. This caused an underreporting of expenses, meaning that expenses were greater than the proposed revenue. This is the definition of an unbalanced budget. This is a concrete fact, despite how many times the administration has claimed otherwise. For each of these sections, they have now changed the proposed and final line-item values so that the line items add up to the originally proposed totals. These line-item changes were made without any action by the council.
 - Under the proposed budget for the County Solicitor, the roll-up page originally showed a value of \$294,295. The budget section only listed line items totaling \$288,106.00. On page 39 of the final budget, the professional fees line was adjusted from the original proposed value of \$206,311 to \$212,500.00. This arbitrary increase was done so that the section total now matches the roll-up value. This is despite the council taking no action on this line item. This is an illegal increase.
 - The proposed budget for the Sheriff showed a roll-up value of \$4,321,517. The budget expense total was \$4,950,429. This delta was “made up” by reducing eight-line items for wages and fringes on page 167. Despite council action INCREASING wages fringes by \$211,896, the new wages are still \$417k LESS than the proposed budget.

| Line Item | Original Listed Proposal | "Updated" Admin Proposal | Delta |
|--------------------------------|--------------------------|--------------------------|---------------|
| 001020 - BARGAINING WAGES | \$2,308,840.00 | \$1,959,493.00 | -\$349,347.00 |
| 001200 - FICA | \$196,940.00 | \$170,215.00 | -\$26,725.00 |
| 001210 - LIFE INSURANCE | \$3,726.00 | \$2,622.00 | -\$1,104.00 |
| 001220 - HOSPITALIZATION | \$781,671.00 | \$644,815.00 | -\$136,856.00 |
| 001221 - PRESCRIPTION DRUGS | \$195,415.00 | \$161,201.00 | -\$34,214.00 |
| 001230 - WORKER'S COMPENSATION | \$62,794.00 | \$53,453.00 | -\$9,341.00 |
| 001240 - RETIREMENT | \$446,411.00 | \$384,041.00 | -\$62,370.00 |

| | | | |
|--------------------------------|-------------|-------------|---------------|
| 001250 - OTHER HEALTH AND WELF | \$44,251.00 | \$37,126.00 | -\$7,125.00 |
| 001260 - UNEMPLOYMENT COMPENS | \$12,761.00 | \$10,931.00 | -\$1,830.00 |
| | | | -\$628,912.00 |

- Under Adult Probation the proposed budget roll-up listed \$8,005,168 as the proposed expenses. The department budget section listed \$8,045,972. This difference was made up by adjusting the 9 line items without council action.

| Line Item | Original Listed Proposal | "Updated" Admin Proposal | Delta |
|--------------------------------|--------------------------|--------------------------|--------------|
| 001010 - NON-BARGAINING WAGES | \$1,159,067.00 | \$1,133,338.00 | -\$25,729.00 |
| 001200 - FICA | \$305,954.00 | \$303,985.00 | -\$1,969.00 |
| 001210 - LIFE INSURANCE | \$18,255.00 | \$18,117.00 | -\$138.00 |
| 001220 - HOSPITALIZATION | \$1,024,669.00 | \$1,018,493.00 | -\$6,176.00 |
| 001221 - PRESCRIPTION DRUGS | \$256,163.00 | \$254,619.00 | -\$1,544.00 |
| 001230 - WORKER'S COMPENSATION | \$91,000.00 | \$90,977.00 | -\$23.00 |
| 001240 - RETIREMENT | \$690,452.00 | \$685,854.00 | -\$4,598.00 |
| 001250 - OTHER HEALTH AND WELF | \$57,772.00 | \$57,372.00 | -\$400.00 |
| 001260 - UNEMPLOYMENT COMPENS | \$18,522.00 | \$18,294.00 | -\$228.00 |
| | | Total: | -\$40,805.00 |

I formally request that our current litigation be amended to include these issues.

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