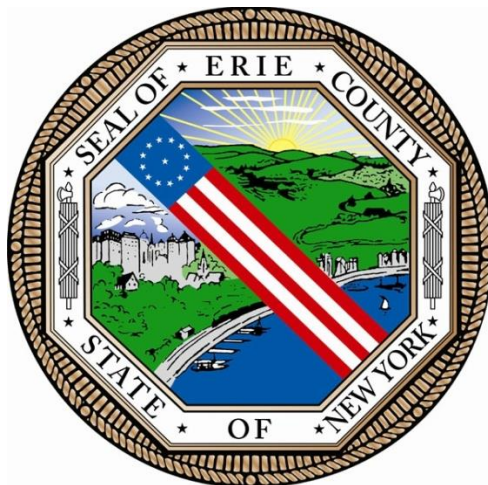


**June 2021**

**A Report on Capital Funds Available for Roofing  
at Erie Community College**



**STEFAN I. MYCHAJLIW, Jr.  
ERIE COUNTY COMPTROLLER**

---

**HON. STEFAN I. MYCHAJLIW, Jr.  
ERIE COUNTY COMPTROLLER'S OFFICE  
DIVISION OF AUDIT & CONTROL  
95 FRANKLIN STREET  
BUFFALO, NEW YORK 14202**

**June 30, 2021**

Erie County Legislature  
92 Franklin Street 4<sup>th</sup> Floor  
Buffalo, New York 14202

Dear Honorable Members:

The Erie County Comptroller's Office has completed a report on funds available for roofing projects at SUNY Erie, also commonly known as Erie Community College (ECC).

Our objectives were to:

- Determine the amount of bonds issued/authorized to perform roofing projects at Erie Community College.
- Determine the amount actually spent on such projects.
- Make recommendations as to how to reduce debt service paid for these projects.

To accomplish these objectives, we reviewed data from the county's accounting records.

As a result of our examination, we have made recommendations as to how to reduce debt service paid for roofing projects at Erie Community College.

## Table of Contents

|  |   |
|--|---|
| Background .....                             | 4 |
| Funding for Roof Replacement at ECC.....     | 5 |
| American Rescue Plan Allocation for ECC..... | 5 |
| Conclusion.....                              | 6 |

## Background

ECC is a public institution that provides education and services in Erie County and surrounding communities in Western New York. The college was established in 1946 and has grown from a two-year technical institute to a three-campus college. The campuses are located in Amherst, Buffalo and Orchard Park. ECC offers a wide variety of associate degree and certificate programs, as well as online programs. The college's mission is to "meet the needs of a diverse student body and contribute to regional economic vitality by providing high-quality, flexible, affordable and accessible educational programs committed to student success." ECC is one of 30 community colleges that are part of the 64-campus State University of New York (SUNY) system.

Each year, Erie County undertakes borrowing to complete capital projects at ECC. The amount that is contributed by Erie County is typically matched by New York State dollar-for-dollar. As such, Erie County typically pays half of the total project cost.

Prior to 2019, bonds were issued for specific categories of projects at ECC. In 2015, bonds were issued for roof replacements and code compliance. In 2016, bonds were issued for roof replacement, sitework, construction of the student center and code compliance. In 2017, bonds were issued for roof replacement, sitework, construction of the student center, code compliance and mechanical, electric and plumbing. In 2018, bonds were issued for roof replacement, sitework, infrastructure, code compliance, preservation of buildings and mechanical, electric and plumbing.

For 2019 and 2020, Erie County changed how they sold bonds for projects at ECC. Rather than designating specific categories for projects, bonds were sold as an omnibus item. This means that the budgets of all projects were combined without a breakdown by category. While lacking transparency, borrowing through omnibus resolutions allows for budgets for projects to be more easily changed, even to the point of elimination, to fund other projects instead.

This report examines the budget for capital roofing projects at ECC, for which bonds were sold by Erie County, as of May 31, 2021.

## Funding for Roof Replacement at ECC

As of May 31, 2021, the budgets for bonded capital roof replacement projects at ECC are:

| Year | Description      | Total Current Budget | Commitments | Expended    | Total Unexpended | Unexpended/Not Committed | County Bonds Sold | County Share Expended | Interest Paid |
|------|------------------|----------------------|-------------|-------------|------------------|--------------------------|-------------------|-----------------------|---------------|
| 2015 | Roof Replacement | \$6,000,000          | \$346,067   | \$5,314,448 | \$685,552        | \$339,485                | \$3,000,000       | \$2,657,224           | \$601,510     |
| 2016 | Roof Replacement | \$2,000,000          | \$365,684   | \$190,015   | \$1,809,985      | \$1,444,301              | \$1,000,000       | \$95,007              | \$171,875     |
| 2017 | Roof Replacement | \$2,000,000          | \$0         | \$0         | \$2,000,000      | \$2,000,000              | \$1,000,000       | \$0                   | \$136,305     |
| 2018 | Roof Replacement | \$2,000,000          | \$6,345     | \$147,060   | \$1,852,940      | \$1,846,595              | \$1,000,000       | \$73,530              | \$100,541     |

In total, Erie County budgeted and borrowed for \$12,000,000 for roofing projects at Erie County College for the years 2015, 2016, 2017 and 2018. Of this amount, \$6,348,478 remains unexpended. In fact, \$5,630,382 is not yet even committed. Commitments refer to money which has been identified to be used for a specific purpose, but has not yet been paid to a vendor. A commitment does not ensure that the amounts will actually ultimately be expended.

In addition to roof replacement projects specifically enumerated in 2015-2018 bonds, funds are also available as part of the omnibus bonds sold in 2019 and 2020 to finance projects at ECC. The budgets for these projects are:

| Year | Description                  | Total Current Budget | Commitments | Expended | Total Unexpended | Unexpended/Not Committed | County Bonds Sold | County Share Expended | Interest Paid |
|------|------------------------------|----------------------|-------------|----------|------------------|--------------------------|-------------------|-----------------------|---------------|
| 2019 | Collegewide Improvements     | \$6,800,000          | \$1,835,135 | \$54,929 | \$6,745,071      | \$4,909,936              | \$3,400,000       | \$27,465              | \$168,204     |
| 2020 | Collegewide Improv. & Renov. | \$7,500,000          | 0           | 0        | \$7,500,000      | \$7,500,000              | \$3,750,000       | 0                     | \$58,705      |

The total amount budgeted for such collegewide improvement projects in 2019 and 2020, which may include roofing, was \$14,300,000. Of this amount, only \$54,929 has been expended. Commitments total \$1,835,135, leaving \$12,409,936 available from 2019 and 2020 borrowings.

## American Rescue Plan Allocation for ECC

On March 11, 2021, the American Rescue Plan (ARP) was signed into law. The law calls for \$1,900,000,000,000 to be spent to promote recovery from COVID-19. Of the \$1,900,000,000,000, \$350,000,000,000 was allocated to state and local fiscal recovery. Of this amount, \$89,223,547 was allocated to Erie County, with another \$89,223,547 promised for 2022. Of the initial payment, Erie County calculates that \$47,554,040 is available for general county spending.

Comm. 13E-15 outlines plans for spending this money. One of the expenditure items in the plan is \$2,000,000 for the ECC City Campus roof. The resolution does not detail what work is needed on the roof.

## Conclusion

Between 2015 through 2018, Erie County budgeted for \$12,000,000 for roofing projects at ECC. To date, \$6,348,478 remains unexpended, with \$5,630,382 not even committed to a specific roofing purpose. The county has paid a total of \$1,010,231 in interest payments on these bonds. In addition to the at least \$5,630,382 available specifically for roofing projects at ECC, the county also has funds available for roofing projects at ECC through money budgeted and borrowed for with the sale of omnibus collegewide improvement bonds. In 2019 and 2020, the county budgeted \$14,300,000 for these projects and has expended \$54,929 to date. It has paid \$226,909 in interest on these bonds, which is over four times the amount expended to date. Commitments for projects for these years total \$1,835,135. From 2019 and 2020 borrowings, \$12,409,936 remains unexpended and uncommitted for expenditure on roofing projects at ECC.

In total, Erie County has at least \$5,630,382 and up to \$18,040,318 available for roofing projects at ECC.

Despite this availability of funds, Comm. 13E-15 seeks to commit an additional \$2,000,000 for the “ECC City Roof.” WE RECOMMEND that any approval of funds to commit \$2,000,000 for the “ECC City Roof” include a discussion of the possibility of closing a campus and identifying the campus to be closed, as was stated during discussions regarding ECC’s budget. Further, WE RECOMMEND that any approval of funds to commit \$2,000,000 for the “ECC City Roof” include a discussion of the possible use of unexpended funds for roofing projects dating back to 2015, as well as the possibility to pay off those bonds sold to avoid continued payment of interest for work not undertaken. Further, WE RECOMMEND that if it is determined that if the ECC roofing project is necessary and that sufficient unexpended funds already exist to complete that project, alternative capital projects in which to invest ARP funds be identified.