COUNTY OF ERIE

STEFAN I. MYCHAJLIW
COMPTROLLER

September 9, 2013

Erie County Legislature
92 Franklin Street
Buffalo, New York 14202

Re: July Budget Monitoring Report

Dear Honorable Members:

On September 3, 2013 the administration released the July, 2013 Budget Monitoring Report ("BMR"). The report confirms the wisdom of your honorable body's decision last year to amend the 2013 budget and eliminating the County Executive's proposed property tax that has proved to be unnecessary.

Stopping the proposed property tax hike last year forced Erie County government to responsibly live within its means. We are now in a state of positive variance for the year, which reaffirms the responsible action of legislators from the Democratic, Republican, Independence, and Conservative parties.

A positive variance was reported of fewer than one million dollars, this despite the negative variance of over two million dollars in the administration's sales tax estimate. The responsible management skills exhibited by the administration and other elected officials in maintaining vacancies and other cost cutting measures have proved effective in keeping County finances in balance.

We must point out the administration's violation of the Erie County Code 18.04g as amended by Local Law No. 6-2005 that states:

> "Monthly report. The county executive, or his appointed director of budget and management, shall prepare a monthly report which shall include a summary of revenues and expenditures for the preceding month. The report shall be detailed as to the appropriations and funds in such manner as to show the current financial condition and financial future of the county by department and shall compare projected revenues and expenditures with actual and accrued revenues and expenditures. ***Monthly budget reports filed after the month of May shall include year-end forecasts.*** (emphasis added) Monthly budget reports, containing comprehensive fiscal details set forth herein, shall be filed with the county legislature monthly, on or before the last calendar day of the subsequent calendar month.
> New subdivision g. Added by Local Law No. 6-2005. Section 4 c"

No year-end projection was included neither with the July 2013 BMR nor with the June 2013 BMR. In fact last year this administration failed to include a year-end forecast until the August, 2012 BMR. This lack of

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transparency and willful violation of the County Code and Local Law denies your Honorable Body important information regarding the fiscal health of the County that would assist in your decision making of any resolutions or other financial matters that the administration may put before you.

By copy of this letter we call upon the administration to immediately release a year-end projection, in the same format as has been done previously, and demand that in the future this administration comply with the County Code and Local Law by releasing a year-end projection in conjunction with all BMR's released after the month of May.

As a matter of fact, all Departments within Erie County government have submitted their respective year-end projections to the Office of Budget and Management in early August. The administration has the information. For some reason they refuse to share it with the Legislature.

Erie County government should operate in an open, honest, and transparent manner. Secrecy in fiscal matters should be avoided at all costs, not embraced, by the administration.

My staff and I are available to answer any questions you may have.

Sincerely,

Stefan I. Mychajliw
Erie County Comptroller

Cc: Mark Poloncarz, Erie County Executive
Robert Keating, Director of Budget & Management
Erie County Fiscal Stability Authority