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FOR IMMEDIATE RELEASE

COMPTROLLER MYCHAJLIW BEGINS OPEN, HONEST AND TRANSPARENT BORROWING PROCESS

Requests for Proposals (RFP) have been issued to solicit bids to find the lowest possible price to conduct county borrowing

(Buffalo, New York) – Erie County Comptroller Stefan I. Mychajliw announced that he has issued a Request for Proposal (RFP) to conduct the county’s proposed 2014 borrowing. This involves the selection for a Senior Managing Underwriter and a Co-Managing Underwriter to begin the borrowing process.

The county will soon borrow nearly \$140 million to fund the approved 2014 capital projects plan and for a Revenue Anticipation Note (RAN) that will float the county funds during low cash flow periods.

Comptroller Mychajliw issued the RFP on Friday, June 27th and proposals are due back by the close of business on Friday, July 11th. As is required, the RFP is posted on the county’s website, appearing both on the Comptroller’s page and the Department of Purchase page.

“There is a lot of concern over who should borrow; the county or the control board. I have always maintained that we should select whoever can borrow at the cheapest rate for taxpayers,” said Mychajliw.

“That is one big reason why we are conducting this public process in an open, honest, and transparent way. This will put real proposals in front of us and settle the question of who can borrow at the lowest cost.”

Earlier this year, Comptroller Mychajliw sent the Legislature a resolution asking for authorization to borrow funds to meet the aforementioned county obligations. The Legislature has had ongoing discussions about the borrowing but has yet to pass the request.

At their last session they requested that the County Executive send them a “Declaration of Need,” which is the legal mechanism that allows the Erie County Fiscal Stability Authority (ECFSA) to conduct borrowing on the county’s behalf. In the past the ECFSA obtained more favorable borrowing rates because of their ability to intercept county sales tax revenue before the county.

“As the legislature is considering our request to begin borrowing, we wanted start the process and make it as transparent as possible. The people’s business works best when conducted out in the open. This competitive process will not be done in secret,” said Mychajliw.

“The county’s Financial Advisor (FA), First Southwest Company, is also assisting in ensuring as many qualified firms as possible receive our RFP and have an opportunity to respond,” continued Mychajliw.

First Southwest staff will then assist the Comptroller’s Office in reviewing the submitted proposals. The Senior Managing Underwriter will recommend structure, terms and conditions for the issuance of debt. They will also be responsible for the preparation of all official statements and financing documents related to the borrowing. At the conclusion of the process, they will formally draft and execute the bond purchasing agreements with Erie County.

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