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COUNTY OF ERIE

MARK C. POLONCARZ
COUNTY EXECUTIVE

December 7, 2012

Hon. Frank Sedita, Esq., Erie County District Attorney
25 Delaware Avenue
Buffalo, New York 14202

Hon. Christopher Jacobs, Erie County Clerk
92 Franklin Street
Buffalo, New York 14202

Hon. Timothy Howard, Erie County Sheriff
10 Delaware Avenue
Buffalo, New York 14202

Stefan Mychajliw, Erie County Comptroller-Elect
P.O. Box 362
Buffalo, New York 14205

Re: 2013 Erie County Budgetary Control Measures

Dear Messrs. Sedita, Jacobs, Howard and Mychajliw:

As you know, on December 4, 2012, the Erie County Legislature ("Legislature") voted to amend the County's Proposed 2013 Budget. During that process, six legislators introduced and approved a budget amendment that purported to reduce appropriations by $8,514,324. For a variety of reasons, these amendments will create a budget gap in the County's 2013 Budget in the same amount. This gap equals about 10% of the County's discretionary spending when the Buffalo and Erie County Public Library allocation is excluded.

Among these cuts was a tripling of the vacancy control account from $600,000 to $1.8 million and a corresponding reduction in the fringe benefit account. The Legislature also cut certain overtime accounts, including in the Sheriff's Jail Management Division by $812,750. Some of the cuts were targeted at the Sheriff's office while other departments headed by independently elected officials were not specifically targeted by the Legislature. In the end however, all departments will feel the impact of these cuts, particularly in the very high vacancy control account.

Although I had cut $20 million from the budget prior to its submission to the Legislature, it will in all likelihood be necessary to make additional real spending cuts. I am now required to implement strict austerity measures throughout the government and to make cuts that will bring the budget back into balance. In order to achieve the very high vacancy control number imposed upon the government, I believe all departments will have to do their share.

As a result, in early January I will be exercising my authority under Section 2507(b) of the Charter to impose quotas and allotments on executive departments and offices. The Charter does not give me the authority to exercise this type of budgetary control over units of county government that are headed by independently elected officials.

Section 2507(b) of the Charter identifies the remedy available in the event that budgetary exigencies require controls on the independently elected officials as follows:

> The county executive may request that the Legislature impose quotas, allotments or other cost control measures on the independently elected officials (clerk, comptroller, district attorney and sheriff) if the need arises. The Legislature shall by resolution impose quotas, allotments or other cost control measures with a simple majority vote.

At this time, I am not requesting that the County Legislature consider imposing any quotas, allotments or budgetary cost control measures for 2013 upon departments headed by independently elected officials. However, I am requesting that each independently elected official closely control their spending as we start the new fiscal year and that you exercise budgetary control over your respective departments to assist with vacancy control and other efficiencies. I encourage and welcome your input and suggestions on budgetary control measures which you can implement in 2013. Given the imbalance created by the Legislature's amendments, we are all going to have to share the burden in managing the 2013 Budget.

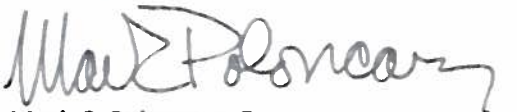
In addition, as you know, I am required to submit a revised current year budget and a revised Four Year Financial Plan ("Plan") to the Erie County Fiscal Stability Authority ("ECFSA") in early 2013. ECFSA is greatly concerned by the 2013 Budget amendments passed by the Legislature and has already gone on record describing the amendments as "risky" and noting that the elimination of the recurring revenue "would create concerns that would lead ECFSA to have to reevaluate whether the budget is in balance and whether the four year plan is achievable." Let me be clear: due to the approved amendments, ECFSA is considering a possible return to a control period.

Managing the 2013 Budget and creating a revised 2013-2016 Plan will be very challenging given the Legislature's vote – and ECFSA understands the predicament the amendments have created. Accordingly, my administration will be working with each of you as we develop an amended 2013-2016 Plan. I request that you each begin to work on a plan that contains and where possible reduces costs. It will be necessary to include within the County's response to the Control Board the steps that you will be taking to respond to the pressures imposed by the 2013 Budget.

We will also ask ECFSA to invite you to attend their Finance Committee and Board meetings in January 2013 to explain in detail how the County and your departments will address the $8.5 million gap both for the 2013 Budget year and the 2014-2016 out-years of the Plan. The Division of Budget and Management is prepared to work cooperatively with you on planning for this process and you are encouraged to contact your budget analyst or Budget Director Robert Keating if you require any assistance.

I look forward to hearing your thoughts and working with each of you to address these concerns. Please contact me if you have any questions, comments or concerns.

Sincerely yours,



Mark C. Poloncarz, Esq.
Erie County Executive

MCP/mt

cc: Erie County Legislature
Erie County Fiscal Stability Authority
Robert W. Keating, Director of Budget and Management
Erie County Comptroller David Shenk