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COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

January 3, 2013

Honorable Stefan I. Mychajliw Jr.
Erie County Comptroller
95 Franklin Street, 11th Floor
Buffalo, New York 14202

RE: Erie County's Cash Flow Position

Dear Comptroller Mychajliw:

Thank you for your letter dated January 3, 2013, informing the Division of Budget and Management ("Budget") of your concern regarding Erie County's year-end cash balance on December 31, 2012, as well as your willingness to meet to discuss the issue with the County Executive and myself on such short notice.

As the former Director of Grants Accounting Services within the Comptroller's Office ("Comptroller") and now as the Director of Budget and Management for the Poloncarz administration, I understand how much Budget relies on the Comptroller's cash flow projections in performance of its duties, and how vigilant the Comptroller must be in constantly monitoring those projections to ensure their accuracy.

As discussed during our meeting, if you should deem necessary, Budget will assist you in any way possible to try to postpone the \$15 million Intergovernmental Transfer ("IGT") payment to New York State in order to prevent a negative cash flow situation, which we agree could have ripple effects throughout County government.

I would ask that you please keep Budget updated as you prepare new cash flow projections so that we may avoid such discrepancies in the future. In the meantime, if you or your staffs are in need of any assistance with monitoring cash flow or performing any other Charter appointed powers and duties of the Comptroller going forward, both the County Executive and I would be happy to lend our experience.

Again, thank you for promptly notifying Budget of this issue. On behalf of the Poloncarz administration, we also look forward to working with you on behalf of Erie County residents and taxpayers.

Sincerely,

Robert W. Keating, Director
Division of Budget and Management

CC: Honorable Mark C. Poloncarz, Erie County Executive
Honorable Erie County Legislature
Erie County Fiscal Stability Authority