



EQLEG FEB04'13 PM 3:21

COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

February 4, 2013

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

Re: Comptroller's Cash Flow Projection at February 1, 2013

Dear Comptroller Mychajliw:

This morning, I received a highly disturbing weekly cash flow balance via electronic mail from Deputy Comptroller Gregory Gach purporting to show that as of close of business on Friday, February 1, 2013, the County's ending cash balance was negative \$655,243. Subsequently, your office corrected that cash analysis to show a negative balance of \$271,165. This development is of great concern to the Division of Budget and Management.

Based on previous conversations between our offices, it was understood once the Erie County Medical Center Corporation Intergovernmental Transfer payment was delayed to March the County's immediate cash flow shortages would be resolved. Your cash flow projection of three weeks ago would seem to corroborate that impression, noting the County would end January 2013 with a positive cash balance of \$13,874,462. However, your latest numbers show a negative balance just one day later after the close of the month for a divergence totaling \$14 million. This wild swing is troubling, as is the suddenness and late nature with which your office alerted me.

I am requesting that you provide my office with a written response documenting where you believe the difficulty lies and the actions your office is taking, as chief fiscal officer of the County, to remedy this situation until the County receives a \$35 million sales tax receipt on February 6th. Is the negative cash flow caused by delayed State reimbursements and advances as you indicated before the Legislature's Finance and Management Committee on January 31st? Do you expect any further negative balances through June 2013 when you project the annual revenue anticipation note will be needed?

Thank you for your assistance and cooperation. I look forward to hearing from you.

Sincerely yours,


Robert W. Keating
Director of Budget and Management

RWK

cc: Erie County Executive Mark C. Poloncarz
Erie County Legislature
Erie County Fiscal Stability Authority

RATH BUILDING • 95 FRANKLIN STREET • BUFFALO, N.Y. • 14202 • (716) 858-6000 • WWW.ERIE.GOV

Comm. 3D-10
Page 1 of 1