



EOLEG JAN29'13 PM 4:07

COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

January 29, 2013

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

Re: Comptroller's Reorganization Proposal – Division of Budget and Management Offer of Assistance for a Budget-Neutral Proposal

Dear Comptroller Mychajliw:

Pursuant to the request of Legislator Thomas Mazur at today's Government Affairs Committee meeting, I am writing to offer the assistance of the Division of Budget and Management to your office to revise your proposed reorganization proposal to make said proposal budget-neutral and ensure it does not negatively affect the County's Four Year Financial Plan ("Plan").

It is clear from the letter you distributed to the Legislature this morning your reorganization plan considers vacancy control, or turnover savings in your office as a funding source for your proposal. Unfortunately, as my office pointed out at the committee, because the adopted 2013 Budget includes a turnover account which is 300% larger than 2012 actual vacancy control and the 2013 proposed budget amount, any savings from the vacant positions in your department, like all other departments, is already accounted for in Fund Center 14010, Countywide Budget Accounts, Account 504990 and cannot be properly used as a funding source in 2013.

In addition, the Division of Budget and Management has noted and quantified for the committee the new expense in the 2014-2016 out years of the Plan of the new upgraded positions you are seeking. The positions you seek to create will cost the County at least tens of thousands of dollars more in annualized salary compared to the positions you are deleting. To be clear, my office cannot and will not support any proposal that includes significant new unexpected expense in the Plan. Your reorganization proposal has such new expense and is not budget- and Plan-neutral, a fact we and Legislator Kevin Hardwick observed today.

My office is willing to work cooperatively with your office on a suitable reorganization proposal that is budget-neutral for the County's adopted 2013 Budget and the 2014-2016 out years of the Plan and we encourage your assistance in this regard.

Budget Director Letter to Comptroller on Reorganization Plan

January 29, 2013

Page 2 of 2

If you wish to work with my office on a budget-neutral reorganization proposal that does not negatively impact the 2013 Budget and the Four Year Financial Plan, please contact me. I will be happy to work with you to develop a mutually-agreeable proposal for Legislature consideration.

Sincerely,



Robert W. Keating, Director
Division of Budget and Management

RWK

Attachment

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