



County of Erie

MARK C. POLONCARZ
COMPTROLLER

June 2, 2011

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Honorable Members
Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Re: 2011 Revenue Anticipation Note Resolution

Dear Honorable Members:

Attached please find a proposed resolution to be adopted by your honorable body authorizing my office to issue revenue anticipation notes ("RANs) on behalf of Erie County ("County") in 2011 for an amount not to exceed \$90 million.

The issuance of one or more RANs in 2011 will be necessitated, in part, by New York State's practice of requiring the County to pay 100% of the expenditures for various programs (e.g., social and health services programs) in advance, and then providing subsequent, often delayed reimbursement to the County for the for the non-local share. As you are aware, last year some reimbursements were delayed by over six (6) months, necessitating the issuance of multiple RANs and an expedited approval process. While our Office does not anticipate reimbursement delays equal to last year's, delays are occurring and therefore we request authorization to issue RANS to ensure proper cash flow to pay for needed County services.

This request, compared to the authorized issuance of \$65 million in 2010, is primarily due to the proposed increase in the use of fund balances and the sharply reduced amount in FMAP assistance which has been utilized to offset the County's weekly payments to New York State for Medicaid – this assistance is scheduled to expire on June 30, 2011.

Ultimately the final amount and timing of the issuance will be determined as the County's actual cash position is monitored and projections are adjusted, as applicable, throughout the year. As my Office has done in past years, if the County does not need to utilize the entire authorized amount of \$90 million, then please be assured we will only sell the amount in notes necessary to meet the County's cash flow needs.

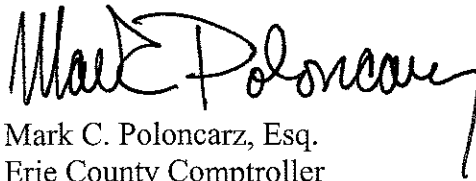
Erie County Legislature RAN Resolution Letter

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If you have any questions, please contact the undersigned or Deputy Comptroller Lorne Steinhart. Thank you in advance.

Sincerely yours,

A handwritten signature in black ink, reading "Mark C. Poloncarz". The signature is fluid and cursive, with the first name "Mark" and last name "Poloncarz" clearly legible. The signature is positioned above the printed name and title.

Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/nr
Encl.

Cc: C. Todd Miles, Esq.
Gregory G. Gach, Dir., Division of Budget & Management
Steven J. Kantor, First Southwest Company
Erie County Fiscal Stability Authority

EXTRACT OF MINUTES
Meeting of the County Legislature of
the County of Erie, New York.

_____, 2011

* * *

A regular meeting of the County Legislature of the County of Erie, New York,
was held at the Chambers of the Erie County Legislature, in the Erie County Hall, Buffalo, New
York, in said County, on _____, 2011, at _____ o'clock P.M. (Prevailing Time).

The following Legislators were present:

There were absent:

Also present: Robert M. Graber, Clerk of the Legislature

* * *

_____ offered the following resolution and moved
its adoption:

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RESOLUTION NO. __-2011

RESOLUTION DELEGATING TO THE COUNTY COMPTROLLER THE POWERS TO AUTHORIZE THE ISSUANCE OF \$90,000,000 REVENUE ANTICIPATION NOTES OF THE COUNTY OF ERIE, NEW YORK, OR SO MUCH THEREOF AS MAY BE NECESSARY, IN ANTICIPATION OF THE RECEIPT OF CERTAIN REVENUES FOR THE FISCAL YEAR ENDING DECEMBER 31, 2011, AND TO PRESCRIBE THE TERMS, FORM AND CONTENTS, AND PROVIDE FOR THE SALE AND CREDIT ENHANCEMENT OF SUCH NOTES.

RESOLVED BY THE LEGISLATURE OF THE COUNTY OF ERIE, NEW YORK, AS FOLLOWS:

Section 1. Pursuant to the provisions of the Local Finance Law, constituting Chapter 33-a of the Consolidated Laws of the State of New York (herein called "Law"), the power to authorize the issuance of Revenue Anticipation Notes (herein called "Notes") of the County of Erie, in the State of New York (the "County" and "State", respectively), in the aggregate principal amount of not to exceed \$90,000,000, and any notes in renewal thereof, is hereby delegated to the County Comptroller, as chief fiscal officer of the County.

Section 2. The Notes shall be issued in anticipation of the collection or receipt of revenues due to the County in the 2011 fiscal year from (i) State Social Services aid, (ii) Social Services aid from the United States government, and (iii) the collection or receipt of revenues due and payable to the County in the 2011 fiscal year from sales and compensating use taxes;

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and the proceeds of such Notes shall be used only for the purposes of paying the current expenses of the County for said fiscal year payable from the revenues in anticipation of which they are issued.

Section 3. The Notes shall contain the recital of validity prescribed by Section 52.00 of the Law and shall be general obligations of the County, and the faith and credit of the County shall be pledged to the punctual payment of the principal of and interest on the Notes and, unless the Notes are otherwise paid or payment provided for, an amount sufficient for such payment shall be inserted in the budget of the County and a tax sufficient to provide for the payment thereof shall be levied and collected.

Section 4. Subject to the provisions of this resolution and the Law, and pursuant to Sections 50.00, 56.00, 60.00, and 168.00 of the Law, inclusive, the powers to prescribe the terms, form and contents, and all other powers or duties pertaining or incidental to the sale and issuance of the Notes authorized pursuant hereto, or any renewals thereof, including the power to determine the respective amounts of Notes to be issued in anticipation of said respective revenues specified in Section 2 hereof, and the power to enter into agreements for credit enhancement for the Notes, are hereby delegated to the Comptroller, as chief fiscal officer of the County.

Section 5. This resolution shall take effect immediately.

The adoption of the foregoing resolution was seconded by _____ and duly
put to a vote on roll call, which resulted as follows:

AYES:

NOES:

The resolution was declared adopted.

County Executive

APPROVED AS TO CONTENT

By: _____
County Comptroller

APPROVED AS TO FORM

By:: _____
County Attorney
Erie County, N.Y.

Doc. # _____ Date _____

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CERTIFICATE

I, Robert M. Graber, Clerk of the Erie County Legislature, State of New York,
HEREBY CERTIFY that the Resolution No. ____-2011, contained in the foregoing annexed
extract from the minutes of a meeting of the Erie County Legislature duly called and held on
_____, 2011, has been compared by me with the original minutes as officially recorded in
my office in the Minute Book of said County Legislature and is a true, complete and correct copy
thereof and of the whole of said original Resolution, which was duly adopted by the Erie County
Legislature on _____, 2011 and approved by the County Executive on _____, 2011.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate
seal of said County this __ day of _____, 2011.

(SEAL)

Clerk of the County Legislature

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