



Erie Co. Fiscal Stability Authority



295 Main Street, Suite 946 • Buffalo, New York 14203
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December 1, 2011

Hon. Thomas A. Loughran
 Chairman
 Community Enrichment Committee
 Erie County Legislature
 92 Franklin Street, 4th Floor
 Buffalo, New York 14202

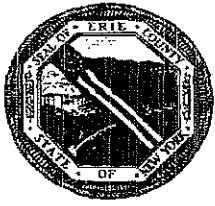
Dear Chairman Loughran:

Re: Polar Bear Habitat Funding

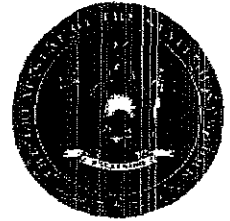
I am writing in response to your request that the Erie County Fiscal Stability Authority provide its opinion and advice concerning funding of the polar bear habitat at the Buffalo Zoo. Kenneth Vetter, the Executive Director of the Authority, appeared before your committee on Monday, November 28 and set forth the Authority's preliminary thoughts concerning the \$6,000,000 of funding recommended by current County Executive Collins. The general view of the Authority board members is that the legislature should wait until the financial results for calendar year 2011 are more certain before committing to a level and method of funding for the Zoo.

I would emphasize that the Authority is fully supportive of county funding of cultural institutions such as the Zoo provided, however, that such funding is approached in a prudent and fiscally-responsible way. The vagaries of the current economic conditions nationally and across our state mandate that local governments carefully monitor discretionary spending and maintain adequate surpluses to insure the consistent delivery of required services in the event of an economic downturn. With this in mind, the Authority believes waiting until the financial results for 2011 are finalized is a better alternative than proceeding with the spending of discretionary funds before year-end.

In addition, we believe that in-coming County Executive Poloncarz should be given the opportunity to provide his opinion and input about the method and level of funding committed to the Zoo project. A slight delay to accommodate year-end financial results and Mr. Poloncarz's taking office is, in the Authority's view, both appropriate and prudent.



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Moreover, it appears the Authority has the legal ability to facilitate a borrowing of the funds for the Zoo project at favorable interest rates. Your committee and the legislature, as well as Mr. Poloncarz, may wish to consider borrowing through the Authority to accommodate the Zoo's capital needs. Toward this end, the Authority board anticipates passing a resolution before the end of 2011 authorizing a borrowing to finance the Zoo project if the County Executive and legislature eventually elect to proceed with a borrowing. The passing of the resolution will provide the legislature and the County Executive with yet another alternative for funding the polar bear habitat.

The Authority believes the legislature is taking the proper approach by carefully assessing the polar bear habitat project and the financing alternatives. While undoubtedly all of the interested parties agree that the project is a worthwhile one and will benefit the community for years to come, the County's participation must be measured against its financial responsibilities and obligations. Foregoing any action until the County's finances and budget for 2012 are finalized and at the same time considering whether an Authority borrowing is a more attractive way to proceed is, in the Authority's view, in the best interest of the citizens of Erie County.

If you have any questions concerning this letter or the Authority's position, please let me know.

Very truly yours,

Daniel C. Oliverio

DCO/nm

cc: Members of the Erie County Legislature

Mr. Mark Poloncarz, Erie County Comptroller

Mr. Christopher C. Collins, Erie County Executive

Kenneth Vetter, Executive Director Erie County Fiscal Stability Authority

Members of the Erie County Fiscal Stability Authority