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COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

June 16, 2014

Hon. John Mills, Chairman
Erie County Legislature
92 Franklin Street, Fourth Floor
Buffalo, New York 14202

Re: 2014 Revenue Anticipation Note and Capital Borrowing

Dear Chairman Mills:

I am writing to express my disappointment in, and to seek clarification from you regarding the events at your legislative caucus on June 12th concerning the County's 2014 capital borrowing and the 2014 revenue anticipation note ("RAN").

Specifically, I am troubled by your refusal to allow a representative of the Division of Budget and Management to comment and answer legislators' questions regarding these two borrowings. At the same time, you not only permitted but encouraged the Deputy County Comptroller and the Executive Director of the Erie County Fiscal Stability Authority ("ECFSA") to comment.

As you know, Deputy Budget Director Timothy Callan attended the June 5, 2014 meeting of the Legislature's Finance and Management Committee ("Committee") to discuss the 2014 RAN and other fiscal matters. However, Majority Leader Joseph Lorigo immediately tabled fiscal items pending before that committee, including the RAN, and did not permit any discussion or dialogue.

On June 12th at the legislative caucus, without warning or notice to the administration, as is customary, you stated that you were going to discharge the RAN resolution from the Committee for immediate approval at the legislative session. However, you allowed Deputy Comptroller Gregory Gach to speak at length about the RAN as well as the forthcoming capital borrowing. You also requested and permitted ECFSA Executive Director Kenneth Vetter to comment and answer legislators' questions. When these events started to transpire, the county executive's legislative liaison summoned Dr. Callan to the caucus to provide comments on these items. When

Minority Leader Betty Jean Grant asked Dr. Callan to speak on behalf of the administration, you refused to allow him to comment.

The Legislature has always, regardless of which political party is in the majority, allowed the relevant parties to comment at committees and caucuses on County matters, especially important financial items. The Division of Budget and Management is always available to all legislators to attend committees and caucuses and answer questions, including via phone and email. In this instance, similar to the recent actions by Legislator Lorigo in the Finance and Management Committee, it appears the majority caucus seems to be conducting a deliberate policy of prohibiting my office from commenting on fiscal matters.

In addition, your decision to allow the RAN resolution to be discharged from Committee without the customary committee or caucus discussion process was irregular. My office has been seeking a response from the Comptroller's Office for three weeks about the status and sizing of the RAN but our inquiries have been ignored by Comptroller Stefan Mychajliw. The June 12th caucus would have allowed a discussion of these matters. I am pleased that you ultimately decided to keep the RAN resolution in Committee and I hope you will allow a discussion in that forum.

As always, a representative from the Division of Budget and Management will be attending the June 19th meeting of the Finance and Management Committee and we look forward to discussing the RAN resolution, capital borrowing, and other important fiscal matters at that time. We have concerns and questions about the Comptroller's proposed sizing of the RAN at \$110 million and we would also like to discuss with the Comptroller his intentions concerning issuing a request for proposals for the underwriting of the 2014 capital borrowing.

If you have any questions, please do not hesitate to contact me. I am always available to you via email, mobile phone, work phone, or by visiting me in my office.

Sincerely yours,



Robert W. Keating
Director of Budget and Management

cc: Mark C. Poloncarz, County Executive
Stefan Mychajliw, County Comptroller
James Sampson, Chairman, Erie County Fiscal Stability Authority