



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

July 17, 2014

Steven Jagord, Editor
Clarence Bee
5564 Main Street
Amherst, New York 14221

VIA POSTAL MAIL AND ELECTRONIC MAIL
sjagord@beenews.com

Re: Article and Editorial Dated July 16, 2014 – Goodrich and Conner Road

Dear Mr. Jagord:

I am writing in regard to your July 16th article entitled "Goodrich work to begin next month; Conner still in question", as well as your parallel editorial entitled "County, town need to find Conner Road solution now."

Specifically, I am writing to clarify comments made by Erie County Legislator Edward Rath and comments attributed to him whereby he stated that the County allegedly has a "recently confirmed \$20 million surplus from unspent capital project money" and "we've got \$20 million lying around of unspent capital money." The article and editorial portrayed this as a source of funds for County road work.

The claims and assertions made by Mr. Rath are not accurate. At a legislative budget committee yesterday, Erie County Deputy Budget Director Timothy Callan commented on these claims and noted that the County does not have \$20 million of free and clear capital money available for road work. At that hearing, Legislature Chairman John Mills asserted that Dr. Callan was in fact, the source of the information. Dr. Callan immediately challenged the claim and stated that he never made any such comment. Following the committee, Dr. Callan spoke with Chairman Mills and asked when, where and how he allegedly provided the figure, to which Chairman Mills then indicated that perhaps the Deputy Budget Director was not the source of the statistic.

The information provided by Legislator Rath about the alleged availability of \$20 million of "unspent capital money" "lying around" for any purpose or use is not accurate or correct. As the Legislature is fully aware, the County has "dormant" capital accounts with bond proceeds from prior county administrations for other projects. These are projects which were commenced years ago by former county executives, some of which were from as far back as 1997, in which the County sold bonds for certain capital projects, including roads, bridges, computer systems, building improvements, etc. Under federal regulations, the County can only

use those funds for the projects originally anticipated and cannot use the bond proceeds for other projects. However, in instances in which the projects are completed and still have proceeds available, the County can pay-off the debt service associated with the projects, and if there are still funds available, use those additional funds for other needs.

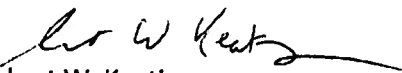
Starting in 2012, the Poloncarz Administration commenced an initiative to review these accounts. Our goal was to identify projects that could be closed (i.e. the work is completed), close those accounts, pay-off debt service associated with the bonds, and in those cases where funds were still available, to reallocate those funds to the operating budget for fiscal relief or to conduct other capital work.

This initiative was unanimously supported by the Legislature in 2012 and has continued in 2013 and 2014, with the knowledge and approval of the County Legislature. For instance, on March 21, 2013, the Legislature approved a resolution closing fifty six (56) dormant capital accounts. The initiative, which is fully transparent and for which the Legislature is fully aware, is also being conducted in 2014 (see pages R-33 and R-34 of the Adopted 2014 Budget at <http://www2.erie.gov/exec/sites/www2.erie.gov/exec/files/uploads/pdfs/2014%20B%20Book%20Adopted.pdf>). A copy of the 2014 accounts which have been closed is also attached for your reference. These monies have been used, with Legislature authorization, to help balance the County's 2013 and 2014 budgets.

The Poloncarz Administration is committed to conducting as much road and bridge work in 2014 as possible and we are in the midst of an aggressive work schedule this summer, including appropriating \$9.5 million in additional funds for highway work above and beyond the Adopted 2014 Budget. Erie County Commissioner of Public Works John Loffredo and his staff are in discussions with the Town of Clarence concerning Conner Road and we hope to resolve this issue and commence work on the road this summer.

However, in regards to Legislator Rath's comments about \$20 million in other alleged capital funds being available, that is not accurate or correct. Accordingly, I respectfully request a clarification be made in the *Clarence Bee*. If you would like to discuss this matter further, please do not hesitate to contact me at 858-8914. Thank you in advance.

Sincerely,


Robert W. Keating
Director of Budget and Management

Attachment

cc: Edward Rath, Erie County Legislator
John Mills, Chairman, Erie County Legislature
Mark C. Poloncarz, Erie County Executive
John Loffredo, Commissioner of Public Works

88. WHEREAS, the Department of Public Works and Division of Budget and Management has reviewed capital projects and have identified a number of projects where work has been completed and are ready to be closed; and

WHEREAS, a balance totaling \$3,912,334.59 is available from the closing of said projects for 2014; and

WHEREAS, all of these projects have had their debt service defeased and there is no outstanding principal or interest for the projects.

NOW, THEREFORE, BE IT

RESOLVED, that authorization is hereby provided to close the following capital projects in Funds 410, 420, 480, 511 and 520 which have had their debt service defeased and to utilize the balance of funds as revenue in Countywide Budget Accounts, Fund Center 14010, in the 2014 Budget:

Fund	Project #	Project Name	Net Available
410	D.09103	03 Cap Lab & Tech Equip- Countywide	\$69,426.01
420	B.00011	00 Road and Bridge Design	\$399,239.44
420	B.00152	06 Kenmore Avenue Design	\$13,622.78
420	B.00161	2006 Rapids Road/Beeman Creek	\$1,964.84
420	B.00162	2006 Mill Street/Catt Creek	\$1,336.06
480	E.00036	97 Spring Student Ctr & Food	\$92,629.16
480	E.00041	98 ECC North Spring Student Center	\$120,998.88
490	F.00001	99 Library Roof Phase II	\$8,943.51
490	F.00015	98 Library Exterior Roof and Rehab	\$100.00
511	G.00003	99 Meyer Site Demolition	\$544.11
511	G.00006	00 ECMC Var Facilities Renovations	\$165,026.53
511	G.00013	03 ECMC Elevator Upgrade	\$148,336.88
511	G.00014	03 Replace HVAC - School 84	\$250,000.00
511	G.00015	03 Patient Renovation	\$203,279.14
511	G.00016	03 ECMC Laundry Equipment	\$213,500.00
511	G.00017	Equipment Purchase	\$116,087.74
511	G.00018	CPEP - Phase II Children's	\$15.00
511	G.00036	1994 Renovations	\$9,379.34
511	G.00037	Various ECMC Buildings Rehab	\$527,038.29
511	G.00042	05 ECMCC Desktop Maintenance	\$6,652.18
511	G.00043	05 ECMCC Data Network	\$132,193.73
511	G.00044	05 Health Insurance Por & Account	\$9,960.51
511	G.00045	05 Physicians Order	\$0.79
511	G.00046	05 ECMCC Equipment Purchase & Repair	\$157,361.22
511	G.00047	05 Information Systems	\$73,996.51
511	G.00052	05 Tobacco Financed Equipment	\$67,865.52

Fund	Project #	Project Name	Net Available
511	G.00053	05 Tobacco Financed Construction	\$42,464.99
511	G.00054	05 Tobacco Financed Information	\$3,376.26
511	G.08999	Balancing Project	\$85,554.22
511	G.09022	Cardio Thoracic / ambulatory	\$39,125.96
511	G.09023	4th Floor Renovations	\$372,607.80
511	G.09025	05 EP Lab upgrade	\$10,565.99
511	G.09026	05 Hospital Clinic	\$0.06
511	G.09027	05 Plant Operations	\$261,798.25
520	H.00001	99 Brick Pointing	\$30,667.30
520	H.00002	01 Emergency Generator	\$129,628.77
520	H.00003	01 Elevator Upgrade	\$4,237.28
520	H.00004	01 Fire Alarm	\$38,703.79
520	H.00005	02 EC Home Elevator Upgrade	\$7,445.59
520	H.00006	02 Kitchen Equipment Replacement	\$414.76
520	H.00007	03 EC Home Elevator Upgrade	\$9,720.07
520	H.00008	03 Resident Equip & Furniture	\$4,365.76
520	H.00009	03 Fuel Oil Tank Replacement-EC Home	\$65,242.48
520	H.00012	97 Oil Tank/Air Conditioning	\$5,929.48
520	H.08999	Balancing Project	\$10,987.61
			\$3,912,334.59

and be it further

RESOLVED, that a balance of \$3,912,334.59 is hereby included in the 2014 Budget as revenue in Countywide Budget Accounts, Fund Center 14010; and be it further

RESOLVED, that authorization is hereby provided to the Division of Budget and Management and the Comptroller's Office to make any and all budgetary and financial entries required to implement this resolution; and be it further

RESOLVED, that the County hereby memorializes and notes that the whole or partial closing of additional capital projects as they are completed will provide funds in 2014, 2015, 2016 and future years to help defray debt service expenses associated with Fund 310 or to provide available funds for General Fund purposes.

Comm. 15D-1

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