



Office of Erie County Comptroller
HON. STEFAN I. MYCHAJLIW
95 Franklin Street ♦ 11th Floor ♦ Buffalo, New York 14202 ♦ (716) 858-8400

Contact: **Bryan Fiume**, Chief of Staff & Associate Deputy Comptroller
Office: (716) 858-4745 Cell: (716) 830-5801 E-Mail: bryan.fiume@erie.gov

FOR IMMEDIATE RELEASE

May 11, 2015

COMPTROLLER MYCHAJLIW CALLS FOR BORROWING THROUGH CONTROL BOARD

*Taxpayers stand to save over \$1.6 million by working with the ECFSA
for Capital Borrowing and Bond Refunding*

(Buffalo, New York) – Erie County Comptroller Stefan I. Mychajliw is calling on County Executive Poloncarz to allow the Erie County Fiscal Stability Authority (ECFSA) to borrow on behalf of the County. For 2015 Capital Projects, borrowing through the ECFSA would save \$927,025.00. Refunding the 2005 bonds through the ECFSA would earn the County an extra \$698,164.14 in savings.

“There is simply no debating it. Having the ECFSA conduct our borrowing is a good thing for taxpayers. By statute, the ECFSA will exist until at least 2039. So, it makes fiscal sense to take advantage of their superior credit rating,” said Mychajliw.

Schedules prepared by the county’s financial advisors, FirstSouthwest, illustrate the differences between borrowing through the County versus the ECFSA. Borrowing for the 2015 Capital Projects without the ECFSA costs \$41,780,862.50. That figure is significantly higher than the \$40,853,837.50 with the ECFSA’s credit.

“We shouldn’t leave those savings on the table,” said Mychajliw. “In order to be the best steward of the public’s money, I know how critically important it is to borrow at the lowest interest rate. The ECFSA affords us the opportunity to borrow at an interest rate that the county will never be able to beat.” The ECFSA’s interest rate is significantly better than the county’s because of their ability to capture the county’s sales tax revenue before it reverts back to the county coffers.

Refunding the 2005 bonds is another area where working with the ECFSA can save money. Schedules prepared by Capital Markets and Roosevelt & Cross, which were reviewed and approved by FirstSouthwest, show that refunding with the ECFSA would create a net savings of \$3,403,813.22. At the same time, the county refunding on its own creates a net savings of only \$2,705,649.08.

“Refunding these bonds is like refinancing a mortgage. We have the ability to refund these bonds at a lower interest rate, thanks to the current market conditions. Again, utilizing the ECFSA’s superior credit rating saves taxpayers more money. I think we should take advantage of it,” said Mychajliw.

###

www.erie.gov/comptroller