



COUNTY OF ONEIDA
OFFICE OF THE COUNTY EXECUTIVE

ANTHONY J. PICENTE JR.
County Executive
ce@ocgov.net

ONEIDA COUNTY OFFICE BUILDING
800 PARK AVENUE
UTICA, NEW YORK 13501
(315) 798-5800
FAX: (315) 798-2390
www.ocgov.net

July 20, 2010

Governor David Paterson
State Capitol
Albany, NY 1224

Dear Governor Paterson,

New York State's financial crisis coupled with the lack of a completed State budget has put a tremendous strain on local governments across the board.

In Oneida County, while we have succeeded over the past four years in strengthening our financial situation, recent actions (or rather inactions) by State government are threatening to destroy our credit rating and our ability to properly serve our residents.

I refer specifically to the State's withholding millions of dollars in reimbursements for services the County of Oneida has already delivered. As of this writing, the State of New York owes Oneida County in excess of \$30 million. The total cash reserve this county has on hand to deal with this burden is slightly over \$24 million. In short, we are running out of cash and out of time.

The options before us are limited. We have cut positions, restricted purchases, delayed payments to our vendors and amended contracts to defer payments. We are at the brink of shutting down County government. The other option that some counties have used and others are considering is to borrow to alleviate this crisis. I simply refuse to take such action at this time.

My refusal is not in protest but rather in principle and for the financial and structural well being of my County.

I mentioned our improved financial condition, one that saw the first credit upgrade this county has seen in seven years. New borrowing will cause that rating to be downgraded and not because we mismanaged or overspent, but because the State government has neglected to make any of its budgeted reimbursements to us in 2010.

I am aware that times are tough all across the State, but Oneida County has been particularly hit hard over the past few years yet we remain strong and optimistic about our future. Further, we don't understand how some counties are up to date on reimbursements and others are not.

We are under a State consent order from the DEC for our sewer system that is estimated to cost approximately \$160 million over the next ten years. We have received some assistance from EFC but will have to bond for the greater portion along with 3 towns and 11 villages in our County who simply do not yet know how they are going to pay for all of this. We continue to look for a solution to the long standing dispute with our neighbors the Oneida Indian Nation and are still looking to the State to help us solve this. I again implore you to include Oneida County in any negotiations you may enter into that may, once and for all, resolve all of our Nation related issues. We press for economic development help at the Marcy Nanocenter site as well as for our cities and County Airport.

Simply put, we cannot continue to burden our taxpayers for problems that we did not create.

As such, please consider this letter as notification that the County of Oneida will not make its Medicaid payments to the State as required on a weekly basis. I have ordered the Commissioner of Finance to suspend those money transfers until we receive adequate reimbursement from the State to alleviate immediate cash flow concerns. While the amount held is not near that which is owed to us, it will help this cash-strapped County continue to provide services without jeopardizing our financial future.

I take this action reluctantly, but I do so in keeping with my responsibility to deliver needed services to the people of Oneida County.

I look forward to discussing this issue further with you and your staff at your earliest opportunity.

Sincerely,



Anthony J. Picente, Jr
Oneida County Executive

Cc: Oneida County Board of Legislators