

**Free Buffalo
Free Niagara
Free New York, Inc.**

Annual Report--2005



Credit: W. I. Castle. nlc-4325

Freeing Buffalo and New York from big government, political machines and special interests, because forty-five straight years of economic and cultural decline are enough!

February 9, 2006

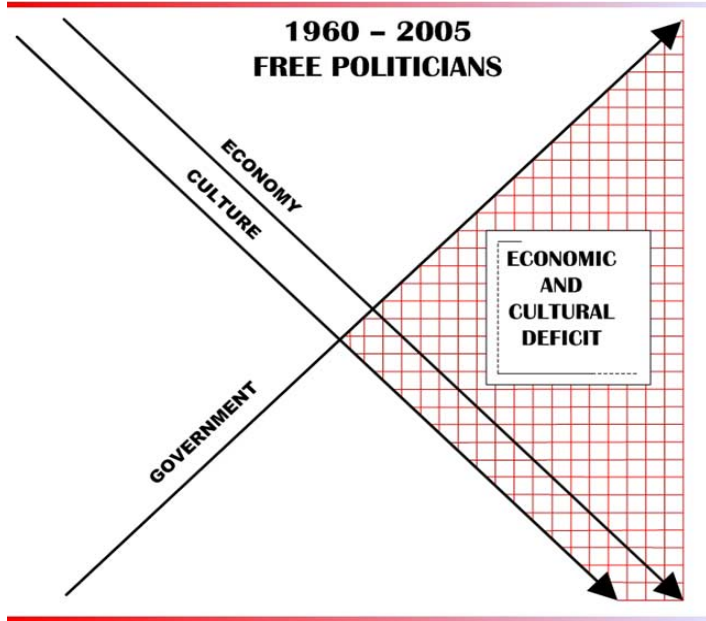
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Genesis of Free Buffalo

The concept of Free Buffalo grew out of reader reaction to Jim Ostrowski’s 2004 book, *Political Class Dismissed* and a conversation with Buffalo businessman Rick Naylor. *Political Class Dismissed* presented a detailed analysis of why the Buffalo area’s economy declined from 1960-2000. The answer in short: government growth caused the economy to shrink and the quality of life to decline.

An abridged version of *Political Class Dismissed*, containing only material related to Buffalo politics and economics, will be published later this year and widely distributed. We believe it is of critical importance for the public to understand why we got into the mess we are in so they will not flinch in taking the strong medicine needed to turn things around.



Many readers of the book commented: “Okay, what do we do about it now?” Also, Rick Naylor, whose business was forced to close when the State banned smoking in bars of all places, suggested to Jim that “We need an organization to fight big government in this State.” Jim responded, “I’ve wanted to do that for a long time; I’ll draw up a plan.” These conversations took place in the summer of 2004. By November, the Free Buffalo plan was online and a memo outlining our first year issue agenda¹ was distributed to potential supporters. That plan was eventually placed on a new website, freebuffalo.org.

¹ Proposal	Savings/economic benefit
1. repeal one percent sales tax	\$100 million (annual)
2. stop Bass Pro	\$75 million (one-time)
3. across-the-board 10% public sector salary cut	\$200 (annual)
4. abolish economic development/IDA bureaucracies	\$15 million (annual)
5. deregulate vehicular transit— taxis, vans and buses	\$25 million (annual)
	\$415 million (annual--\$340 million)

Free Buffalo's first official act was an anti-corporate welfare press conference on the day the Bass Pro deal was announced, November 29, 2004. The press conference was held in front of the old Aud, long neglected and abandoned by the politicians. Several press outlets attended. Thereafter, Jim and Rus Thompson went to the official Bass Pro press conference at Shanghai's Red's. Jim buttoned-holed those members of the press who hadn't attended the Free Buffalo event. Weaving in and out between Governor Pataki, Joel Giambra and Jim Kelly, Jim was interviewed by two more TV stations. Free Buffalo received front page coverage in the Buffalo News.

Shortly thereafter, County Executive Joel Giambra announced his infamous red and green budgets and proposed an increase in the sales tax. Jim Ostrowski responded with a call to action published on [Speakupwny.com](http://www.speakupwny.com) on December 9, 2004: "The Political Class Self-Destructs."² An online petition on Speakup generated widespread opposition to the tax increase. The tax increase was ultimately defeated.

In January, Jim Ostrowski spoke at the initial meeting of Primary Challenge, a group founded by Leonard Roberto to encourage citizens to challenge incumbents in their own party primaries where they are most vulnerable. His remarks were published at LewRockwell.com, a popular national political website.³

On Sunday, January 16th, the Buffalo News published Jim Ostrowski's article, "It's Time for Buffalo to Leave Behind Its Low Self-Esteem," written in response to criticism on their Sports Page that he was obstructing progress by opposing the Bass Pro project. He urged the public to support Free Buffalo and received many supportive calls and letters as a result.

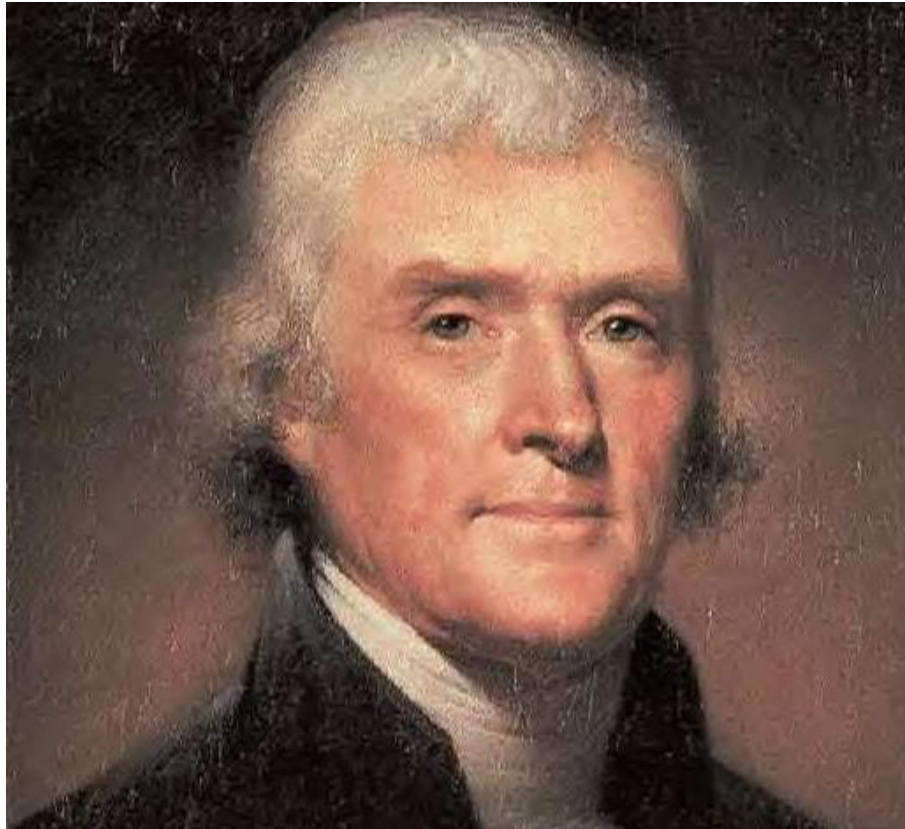
While Free Buffalo predated the sales tax crisis of December 2004, the citizen and media reaction to that crisis did provide Free Buffalo with the necessary public support and media attention it needed to commence operations.

For a more detailed discussion of the early months of the tax revolt, see Jim Ostrowski's article, "Buffalo is the Front Line in America's War Against Big Government."⁴

² http://www.speakupwny.com/article_1693.shtml

³ <http://www.lewrockwell.com/ostrowski/ostrowski69.html>

⁴ <http://www.lewrockwell.com/ostrowski/ostrowski73.html>



“A wise and frugal government, which shall leave men free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned - this is the sum of good government.“

Free Buffalo Mission Statement⁵
(Excerpts)

“The Greater Buffalo area has been in a free-fall since about 1960. Its political, intellectual and business leadership has proven for decades to be incapable of diagnosing the causes of our problems or doing anything constructive about them. Rather, for the most part, they have been part of the problem, putting their own interests ahead of reform and change, and presenting us with misguided reform measures that do not address the root causes of our problems.

⁵ http://freebuffalo.org/mission_statement.htm

“Unless we wish to see Buffalo continue to drift towards economic oblivion, drastic changes need to be made, *now*. Those changes need to be formulated and presented by a new research organization or think tank that is completely independent of the present power structure. Only then will true solutions become apparent to the public.

“There will be surely be support for a small, efficient organization that analyzes our current problems and presents common sense solutions in clear and plain language.”

“The current political structure needs to be reversed. Presently, we concentrate the most political power in Washington, the next most in Albany, then the Rath Building, and the least amount in our cities, towns and villages. Contrary to the original—and profoundly wise—vision of the framers and founders—we have removed political power as far away from the people as possible. This is the cause of many of our problems.”

“Experience shows that when we concentrate power in the hands of strangers in distant capitals, they make strange and destructive decisions that harm us but help themselves. This madness must end. Why, for example, should HUD bureaucrats in Washington dictate housing policy in the City of Buffalo? Why should education bureaucrats in Albany dictate how schools are run in Cheektowaga, a town they have never visited except for a stopover at the airport?”

“This new model of politics is neither left nor right, neither liberal nor conservative, neither Democratic nor Republican. It transcends such failed dichotomies by providing all persons—rich or poor—with the maximum possible opportunity to improve themselves and their communities.”

Strategy

The purpose of *Free Buffalo* is to free Buffalo from big government, political machines and special interests, because 45 straight years of economic and cultural decline are enough!

To achieve that goal, three tasks must be accomplished:

1. change this region’s political mindset;
2. develop specific proposals for real change; and,
3. install officials willing to support those proposals.

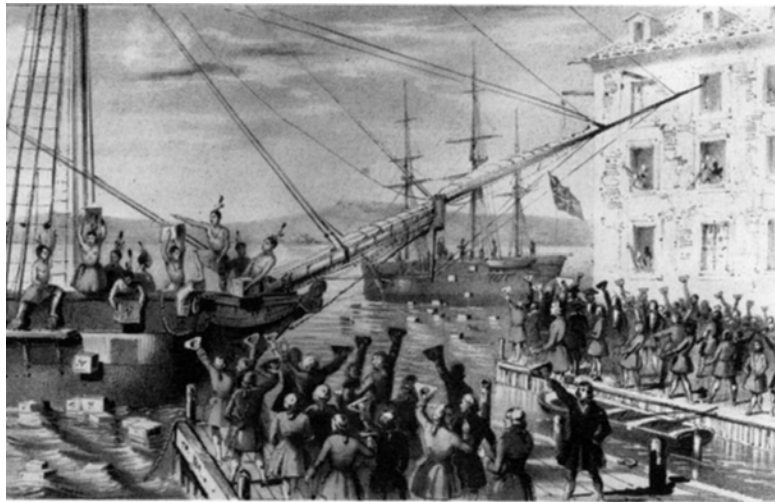
Since Free Buffalo is non-partisan, we will play no direct role in elections. Rather, our role is limited to the first two tasks without which merely replacing elected officials with fresh faces becomes a meaningless exercise.

One of the ways we intend to accomplish these tasks is to say things that need to be said, that either haven't been said before, or haven't been said often enough, publicly enough or persuasively enough to have made an impact.

We intend to say the things that need to be said regardless of how unpopular that makes us in certain circles. *We are not trying to win a popularity contest; we are trying to save Greater Buffalo.* We view our role as akin to that of a doctor who must tell a patient that he has a serious illness, albeit one that can be overcome with long and painful treatment.

Free Buffalo Timeline

- **November 29, 2004**--First event—Anti-corporate welfare press conference
- **December 4, 2004**--Free Buffalo Plan posted online
- **December 9, 2004**--Op-ed piece on Speakupwny.com calling for taxpayer uprising against increased sales tax
- **January 16, 2005**—Feature article in the Buffalo News inviting people to support Free Buffalo.
- **February 21, 2005**—Jim Ostrowski's impromptu phone call to Tom Bauerle's radio show sparks mass interest in Free Buffalo
- **March 8, 2005**—First meeting of Free Buffalo at Tandoori's—300 citizens and all local media attend
- **March 19, 2005**—Southtowns meeting of Free Buffalo in Blasdell; attracted close to 300 people with heavy media coverage.
- **April 28, 2005**—Founding meeting of Free Niagara in Lockport—40 citizens attended
- **May 11, 2005**—Free Buffalo News Alert No. 1-- [The Bass Pro Memorandum of Understanding Raises More Questions Than it Answers](http://freebuffalo.org/articles/newsalerts/basspro--mou--analysis.pdf)⁶
- **May 28, 2005**—Taste of Freedom in the old Central Terminal on Buffalo's East Side attracts over 500 people despite poor weather—great media coverage; first remote broadcast of "Kathy from Williamsville"'s new WBEN talk show
- **June 22, 2005**---Free Buffalo incorporates as Free New York, Inc., a New York State not-for-profit corporation.



⁶ <http://freebuffalo.org/articles/newsalerts/basspro--mou--analysis.pdf>

- **June 28, 2005** update meeting at Hearthstone Manor
- **July 1, 2005**--Free Buffalo rents office space on Hertel Ave. near Parkside, dead center in the Buffalo/Niagara Metropolitan area.
- **July 21, 2005**--Grand Opening of new office
- **August 12, 2005**--News Alert No 2--"[Inartful Drafting" Raises \\$35 Million Question About Bass Pro Deal](#)⁷
- **August 18, 2005**—Cocktail Party at Shanghai Red’s—attendance—50
- **August 30, 2005**--News Alert No. 3--"[High Taxes Are Closing Catholic Schools](#)⁸
- **September 8, 2005**--News Alert No. 4--"[Price-Gouging" is a Myth](#)⁹
- **September 29, 2005**—Policy Report No. 1—The Partnership Goes Far, But Not Far Enough¹⁰
- **October 25, 2005**—Policy Report No. 2—How To Convert a Deficit Into a Tax Cut and Pay Raise for 440,000 workers¹¹



“It is a good thing for the people, now and then, to rise up and let the officeholders know they are responsible to the masses.”

\$3,000,000 which has allowed them to preside over Buffalo’s decline in high style. Also, note that Byron Brown spent \$500,000 to become Mayor of Buffalo. The county control board will spend \$1.4 this year.

- **October 28, 2005**--Buffalo News says: “Free Buffalo’s philosophy is right.”
- **November 5, 2005**—fundraiser--Irish Wake for the Buffalo Political Machine—attendance—45
- **November 8, 2005**—Election Day—Primary Challenge member Cyndy Locklear and tax-cut advocate Satish Mohan of Amherst win; numerous incumbents defeated in town races.

Finances

We originally estimated that a fully-staffed Free Buffalo would ideally have a budget of about \$300,000, allowing for four policy analysts and one administrator/volunteer coordinator. We put start-up costs at \$50,000, representing six months worth of initial expenses. In reality, Free Buffalo had net income of about \$11,000 in its first year. See, Appendix “A”, financial report. Compare that to the Buffalo Niagara Partnership’s budget of

Having run a shoestring operation with \$11,000, we now realize that a mere \$100,000 will allow us to aggressively pursue our ambitious second-year agenda. That

⁷ <http://freebuffalo.org/articles/newsalerts/basspro-newsalert-two.pdf>

⁸ <http://freebuffalo.org/articles/newsalerts/FreeBuffaloNewsAlert-CatholicSchools.pdf>

⁹ <http://www.freebuffalo.org/articles/newsalerts/newsalert-pricegouging.pdf>

¹⁰ <http://freebuffalo.org/articles/policyreports/partnershipfinal.pdf>

¹¹ <http://freebuffalo.org/articles/policyreports/freebuffalopolicyreportno2.pdf>

budget would pay for office expenses but, as in almost any organization or business, most would go to personnel costs for three staffers—two policy analysts and one administrator. Free Buffalo can free Buffalo for less than Mayor Brown’s total compensation package, a fair deal.

Free Buffalo’s Budget in Perspective	
Free Buffalo First Year Budget	\$10,000
Free Buffalo’s projected 2006 budget	\$100,000
Erie County Control Board	\$1,400,000
Buffalo Niagara Partnership	\$3,000,000
Total government spending on all levels in Erie County	\$17,000,000,000

Legal

Free Buffalo incorporated as Free New York, Inc. on June 22, 2005. Susan J. Facer, Esq., of Williamsville, an expert on not for profit corporations, handled the incorporation process. We are a New York State not-for-profit corporation. We will soon apply for IRS 501(c)(3) status. If we are approved, as we expect, contributions may be retroactively tax deductible—consult your tax adviser.



Leonard Roberto

Free New York’s initial board of directors, which is expected to expand to include directors from around the state, includes:

- Tracy Diina, Executive Director of Literacy Volunteers of Buffalo and Erie County. She resides in Niagara County and has a master’s degree in education from Geneseo. She was founder of the 21st Century Club and a Vice President of the New Millennium Group.
- Donald G. McGrath, a Williamsville attorney concentrating in securities litigation. He is an arbitrator for the American Arbitration Association, the National Association of Securities Dealers, and the New York Stock Exchange.

- James Ostrowski, *President*, a trial and appellate lawyer and author of *Political Class Dismissed*. He was chairman of the Human Rights Committee of the Erie County Bar Association and vice-chair of the Law Reform Committee, New York County Lawyers Association. He is a widely published author and has written numerous policy studies for think tanks, bar associations and scholarly journals. He resides in Buffalo.
- Paulette Peterson, *Secretary-Treasurer*, Professor of Radiologic Technology at Monroe Community College. She resides in Niagara County and has a master's degree in Higher Education Administration from the University at Buffalo. She was president and board chair of the Association of Educators in Radiologic Technology of the State of New York, Inc.
- John Wadsworth, M.D., *Chairman*, a psychiatrist residing in Buffalo. He is a clinical associate professor of psychiatry, University at Buffalo Medical School.

Ethics

To maintain Free New York's independence from political influences and special interest groups, the Board of Directors has adopted the following ethical guidelines:

1. Free New York will not accept any government funding.
2. Free New York will not accept funds from special interest groups, political parties or political action committees or from publicly announced candidates for elected public offices. However, our events are open to the public and candidates may attend our fundraisers on the same terms as other members of the public. No complimentary tickets will be provided.
3. A "special interest group" is one which seeks to use the government to receive an advantage not generally available to the public and one which advances the welfare of members of the special interest group at the expense of non-members.
4. No officer, director or employee of Free New York shall:
 - a. hold or be a publicly announced candidate for an elected public office;
 - b. be an officer or executive committee member of a political party or political action committee;
 - c. work in a policymaking capacity for an elected public official.

Chapters

Free New York, Inc. is organized into two county chapters as follows:

<i>Name</i>	<i>County</i>	<i>Coordinator</i>
Free Buffalo	Erie County	Jim Ostrowski
Free Niagara	Niagara County	Lee Bordeleau

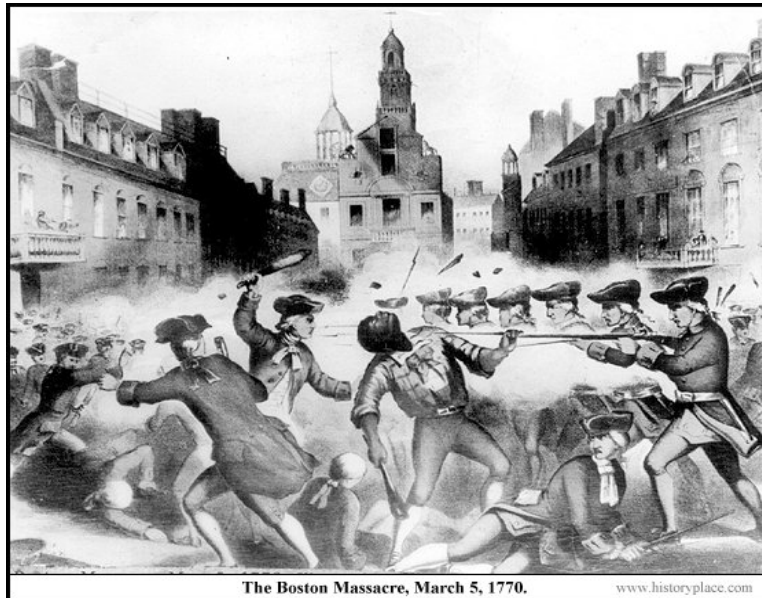


“These are the times that try men's souls: The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it Now, deserves the love and thanks of man and woman.”

~~Thomas Paine

The Political Class Strikes Back

In 2004-2005, Buffalo’s political class, which had ruled the roost without opposition from time immemorial, was confronted for the first time with a mass populist uprising against them. Naturally, they responded. They didn’t respond with facts and arguments because they have none. Rather, they responded with their usual tactics of threats, lies, harassment and intimidation.



They have done this for many years to individual activists and whistle-blowers as described in *Political Class Dismissed* (2004):

The few independent figures in Buffalo’s public life are disorganized, without funding, and often legally harassed—unlike the VIPs. By their

nature, political machines tend to retaliate against those who challenge them. Remember, a political machine exists to use the government to enrich and empower its members at the expense of non-members. The whole enterprise is morally bankrupt and *rationaly indefensible*. Thus, when opponents arise, the machine does not and cannot *reason with them*; rather, it continues to use the tools it has always used. It uses the state to punish its enemies. If the machine's modus operandi is to use power for its own benefit at the expense of society, they will not hesitate to use that same power against those who threaten the machine. In the battle to take Buffalo (or your town) back from the power elite; don't expect any help from the legal command posts of society.

In 2005, opposition to the political class was no longer limited to a few lone wolves. Therefore, overt legal harassment of tax revolt leaders would have been politically risky. Thus, more informal and stealthy tactics have been used. Leaders of the tax revolt have been subjected to threats of bodily harm, vicious anonymous personal attacks, investigations, and hostile references to family members.

When County Legislative candidate Joe Kennedy left the Free Buffalo office after meeting with Jim Ostrowski, he found a note on his car that said: "you better get out of the race—we are watching you." One government lawyer, in front of several witnesses stated loudly, "The next time I see Jim Ostrowski, he'd better hope I don't have a shotgun." Other tax revolt activists were threatened with an utterly frivolous defamation suit.

A photograph of a handwritten note on a light-colored surface. The text is written in two colors: blue and purple. The blue ink reads "you better get out of the race we" and the purple ink reads "are watching you". The handwriting is casual and somewhat slanted.

We expect these pathetic attacks to continue. Be prepared. When regimes are losing their power, they get desperate. These desperate attacks almost always backfire!

Our response:

- **react to these tactics by pushing ahead ever more aggressively,** determined to rid our community of ruthless power brokers who

will stop at literally nothing to keep their gravy train ride going at all costs.

- continue to avoid personalities and personal issues and stick to the facts, logic and substantive argument.
- pursue legal action when criminal laws or our constitutional right to petition the government has been violated.

Divide and Conquer

In addition to thuggery, the political class also used demagogic rhetoric. They claimed that the tax revolt was a movement of “rich, white guys from the suburbs.” That was news to Free Buffalo founder Jim Ostrowski, who was born in Buffalo, lives in Buffalo and works in Buffalo. Free Buffalo rejects the notion that there is a conflict of interests between blacks and whites, rich and poor or suburbs and cities. The only conflict of interests is between the *political* class and the *working* class! As for being an organization supported by wealthy people, our paltry first year budget of \$13,000 gives the lie to that charge.

Free Buffalo is solidly working class in every sense of the term. The bulk of the people whose interests we represent have lower incomes than the average member of the political class!

Other common criticisms of Free Buffalo included:

1. obstructionism;
2. lacking broad-based support;
3. being a creation of the media

All are false. If we oppose corporate welfare, that does not mean we oppose progress or development or anything else. The only thing we are obstructing is the corrupt, illegal, unfair and counterproductive practice of doing special favors for the high and mighty.

Free Buffalo is, in fact, a populist, grassroots movement. We have 800 people on our database and we have funded our efforts from modest donations from hundreds of citizens. The funds we used to incorporate and open an office came from 500 people who paid \$10 to attend the Taste of Freedom. At critical times, small donations have made the difference. This allows us to speak boldly on behalf of the long-suffering average taxpayer, as opposed to special interests or big business.



Finally, it is true that the media gave great coverage to the tax revolt and Free Buffalo. But why? Media organizations are businesses that make a profit by giving their

customers what *they* want. *The media covered the tax revolt because that's what their hundreds of thousands of customers wanted covered.*

Media Coverage

Operating without an advertising budget, a public relations budget or a paid media coordinator, Free Buffalo has achieved tremendous media coverage. The major local media cover our major events. The Buffalo News has done nearly 35 stories on Free Buffalo. Not only does the media cover our events and reports, but they seek us out for commentary on their own stories. Stories about Free Buffalo have been published by the Associated Press, Buffalo Spree, Am-Pol Eagle, Erie County Bar Bulletin, PoliticsNY.net, Tonawanda News, Lockport Journal, Speakupwny.com, and LewRockwell.com.

Fundraising Efforts

We have a comprehensive plan for meeting our fundraising target for 2006:

- Thomas Jefferson Club (1000 citizens pledge \$100 (\$25 per quarter)) and receive numerous benefits including free tickets to our events)
- Four fundraisers: Liberty Ball (Feb. 11), Taste of Freedom (June 3), cocktail party (August), Irish Wake for the Buffalo Political Machine (November)
- Aggressive direct mail campaign, targeted to our likely supporters
- Door-to-door effort, distributing audio CD and selling Jim Ostrowski's 100-page booklet, Free Buffalo! for \$5
- Applying for foundation grants
- Meeting with larger potential donors throughout New York State
- Selling merchandise with Free Buffalo logo
- Selling used books from the main office which doubles as a storefront
- Selling advertising on our websites



Tangible Results of the Tax Revolt

- Defeat of proposed one percent increase in the sales tax (The fact that much of this tax was later enacted in piecemeal fashion, far from discrediting Free Buffalo, actually reinforces its core message that government needs, *not ad hoc reform*, but complete restructuring, downsizing and decentralization.)
- Over 25 elected officials in Erie County were defeated or retired, a record number
- Unprecedented media attention of local government in response to an increase in citizen interest and concern
- A court victory that forced the board of elections to make computerized voter lists available to reform candidates at low cost, leveling the playing field forever



- The Buffalo News reported that after the tax revolt numerous town budgets rose less than the rate of inflation and some actually declined in absolute terms
- Symbolic victory over pension manipulation when a retired county legislator changed his plans to stay with the county for another year
- Formation or growth of numerous organizations and websites devoted to reform, including Free Buffalo, Primary Challenge, ReformNYS@googlegroups.com, and Speakupwny.com
- A statistical analysis of the results of all county legislative races proved that only support or opposition to the tax revolt explained each candidate's vote totals. Those who supported the tax revolt did much better than those who didn't.
- Noticeable change in Buffalo News's editorial policy in the direction of opposition to big government
- Most of all, *45 years of public passivity and resignation have been cast aside!*

We plan to form chapters in all metropolitan areas in the State this year. Local chapters will be semi-autonomous and controlled by the citizens in those areas, subject to adhering to the general philosophy of Free New York.

Awards

At the “Irish Wake” on November 5th, Jim Ostrowski announced the three initial recipients of Free New York’s “Hero of the Tax Revolt”:

- Paulette Peterson, Executive Director of Free New York
- Tony Fracasso, owner of Speakupwny.com
- Rus Thompson, co-founder of Primary Challenge and Free Buffalo

They will receive their awards at the Liberty Ball on February 11th.



The Royal Palace

Volker, Joe Bruno, Sheldon Silver

- *Economics in Five Lessons* (one hour educational program for business, community and student groups)
- Produce one hour audio CD with information about Free Buffalo

2006 Agenda

- Form Chapters throughout the State
- Forum on Changing the Form of County Government (February 15th)
- Policy Analysis on State Pensions
- Analysis of Niagara County Budget
- Analysis of Amherst Town Budget
- Analysis of Lancaster Town Budget
- *Who Runs Buffalo*—An Analysis of Political Donations in Erie County from 2002-2005.
- Policy Analysis of Medicaid
- Policy Analysis of State Authorities
- Profiles of State Legislative Leaders—Paul Tokasz, Dale

- Monitor public authorities at each meeting: NFTA, Water Authority, Urban Renewal Agency, IDAs, Waterfront Commission, etc.
- Issue surveys of major candidates published on our website

Conclusion

Free Buffalo had an enormous impact last year and we intend to have an even larger impact in 2006. *The day we cease to have an impact is the day we close our doors.* We are not going to become like many think tanks, a self-serving place for comfortable employment but little actual accomplishment.

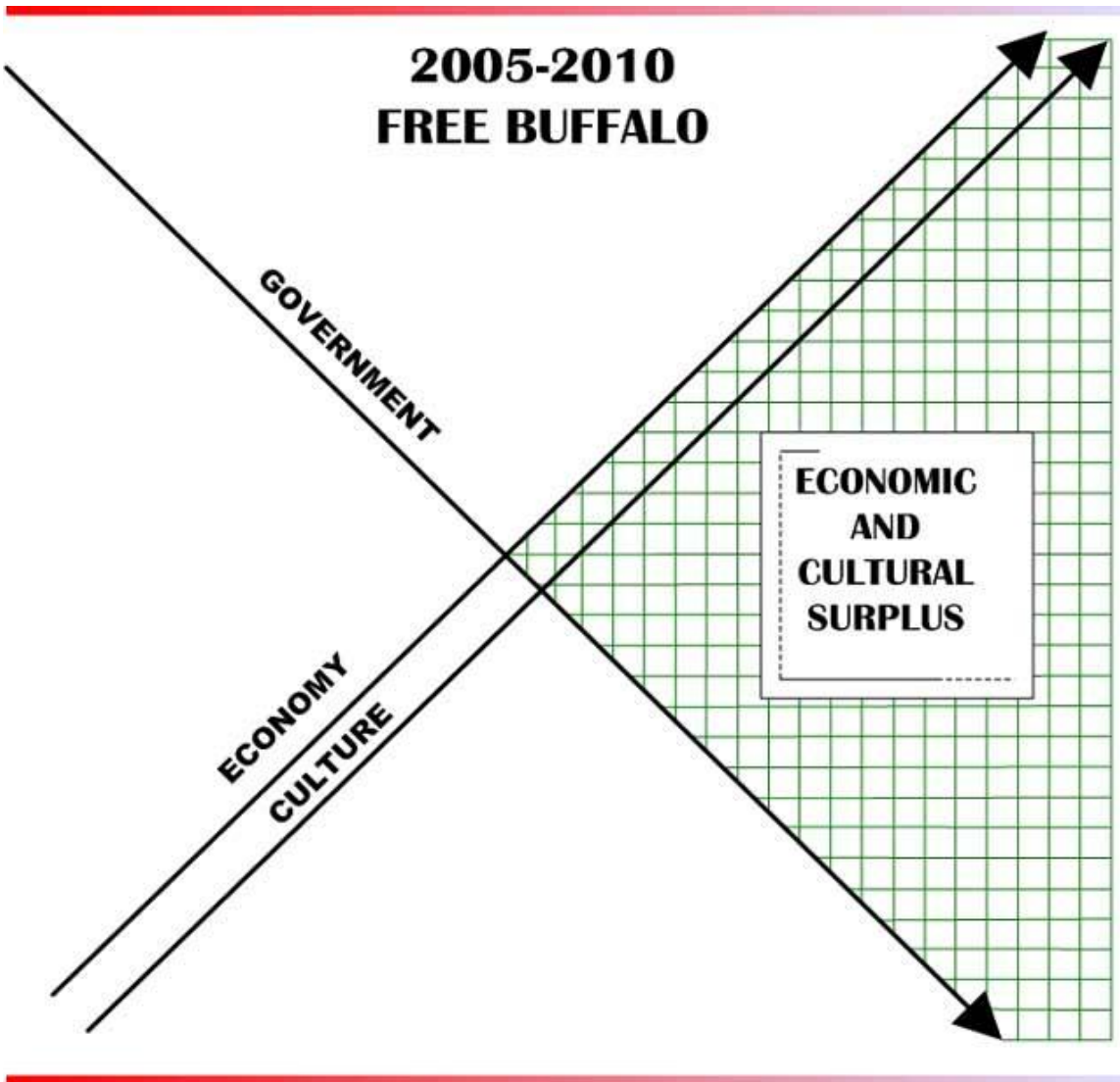
In 2005, we necessarily dealt with *county* issues because that is where the crisis was. In 2006, we are going to simultaneously look *upward* toward the State and *downwards* towards the towns and cities and school districts.

This year, with your support, we will make a huge leap forward in taking our State and our communities back from the political class.

In carrying out that mission, we will be guided by the wisdom of one of the original tax rebels, who, from 1775-1783, fought his own war against strangers from distant capitals who had “erected a multitude of New Offices, and sent hither swarms of Officers to harrass our people, and eat out their substance.”

“Perseverance and spirit have done wonders in all ages.”

--George Washington

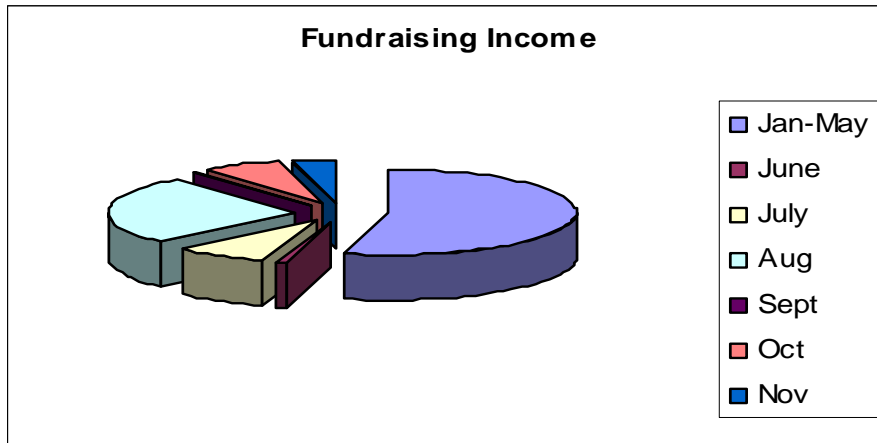


Appendix "A"

Free New York Financial Summary for 2005

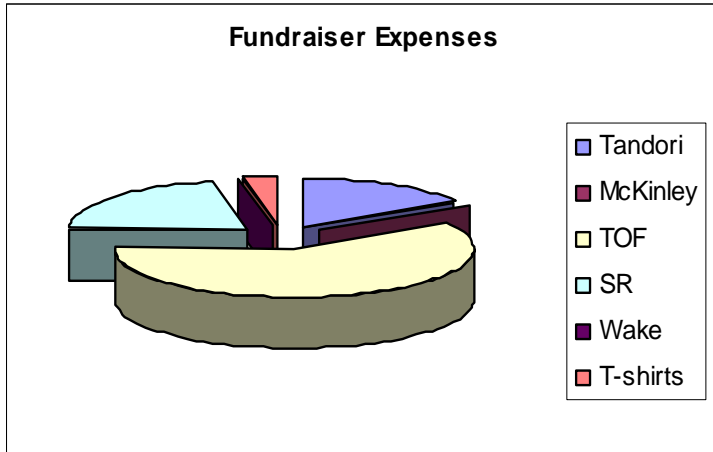
Fundraising Income 2005

Jan-May	9669.94
June	175
July	1437
Aug	4720
Sept	82
Oct	1180
Nov	700
Dec	950
	18913.94



Fundraiser/Event Expenses

Tandori	995
McKinley	
TOF	3694.94
SR	1353.99
Wake	
T-shirts	183
	6226.93



Operating Expense Summary

phone	271.7
rent	3325
cable	654.91
electric	497.94
gas	258.54
Legal fees William C. Moran Associates	2526.06
webmaster	1165
Hearthstone	175
Miczkewicz event	38
Open House	34.17
Postage	51.7
Supplies	296.4
Off setup	1346.01
Writing fees— James Ostrowski	575
	11215.43

Operating Expense Summary

