

Erie County Fiscal Stability Authority

Mission Statement and Performance Measurements

Mission

The Erie County Fiscal Stability Authority was created by the State of New York in response to the County of Erie's financial crisis which arose from poor practices that occurred in the past. To achieve long term fiscal responsibility, the ECFSA will carefully monitor the financial health of Erie County by review of items including but not limited to the Counties four year plan and budget, personnel vacancies, sales tax revenue projections, tax collection efforts, over time costs as well as issue bonds, notes or other obligations to achieve budgetary saving through debt restructuring. The ECFSA's goal is to be proactive and responsive on behalf of the county's taxpayers, employees and other community stakeholders for the development and execution of a substantial number of cost saving and administrative improvements directly impacting the County's financial health.

Measurement Report

The primary goal of the Authority is to stabilize county finances to the point at which direct state-agency supervision is no longer required. We believe a number of strategies, including the following, will contribute to that goal:

Goals:

- Evaluate a series of realistic and sustainable operating/financial plans and balanced budgets, without significant one-shot items
- Provide guidance & sound business, financial & organizational advice to the County Executive, Comptroller, Legislature and other Erie County stakeholders
- Foster the development of measurements for operational and financial goals, consistent with the county's mission, through proper reporting and metrics (benchmarking)
- Improve Erie County bond rating, promote efficiencies and decrease waste and abuse
- Foster reduction in county debt, and debt servicing costs, while maintaining the county's necessary infrastructure investments
- Enhance and maintain a climate of innovation in providing public services that will result in the continuous improvement of county government to meet the needs of its residents and employees, while not overburdening its taxpayers

Measurement:

The ECFSA has obtained and administered \$17 million in New York State grant money to be used by Erie County to create efficiencies that result in reoccurring dividends for taxpayers. To date, the ECFSA has disbursed approximately \$13 million in efficiency grants upon application and substantiation by County officials. These grants have been used to successfully close the negotiation of union contracts, update County vehicles, provide financing for the County's Six Sigma efficiency program, enhanced the County's libraries, and financed an analysis and improvement of the County's real estate and buildings. The savings and efficiencies resulting from the grants to date will continue to accrue to the benefit of the taxpayers of Erie County into the future.

The ECFSA worked closely with the Erie County Legislature to streamline the 2006 County borrowing by approximately \$10 million and continues to work with the County on a "debt diet" to ensure appropriate levels of capital funding. In concert with the analysis of capital debt funding, the ECFSA proposed a review of County hiring which resulted in a minimum of 50 additional vacant positions, on average, with annualized savings of approximately \$3.1 million.

The ECFSA contract review process lead to a minimum savings of about \$800,000. The ECFSA also successfully urged prudence in the taxpayer funding of various Erie Community College campus projects, including an \$86 million capital outlay that proved to be unaffordable. And in fiscal year 2010, the ECFSA proposed almost \$16.5 million in budget balancing suggestions to the Erie County Legislature, a number of which were adopted in the current budget.

Most importantly, the ECFSA, using its superior borrowing power, closed on a \$157 million long-term borrowing on behalf of the County with a projected savings of \$18 million in amortized costs over the 13 year life of the debt. Approximately \$9 million of this savings will be realized in the first four years of the loan term.

Similarly, the ECFSA identified an additional \$90 million in existing County long-term debt and, with the approval of the County Executive and Legislature, is in the process of refinancing that debt for the identical 13 year term as the proposed long-term borrowing. This will result in an additional savings of approximately \$5.7 million in amortized costs over the 13 year term of the refinancing.

The decision to agree to the ECFSA borrowing long-term on behalf of the County represents a substantial change in direction by the County Executive and Legislature. It is a good example of how the ECFSA and the County's elected officials can work together to maximize the return to taxpayers. It is anticipated that the recent cooperation among the County Executive, Legislature and ECFSA will continue and grow over time to the benefit of all of the taxpayers of Erie County.

The ECFSA will continue to carefully oversee and monitor the County's financial performance on behalf of the taxpayers. It will also continue to offer advice, suggestions, and ideas about how the County and its elected officials can continue the upward trend in the County's finances and climb toward financial stability.

Conclusion:

The Erie County Fiscal Stability Authority was created to proactively foster long-term fiscal responsibility in Erie County Government. THE ECFSA is comprised of a non-paid seven member board, who lend their time and expertise to work with county administrators, taxpayers and employees to help establish that fine balance between providing desired, necessary and mandated services at a cost that won't unnecessarily burden its taxpayers. The Authority as a public entity has a responsibility to maintain the highest level of honesty, ethical conduct and public trust in all of its endeavors.