

Minutes
Erie County Fiscal Stability Authority
Finance Committee
October 19, 2006

Director Goodell called the meeting of the Erie County Fiscal Stability Authority (“ECFSA”) Finance Committee to order at 10:01 am. Notice of the meeting had previously been distributed to all Directors and announced to the public and press.

Directors Present: Joseph Goodell, Ken Kruly, John Johnson and William Joyce

Others Present: Kenneth Vetter and Shawn P. Hennessy

Opening Remarks

Chairman Goodell stated that the purpose of this meeting was to review the process that was used to solicit for RFP’s and to review the four proposals that had been tentatively accepted. Chairman Goodell stated that the Finance Committee will then vote on which proposals that will be sent to the full board for review and acceptance.

Chairman Goodell then turned the floor over to Executive Director Ken Vetter, who quickly reviewed the process used for the RFP’s. Mr. Vetter stated that need may arise in the near future for the ECFSA to be able to bond. The RFP’s and subsequent proposals are geared toward that ability, and the services that may need to be provided include Bond Counsel, Managing and Co-Managing Underwriters, and a Financial Advisor. Mr. Vetter stated that the RFP’s and the responses were forwarded to the Finance Committee at an earlier point for review.

Director Kruly asked how long a period were the RFP’s to cover and Mr. Vetter responded by stating that a one and three year proposals were solicited.

Chairman Goodell asked Mr. Vetter what the differences were between the one and three year RFP’s and Mr. Vetter responded that specific Board authorization is needed for three year RFP’s, while such approval is not needed for one-year RFP’s.

Director Johnson asked how notification was given to prospective firms for the services sought out in the RFP’s, and what, if any minority firms were interested. Mr. Vetter responded that anyone who has ever had contact with the ECFSA as far as RFP’s are concerned was sent the new set of RFP’s. Further, the RFP’s were placed in the New York State Contract Reporter, as per Public Authorities Law. Mr. Vetter also stated that to his knowledge, no minority firms showed any interest in the RFP’s.

Director Johnson stated that the ECFSA should make the information about how firms were contacted/solicited for the RFP’s available, so to avoid any possible trouble on the solicitation process.

Chairman Goodell then asked Director William Joyce to review for the committee, what firms were chosen.

Director Joyce stated that the response to the four individual RFP's issued by ECFSA was limited. Director Joyce then stated that there were two responses to the RFP for a financial advisor: PFM and Capital Markets Advisors, LLC. Director Joyce stated that Capital Market Advisors, LLC had lower rates, was a local firm, and had the experience and depth of staff to handle the work. Chairman Joyce also stated that ECFSA was "less than thrilled" with the work PFM has done in the past, thus making the choice even simpler.

A motion was made by Chairman Goodell to approve that a resolution be presented to the full board by the Finance Committee, recommending that Capital Market Advisors, LLC become the ECFSA's financial advisor for a one year period. The motion was seconded by Director Kruly, and unanimously passed.

Director Joyce then discussed that the RFP for senior underwriter was simple, because Roosevelt & Cross was the only firm to respond that was willing to work with a co-managing underwriter.

In regards to the co-managing underwriter, Director Joyce remarked that KeyBanc was willing to work with Roosevelt & Cross, and had done so in the past. Consequently, KeyBanc was the best choice as co-managing underwriter.

A motion was made by Chairman Goodell to approve that resolutions be presented to the full board by the Finance Committee, recommending Roosevelt & Cross as senior managing underwriter services and KeyBanc Capital Markets as co-managing underwriter. The motion was seconded by Director Kruly, and unanimously passed.

Director Joyce stated that because PhillipsLytle, LLP was the only law firm to respond to the RFP for bond counsel, they were chosen. Director Johnson then asked if PhillipsLytle was currently employed as our "general counsel", and Director Joyce responded "yes".

A motion was made by Chairman Goodell to approve that a resolution be presented to the full board by the Finance Committee, recommending PhillipsLytle, LLC as bond counsel. The motion was seconded by Director Johnson, and unanimously passed.

Director Goodell commented positively on the brevity of the finance committee meeting and asked for a motion to adjourn. The motion was made by Director Kruly and Director Johnson seconded. The motion was then passed. The Finance Committee meeting was adjourned at 10:22 am.