Minutes
Erie County Fiscal Stability Authority
June 14, 2006

Chairman Anthony Baynes called the meeting of the Erie County Fiscal Stability Authority ("ECFSA") to order at 2:00 p.m. on Wednesday June 14, 2006 in the Buffalo Niagara Convention Center. Notice of the meeting had previously been distributed to all Directors by courier and announced to the public and press.

Directors Present: Anthony J. Baynes, Chair; William Joyce, Vice-Chair; Stanley J. Keysa, Secretary; Kenneth Kruly, Treasurer; Joseph Goodell; Shelia Kee and John Johnson

Others Present: Lee Van Riper, Executive Director

Opening Remarks

Chairman Baynes called the meeting to order at 2:00 pm. He welcomed fellow Board members and the public officials, interested members of the public and press, also media in attendance.

Approval of the Minutes

Chairman Baynes asked for a motion to approve the minutes from the last meeting held on May 31st. They were submitted by Secretary Keysa and were circulated to the members in their briefing books prior to this meeting. Director Joyce moved to approve; Director Kee seconded the motion, and, without further discussion, the following resolution was unanimously approved:

> Resolution No. 06-22
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> APPROVING MINUTES AND RESOLUTIONS FROM MAY 31, 2006
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> BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its meeting of May 31, 2006 and ratifies and affirms 3 resolutions numbered 6-19 through 6-21 that were approved on May 31, 2006.
>
> This resolution shall take effect immediately.

Organizational Matters

Chairman Baynes stated that, at the last meeting, four standing committees were appointed. Stan Keysa, with other members of the Governance Committee, had been asked to propose drafts of charters and duties for those committees in the By-Laws. Chairman Baynes asks Director Keysa for an update.

Director Keysa stated that the committee planned to have the By-Laws make a brief reference to each committee's structure and mission and give much move detail in an appendix, in the form of a committee charter for each of the committees. Keysa said he had circulated drafts of charters for Audit, Governance, Finance, and Human Resources, and had just received comments from the Directors, so he will take the comments and see if they can be incorporated in a form acceptable to all. "Once we get drafts to where we want them we will update the By-Laws and circulate the drafts."

Office Space

Chairman Baynes said he had talked to the Governor's Office and that they have indicated there may be some space in an available State office building and they will be getting back to him.

Director Keysa added that this Authority is a State agency, not an arm of county government. The distinction is appropriate to make and, to the extent that it could be done, it would be best to have space available in a State building in Buffalo. "We are attempting to do that rather than looking in the private sector." Keysa stated that he hopes to get information back from the Governor's office that space is available.

General Counsel

Chairman Baynes stated that an RFP was put out for legal counsel and the Authority is awaiting responses to be returned by July 5, 2006.

Responses to ECFSA Requests

Chairman Baynes stated that the ECFSA had requested information from ECMCC. Mr. Young was asked to provide a report that described the comparative measurements or "benchmarks" for the hospital's performance. It was received and circulated to the Directors last week. Baynes stated that it will be discussed at a future meeting.

Chairman Baynes stated he had also requested information on county leases for office space and that the Authority received a partial response from the County Executive and the County Attorney. He also received a communication from Comptroller Poloncarz listing vendors who have had leases with the County. However, stated Chairman Baynes, "many of those listed are old leases and we do not have current versions. Most of the County Legislators' district office leases which are listed are for 2004 and 2005….By the way, we only received five leases from the Administration and there are 15 Legislators, so obviously we did not get a full list. A Resolution has been drafted and circulated prior to this meeting, which requests the County to formally respond within 10 business days with an up to date list of current real property leases under contract with the County administration." Chairman Baynes moved to approve the following resolution; Director Goodell seconded the motion, which was then passed unanimously.

Resolution No. 06-23

WHEREAS, The Erie County Fiscal Stability Authority ("ECFSA") was created by Chapter 182 of the Laws of 2005, as amended, to be a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation to "oversee the County's budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability"; and

WHEREAS, according to such Chapter of the Laws of 2005 the ECFSA shall review the operation, management, efficiency and productivity of county operations and make reports and recommendations thereon; and,

WHEREAS, the ECFSA has expressed the desire to review the efficiency of leasing office space for certain County operations and personnel,

THEREFORE, BE IT RESOLVED that the ECFSA requests from the County copies for all real property leases currently in effect for its review; and,

BE IT FURTHER RESOLVED that copies of such leases be made available to the ECFSA within ten (10) business days from the approval of this resolution.

This resolution shall take effect immediately.

Chairman Baynes stated that a letter would go out to the administration with a copy of the resolution to request the documents formally.

County Personnel Update

Chairman Baynes next indicated that County Budget Director Ken Vetter had previously discussed the issue of unfilled county employee positions with the Board and had stated that the County was running at about 300 vacancies in the first quarter of the year. Director Kruly had previously asked for a monthly update to be provided to the Directors to keep them informed. Budget Director Vetter sent an update, dated June 6th, which was circulated to the Directors last week and it was included in the Directors' briefing books for this meeting. Chairman Baynes then asked Mr. Vetter to summarize and discuss the monthly update.

Mr. Vetter stated that he believed the number of vacancies was 291 for that period of time and said that he reviewed the report on a weekly basis. "The process for filing positions is to review what is happening in the department, the time of the year, whether the positions are necessary and if there are different ways to do things. Some of the vacancies are temporary. We are keeping a list of what has been vacant for an extended period of time, there may X number of positions that may be no longer needed."

Director Kee asked Mr. Vetter if he was aware that the Administration Code called for a monthly report of vacancies and also a list of which vacancies has been filled to be sent to the County

Legislature. Mr. Vetter responded that he was not aware that those are reports required to be sent to the Legislature, but that there are discussions in the Legislature's Finance Committee meetings regarding the vacancies.   He stated he would provide reports to the Legislature if that is officially required.

Director Kruly pointed out to Mr. Vetter that he had commented that there were 297 vacancies, but that the report stated there were 334, a difference of 37. "Did you fill those positions?" he asked.

Mr. Vetter stated, "No, we didn't. The summary sheet states there are 6 more vacant positions; the number for the general fund was 291." Mr. Kruly summarized "Then there are an additional 43 vacancies in the other funds?"

Director Kruly stated that this review indicated there are 26 more people working for the County this month than there were last month. "Going back a year, there are 86 more people working for the County than there were one year ago. This something we need to keep in mind in terms of expense."

Mr. Vetter stated that reports after May 2005 indicated there were a lot of vacancies because of the number of layoff notices that went out and the positions were not moved off the system. At that time there were approximately 1,500 personnel being laid-off.

Director Johnson suggested making the report more specific in the regards to "What are the variables in term of the position, why do vacancies exist for a certain period of time and are any vacancies associated with grants and the general fund account? Can you provide us with that information?"

Mr. Vetter responded that he could do the report on a department by department function basis. He also stated that the departments with the largest vacancies are Social Services and the Department of Health, both of which have significant state and federal reimbursements.

Director Keysa asked, "If there is an increase of nearly 100 employees, what is the percentage increase from last year?"

Mr. Vetter responded that this year included 4,119 budgeted positions; last year at the early part of the year, there were approximately 1,500 more positions. Director Keysa asked, "If 100 more positions are filled this year, what was the base last year of filled positions?" Mr. Vetter responded "about 2 percent and right now we have about 7-8 percent vacancy."

Director Joyce asked if there are instructions not to fill the positions if humanly possible. Mr. Vetter responded that he goes through an analysis of vacant positions in each department and reviews functions by individual positions and what efficiencies can be achievable.

Director Joyce stated that he hopes the County will look at each position individually and then decide if it is truly a necessity.

Mr. Vetter stated, "As an example, in the Clerk's office there may be two vacancies. The Clerk would say "if you give me people to open up the Auto Bureaus, I will provide you with revenue that is greater than what we will spend on the positions." We are looking at people who will provide us with revenue."

Director Goodell asked if the County had re-engineered any departments. "The process is more detailed and effective than looking at individual hirings."

Mr. Vetter responded that they looked at how services can best be performed. "We work staffing and resources back from there. This morning there was a Commissioners' meeting to talk about the 2007 budget and going forward and re-engineering further. We have put together a budget schedule establishing a review process to put some things in people's minds of what we will be looking for in 2007. For the 2007 budget we are also going through the initiatives."

Director Goodell asked if there is any paperwork available as to where re-engineering is going on and Mr. Vetter responded that there was. Director Goodell stated that he hopes that the County "is not just focusing on the 187 recommendations that the committee came up with because there is twice as much out there to be looked at."

Mr. Vetter stated that 2006 is a test year and there are three general categories for the initiatives: "those that are wildly successful beyond any expectations, initiatives that are good in concept but just don't work and finally, those things that happen virtually as planned."

Director Kee asked Mr. Vetter for the turnover rate by department for the first six months of 2006. Mr. Vetter responded that he could do that and could provide monthly summaries of job positions.

Director Goodell asked, "Do the personnel funded by grants include benefits and overhead?" Mr. Vetter responded that each grant is different depending on the wording of state and federal grants and the agency.

Director Goodell asked if the total number of employees reported for Erie County include ECMC, ECC, the libraries and the Sheriff. Mr. Vetter stated he is just reporting on the general fund.

Director Johnson advised against just moving general fund employees to state and federal grants. "They are opposed to that." Mr. Vetter responded the County has a grant review process and the grant agency reports what is covered by the grant.

Social Service Case Loads

Chairman Baynes stated that a request had been made to Mr. Vetter at a previous meeting regarding information on Social Services case loads and that Mr. Vetter had indicated that one of his staff would contact Director Kruly.

Director Kruly stated that he had been contacted by Mr. Paulson and had received a spread sheet analysis of case loads.

County Borrowing

Chairman Baynes said he would acknowledge a very positive development that had transpired since the last meeting. He reported that the Erie County Legislature had passed a resolution to reduce the County's proposed borrowing package by $10 million and place a cap on borrowing. Baynes stated "This will mitigate the size of the impending tax increase that is coming and is a step in the right direction of restoring sound borrowing practices and fiscal discipline to this County."

Chairman Baynes singled out the leadership of Chairwoman Lynn Marinelli "who has demonstrated a good faith effort to both work with this panel and to hammer out a piece of legislation that was agreeable to a majority of her fellow Legislators."

Chairman Baynes also commended all the County Legislators who supported this important resolution. "They deserve credit for making an important step on the road back to fiscal sanity. The legislature, however, now has an even tougher job to do it must pare the County Executive's $22 million budget to a more affordable $12 million. The County Executive has proposed a $22 million spending plan and he now leaves it up to the Legislature to fix it." Mr. Baynes continued: "For the Legislators, we know this is difficult to drop projects from your districts in favor of higher priority community projects. It should be the County Executive's job to do this."

Chairman Baynes stated that "The Authority will be quick to pounce on questionable fiscal decisions. However, it would be unfair not to give credit where credit is due. The Legislature has demonstrated an understanding of how the County's borrowing practices have contributed to and continues to worsen the ongoing fiscal crisis. This is not always clear to the casual observer, but it really isn't that tough to understand if you indulge me and Vice-Chair Joyce for a few moments."

The Chair and Vice-Chair then proceeded with a presentation of debt charts.

"In the years 1995-2000, Erie County issued $165 million in debt totaling $80 million in debt service. This is like credit card debt. In comparison, in 2000-2005 the county issued $692.7 million in new debt. Interest charges alone charges alone over the life of the debt will total a staggering $292.4 million. By comparison $168.5 million in new debt was issued in the previous six years, with interest of $80.8 million, In 2002, the county's debt service, payment of principal and interest, was $32.1 million, this year is it $57.9 million and in 2010 it is currently expected to be $81 million. Obviously, this is unacceptable. In 2006 the Erie County debt on a per captia basis for every man, woman and child in the county is $377.69. In simple terms the average family of four will be paying credit card interest charges of $1, 510.76. At this rate, we will be out of business in no time."

Director Joyce stated that it is the trend that is ominous. "We are facing significant structural deficits that are increasing, this exacerbates that circumstance."

“The fact is that Erie County taxpayers cannot sustain the staggering debt burden that is in place. In makes no matter what other counties are doing. The sad part of these debt service payments is that this money is paying for things we already have. The payment of debt service drives up taxes and must be reduced. The Authority’s review of these matters leads to certain conclusions.”

“First, consider what not to do. Do not approve new borrowing in any year that exceeds what is being retired in old debt and do not borrow for operating expenses, a practice that the County Administration has carried to an extreme over the past six years.”

“What could $58 million be used for? Well is it more than the County’s subsidy to the library system, ECC, ECMC and the Sheriff’s road patrols, combined. It is more than the increase of county pensions that have taken place since 2000 and it approaches the increase in the County’s share of Medicaid costs during that time period, to the amount of last year’s property tax increase.”

“The amount of money we will spend on servicing debt incurred in the past is certainly enough to meet all the County’s capital needs this year. And what did we get for borrowing which took place on top of millions of dollars in capital spending with non-recurring revenue? Yes we got important repairs to roads and bridges. We also paid for some mandated expenses and some which were contractually obligated. We also borrowed to pay personnel and pension costs. We borrowed to replace locks. We borrowed for office equipment. We borrowed to finance plans and studies. This County is tired of studies and plans and yet we borrowed money for these items. We borrowed to sell the hospital to itself. We even borrowed $2 million to pay for snow removal following a snowstorm that took place in 2002. Have you dug out? I ask because the County hasn’t. The cost of that snow storm will be paid off in April 2009 with hundreds of thousands of taxpayer dollars going to interest charges. Would any taxpayer use their credit card to have their driveway plowed? I think not, but Erie County did.”

Chairman Baynes continued: “Whether or not the County should have paid for these and many, many other items is not the point. The point is that there was a cheaper way to pay for them that everyone who ever used a credit card or took out a mortgage or a car loan knows: cash.”

“Delaying a capital project is a reverse one shot because it puts off an inevitable expense. But borrowing to pay for recurring expenses simply puts off making the payment at a steep price, especially when the County’s bond rating leaves much to be desired.”

Chairman Baynes stated, “The County’s original four-year plan called for a $30 million debt cap. The County Executive touted this even a few months ago. By January, the Administration was proposing a $33.5 million borrowing package, which as since grown to $52.3 million. That is not adherence to a cap.”

Chairman Baynes continued by stating “We are pleased to see that the Legislature is making an effort to cut back on the binging, and to start the “debt diet” that is so badly needed. As for the future, we should think of county borrowing like we think of borrowing in our personal lives. If the roof is leaking, it makes sense to pay for that and put off buying a new car. Never, ever, borrow to pay for things we have to pay for each and every year. There's a cheaper way, there is a better way."

Director Goodell commended Chairman Baynes on what he has just stated and also that the Legislature and the community should listen to his statements. "It is the constituents of the Legislators that need to stand up and tell the Legislators that they would not go to the bank to borrow money to plow their driveway."

Director Kruly stated that he would like the Legislators to look for more cash options. "Maybe sell a small bond for the contractual items and pay cash for the rest. Pay cash for projects. Pay-as-you-go financing won't have interest expenses from any of those projects."

Director Kee suggested that the ECFSA incorporate a resolution supporting the need to reduce the County's borrowing in accordance with the County Legislature's position and reduce the borrowing by $10 million.

Director Johnson also commended Chairman Baynes. He stated "You do not go out and borrow money for day-to-day operations. You have to operate on a basis on what you have coming in revenues and those revenues being tax, property taxes and government grants. The citizens of Erie County did not know what is going on with regards to the County's borrowing and the budget situation. We must put a cap on the borrowing."

Director Keysa supported the comments that have been made and supports the proposed resolution.

Director Kee again stated the she strongly recommends a resolution be adopted stating that the Erie County Fiscal Stability Authority expresses support for the reduction of the County borrowing in 2006 by $10 million and strongly recommending to the County Administration that they pursue paying for some projects with cash funds.

Director Kruly said "There are positive variances developing in the County Budget, according to the BMR reviews, in the areas of Medicaid, sales tax, interest income and vacancy control which will produce a position variance for the year."

Director Joyce added that that he was in agreement with the statements that other Directors have been made. He also added that he wants to make sure all the verbiage is correct in the resolution and suggested they prepare it for the next meeting.

Director Kee responded that she understands his concerns but she wanted to be sure that the view of the Authority is well known to the public and to the County Administration. She stated that the County Executive will be presenting his proposal to the Legislature for the higher budget amount and felt it important for the Directors to express the Authority's position before the fact.

The following resolution was then proposed, moved by Director Goodell, seconded by Director Kruly, and passed unanimously.

Resolution No. 06 – 24

WHEREAS, The Erie County Fiscal Stability Authority ("ECFSA") was created by Chapter 182 of the Laws of 2005, as amended, to be a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation to "oversee the County's budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability"; and

WHEREAS, the ECFSA has a statutory responsibility to review and comment on the terms of any proposed borrowing, including the prudence of each proposed issuance of bonds or notes to be issued by the County; and

WHEREAS, the ECFSA has expressed its concern over the level of capital borrowing proposed for 2006 and the rising debt service costs projected in the County's four-year Financial Plan; and

WHEREAS, the County Executive has requested legislative approval of $22 million for capital borrowing for 2006, in addition to the previously authorized $32 million in borrowing to cover the initial costs of the Judicial Consent Decree resolving the Erie County Medical Center Corporation judgment; and

WHEREAS, the County's Budget Monitoring Reports reviewed by the ECFSA have indicated positive balances in several categories, including Medicaid expenses, sales tax revenues, interest earnings and personnel management, indicating the accumulation of budgetary resources; and

WHEREAS, the Erie County Legislature has passed a Resolution stating its intent to cap 2006 borrowing at $12 million, rather than $22 million, and the ECFSA believes it is better public policy to restore a "pay as you go" portion to the County's capital financing program;

THEREFORE, BE IT RESOLVED that the ECFSA supports the proposed cap approved by the Legislature and strongly supports the Legislature's recommendations that the proposed 2006 borrowing be reduced by $10 million, and that, to the extent possible, projects be funded through cash allocations.

This resolution shall take effect immediately.

Budget Monitoring Report

Chairman Baynes stated that the report being discussed is for the month of April, which we didn't review at the last meeting. It has been circulated to the Directors for review.

Mr. Vetter was asked to provide a summary of the report. He stated that for the first third of this year's operations, the overall projection is a positive variance of $9 million, which is the same as he projected the first quarter of the year. "Overall, $9 million. Revenues are $3.5 million below budget, but on the expenditure side, spending is $12.3 million below budget. The biggest items are personnel related services which are about $5.5 million lower than projected."

Vetter stated that as initiatives come on line or don't come on line, he will report in more detail. He does have a watch list, the risk and rewards for Erie County going forward, from what we know at this point. "Some significant items to watch are interest revenue Erie County is just about $30 thousand short of meeting the entire interest revenue for the year; motor vehicle registration is positive as well, the $5-$10 fee that was added through the State DMV, we should end up with an extra $1.6 million this year; sales tax for the first third of the year is $1.29 million above budget; and probation fees are below budget, which is due to uncertainties in legislation and inability to collect the fees."

Mr. Vetter stated that there is also a small positive variance with jail management of $18,000, but on road patrol, a negative variance due to overtime.

He stated the some of the initiatives won't begin until mid-year. He will be commenting on those as he receives that data and as information comes in.

Director Kruly asked it the Medicaid cap had been set. Mr. Vetter stated that the final number has not been set yet and they are expecting the number within the next couple of weeks. "The internal estimate is between $2 and $8 million."

Director Kruly asked if the 12 vacant positions on road patrol are going to be filled and Mr. Vetter responded there is much uncertainty regarding road patrol. "If you can't get additional people, there will be overtime."

Director Kee asked, "with regards to the Education to Handicapped children program, there is a negative variance of $2 million, is this case load in line with budget or is it just getting your bills filed with the State?" Mr. Vetter responded the case loads are in line and there are timing differences and billing differences.

Director Kee next asked about the ECMCC $15 million in workforce incentive funding, "Were any savings budgeted in the current year?" Mr. Vetter responded that the County is mandated to provide to ECMCC up to $15 million in a lump sum, if there is an agreement with the unions.

Chairman Baynes asked Comptroller Poloncarz to come to the podium to discuss the bonding issues and Director Kruly asked the Comptroller what the procedure will be to submit the bond resolution to the Legislature.

Comptroller Poloncarz explained that he submits to the Legislature the proposed borrowing prepared by the County Executive. He stated he has spoken to both the County Executive and Chairwoman Marinelli. He also stated that his office is not in the position to determine policy, what are the best and appropriate projects. He stated that, while he has some reservations on some of the proposals and has expressed that to the County Executive, the final set of proposals that the County Executive would like to have would be submitted in the resolution to the Legislature. He continued by stating the Legislature could amend it. “Cut it to zero, if they so chose, or keep it as it is.”

Comptroller Poloncarz stated that his office closed on the $110 million RAN this week and received the proceeds yesterday. There was another error in the Buffalo News last week regarding the short term borrowing. He said, “We did close at a $110 million, we used Bank of America after a competitive process. The Buffalo News article stated that the borrowing would cost Erie County thousands of dollars with regards to credit enhancement fees and ratings. We were able to get such a competitive rate, as well as a simple transaction from Bank of America that, except for bond counsel fees, there were no transactional fees, no cost for ratings and also no cost for credit enhancement. We are actually making money on this.” He explained that the credit enhancement referred to in the News is bond insurance for municipalities that want to get the best interest rate possible.

Comptroller Poloncarz stated that they received 14 proposals from various financial institutions, many of which would have required the County to pay for the rating and credit enhancement. “We received the best proposal from Bank of America. We saved hundreds and thousands of dollars in regards to the fees.”

2006 Financial Plan Discussion

Chairman Baynes stated that the Board would next continue with the process to review all initiatives, beginning with those with the most projected impact in 2006. “Director Kruly and other Directors would like to ask Mr. Vetter and Mr. Hartman some questions on the status of several initiatives.”

Director Kruly stated that for initiative number 85, the comprehensive risk management program, the County’s Four-Year Plan proposed $750 thousand of savings for 2006. “I believe the budget is anticipating a $1.5 million savings, double that for next year.” Mr. Vetter responded they have a risk management committee which meets on a monthly basis for new claims. Thus far, $3.5 million is viewed as reasonable.

Director Keysa stated that when the County went to self insurance, under Mr. Regan’s period, “I shook my head because I knew all that was doing was deferring to the future the cost of the claims. That was pushing forwarding a debt. This will continue to be a negative factor in the County budget.”

Mr. Vetter responded that in 2005, nothing was budgeted for claims by the Legislature which created some difficulties.

Director Keysa stated he also hopes the County will establish a separate budget line for unemployment costs or a reserve. Mr. Vetter stated as far as unemployment goes the State gives you two options: pay as you go, or take out a percentage of salaries, which is 3.4 percent.

Director Kruly stated that next initiative, number 69, would add the City of Buffalo to the Emergency Communications Center. Kruly said he believes there is nothing contained in the 2006 budget as a savings. Mr. Vetter stated that it is outside the County's control, there have not been negotiations between the City and the County, therefore they did not budget an assumed savings.

Director Kruly continues, "Initiative number 32, pursuing Federal Part D reimbursement for retiree prescription drug benefit, $600 thousand is included in the budget." Mr. Vetter responded, "It is included and the internal paperwork has been done. There is not anticipation of savings from this initiative until July or August because of lag time. We have nothing recorded as a savings or revenue at this point."

Director Kruly continued with initiative 42, adjusting the state statute to allow for recovery of County Clerk and other administrative costs of $457,000 in the Four-Year Plan. "There is nothing contained in the budget. I understand the State Legislature is not interested in pursuing this, is this correct?"

Mr. Hartman responded that the initiative will not be happening this year or any year. The Assembly Codes Committee looked at it and decided it was unconstitutional. The County has asked for clarification regarding that. "The difficulty with this one was that PFM suggested it had been done in Nassau County, and it was a five dollar surcharge on the court fee. In fact, it had not been done in Nassau County, so we would have been the first. The Assembly staff opinion is that it was illegal."

Director Kruly stated the last initiative for today's discussion was number 87, wrap-up insurance policy for capital construction. "A savings of $441 thousand was suggested by PFM, but nothing was contained in the 2006 budget. However, you are anticipating $796,000 next year." Mr. Hartman responded that the initiative does not apply to the operating budget. "This would apply to the capital budget. On all risk management issues this is an issue we have under examination with an insurance advisory firm called Brown and Brown. They are looking at all our risk management and insurance practices. We are expecting a report from them regarding possible savings in 2007."

Chairman Baynes thanked Mr. Hartman and states he hopes his ankle gets better quickly.

<u>Other Business</u>

Chairman Baynes announced that the ECFSA would need to send a letter to Mr. Rubin to request his attendance at the next meeting on June 28th meeting and reminded all that there is an Erie County working group meeting scheduled for Wednesday June 21st. The Working Group, which is chaired by Director Goodell, will meet at noon at the Buffalo-Niagara Partnership offices to review the PFM and the Partnership plans. Baynes stated that he would planned to send a letter to President Marianni to discuss the ECC budget, and would invite Mr. Young to a future meeting to discuss ECMCC items that we spoke about in the past.

Director Keysa suggested a resolution stating clearly that the Chairman would have the authority to send the letters. There was some suggestion on the County Executive's part in a previous communication regarding the need for full Board approval of certain actions. The letter referred to was sent May 18th by Mr. Giambra questioning whether the Board was in concurrence as to information to be obtained. Giambra also stated that the requests should be received in a timely fashion.

Director Joyce asked Mr. Hartman when an updated list of the initiatives will be available and Mr. Hartman responded at the end of June.

Chairman Baynes also noted that, regarding the lease request, Comptroller Poloncarz noted there were 72 leases under vendor contract and we only received 5 leases from the County.

Chairman Baynes asked for a motion to approve a resolution as discussed. The following resolution was moved by Director Johnson, seconded by Director Goodell, and passed unanimously.

Resolution No. 06 - 25

WHEREAS, The Erie County Fiscal Stability Authority ("ECFSA") was created by Chapter 182 of the Laws of 2005, as amended, to be a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation to "oversee the County's budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability"; and

WHEREAS, the ECFSA has a statutory responsibility to obtain from the County and the covered organizations all information, financial statements and projections, budgetary data and information as the authority deems necessary or desirable; and

WHEREAS, the ECFSA has statutory authority to review the operation, management, efficiency and productivity of county operations and of any covered organization's operations as the authority may determine, and make reports and recommendations thereon; and

WHEREAS, from time to time it will be necessary to request the presence of County administrators, or officers or administrators of covered organizations, to appear before the ECFSA to present data or explanations of certain policy and procedures.

THEREFORE, BE IT RESOLVED that the ECFSA supports the stated intent of the Chairman to request the presence of County Attorney Rubin, Erie Community College President Mariana and Chief Executive Officer Michael Young, of the Erie County Medical Center Corporation, at the ECFSA's next meeting, and further confirms all requests to date by the Chairperson and authorizes the Chairperson, or the Executive

Director on behalf of the Chairperson, to invite or request the presence of named individuals to appear at future meetings of the authority.

This resolution shall take effect immediately.

At 3:30 p.m., Chairman Baynes asked if there was any other business. Upon hearing none, he asked for a motion to adjourn. The motion was made by Director Joyce, seconded by Director Keysa, and unanimously approved.

Respectfully submitted,

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Stanley Jay Keysa
ECFSA Secretary