

**Minutes
Erie County Fiscal Stability Authority
September 28, 2006**

Note: the following is a draft copy of minutes of a meeting of the Erie County Fiscal Stability Authority (“ECFSA”), which was held September 28, 2006. These minutes will not become final until approved at a subsequent meeting of ECFSA directors, and may be amended before approval.)

Chairman Anthony Baynes called to order the meeting of the Erie County Fiscal Stability Authority (“ECFSA”) at 12:00 noon on Thursday, September 28, 2006 in the Buffalo and Erie County Central Public Library. 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 Keysa, Secretary; Kenneth Kruly, Treasurer; Joseph Goodell; Sheila Kee and John Johnson

Others Present: Kenneth Vetter, Executive Director

Opening Remarks

Chairman Baynes welcomed the Board members and the public officials, interested members of the public and press and the media in attendance. He said the Authority had received applications for three efficiency grants from the County and the Board was there to move forward on the ones that appear to have some merit in a very expeditious way.

Approval of the Minutes

Chairman Baynes stated that the first order of business is to approve the minutes from the last meeting on September 6th. They have been submitted by Secretary Stanley Keysa and were circulated to the members in their briefing books prior to this meeting. Chairman Baynes asked for a motion to approve. Director Johnson moved to approve and Director Kruly seconded. Without further discussion the board voted unanimously to approve the resolution.

Resolution No. 06-41

Approving minutes and resolutions from September 6, 2006

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its meeting of September 6, 2006 and ratifies and affirms 2 resolutions numbered 06-39 and 06-40 that were approved on September 6, 2006.

This resolution shall take effect immediately.

Efficiency Grants

Chairman Baynes stated the finance committee, chaired by Joseph Goodell, had been reviewing the three applications forwarded by Erie County for ECFSA efficiency grants.

He continued by stating that the applications were for \$685,000 for Alternatives to Incarceration, \$500,000 to optimize county office space and \$1.8 million for an integrated case management system. He then asked finance committee chair Joseph Goodell to report on his committee's findings and recommendations.

Director Goodell asked if anybody from the County was present at the meeting and Chairman Baynes stated that Tim Callan was present from the Comptrollers office. Also present was a staff member from Legislature Weinstein's office. No one was identified from the County Executive's staff.

Director Goodell stated that the finance committee set up guidelines for the applications. The guidelines are based on three items. "The first criteria is the extent to which the application supports a realistic financial plan initiative. The second criteria is we expect a pay back within two to five years and the payback should be twice the amount that is allocated in the grant. The third criteria is the reasonableness and practicality of the implementation, which is a very strong criteria." He continued by stating the application will be structured in a way that the Authority will do a post-audit, so as time goes by it can ensure that the applications are realistic. "We will be looking for achievements."

Director Goodell continued by stating that the finance committee will be looking at the applications in this order: First, which ones demonstrate real re-engineering? Second, which are initiatives that demonstrate cost savings? Third, which are initiatives that contain studies and that have significant savings?

Director Goodell stated that the finance committee had looked at the proposals from the County. The first one was a request for hardware and studies of Alternatives to Incarceration. He stated the members think it is a worth-while endeavor, but they can't make a commitment to the hardware until there is good base data. "There is no base data on which to judge what kind of savings can be expected." He stated that, in response to the request, "We encourage the County to take it into two steps. The Authority will approve the funding for the study, which will be done at the University of Buffalo, which is approximately \$169,000 and that will establish the data on the basis for going forward."

Director Goodell stated, in the second study, the County requested \$500,000 as a grant for studying space utilization. "The stabilization committee discovered building leases all over town and unused space. The finance committee also recommended the study of space cost, energy consumption per square foot, janitorial cost per square foot, things of that nature, was that committee's advice to the County too, and our advice to the County is to modify the request to include studying the space costs and to establish a benchmark

for going forward. Our response is for the County to revise the proposal to include that kind of analysis.”

The third request to have a single point of entry for case management systems. “There are various units within the departments and there are different ways of recording data, there are different individuals and the idea is to put everything together. This will able the case manager to be able to see all the data through the County. There is no savings that has been identified for this so we decline in supporting that.”

Director Goodell said it had been reported that the County Executive requested \$500,000 to study the Sheriff’s relationship with various municipalities, whether there should be one police force throughout the county. He continued: “There is no application from the County Executive and we will consider it deficient if it does not have strong endorsement from the communities that will be affected by the consolidation. We ask the County to bring it to us to us in that form.”

He added that he wanted to respond to statements that have been made with regards to the Authority not giving the Administration advice on cost saving measures and he believed what they were sending back to the County is advice. “The County should focus on space and lease costs.”

Director Kee thanked the finance committee for its review of the grants and asked that the committee look at the space study separate from the other grants. The space study is requesting that tax dollars of \$500,000 be used to study the County’s space needs and consolidation. She continued by stating that, in her 30 years, there were two other studies conducted in the government and they are sitting on shelves. She suggested that there be an initial allocation of \$250,000 “just to make sure we are going in the right direction and get preliminary results back.”

Director Kee said the County spent \$1.8 million to renovate the 14th floor of the Rath building for 37 people, which translated into square footage for each person in access of 200 square feet.

Director Goodell stated the \$500,000 was to study lease space utilization and not space cost. “To comply with our request, the County would have to come back wanting more money to include the space cost analysis.”

Director Kee stated that in regards to the study there are people in the County government that could do the study without having to spend money and it could be done with in-house resources. She continued by stating they should limit the amount to \$250,000.

Director Goodell stated the proposal included quotations from 3-4 firms that specialized in certain aspect in this space study.

Director Kruly added that he agreed with Director Kee with spending the money on consultants. “The dollar amount should be reduced and we should provide some milestones or reporting mechanisms back to us.”

Director Johnson stated the Department of Public Works could redeploy some of its executive staff to conduct the same study in-house. He also stated he agreed with Director Kee and Director Kruly by stating the money should not be spent.

Director Goodell stated that he agrees with the fellow members of the board and that the proposal should be sent back to the County for resubmission in stages looking to reduce cost and having employees of the County taking a larger role in preparing the study.

Chairman Baynes asked for a motion to approve the amount of \$169,000 to study Alternatives to Incarceration, and that the study of space utilization will be sent back to the County and we will amend the resolution.

Director Kruly stated they need to reduce the amount of \$500,000 to \$250,000 and he would like to add some language to the resolution.

Chairman Baynes asked for a motion to place the resolution as prefiled before the board. Director Goodell moved to approve the resolution and Director Joyce seconded. Director Kruly then moved to amend the resolution to send back the request for a space study with conditions as noted hereafter; Director Johnson seconded, and the amendment was unanimously approved. Director Goodell then moved the question, seconded by Director Kruly. Chair Baynes then called a vote on the resolution as amended, which was unanimously approved.

Resolution No. 06-42, as amended

Approving or returning various efficiency grant requests

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, Section 3957 (a) of Chapter 182 of the Public Authority Law of New York State maintains that the authority shall provide grants to the county for achieving savings through innovations and re-engineering; and

WHEREAS, the county issued a proposal on June 28, 2006, requesting that ECFSA fund three cost-savings initiatives with efficiency grant funds; and

WHEREAS, one of initiatives submitted within the proposal was for the release of \$169,000 in efficiency grant funding, to conduct a study entitled *Alternatives to Incarceration: Strategies for Success*, by the University of Buffalo Institute for Local Governance and Regional Growth; and

WHEREAS, the ECFSA anticipates that the *Alternatives to Incarceration: Strategies for Success* project --with particular focus on the relationship between Holding Center overcrowding and the use of electronic monitoring equipment--will lead to both the development of re-engineering and efficiencies in the Erie County criminal justice system, as well as alleviating the overpopulation of the Erie County Holding Center, and that the funding of said project would be in the best interest of the citizens of Erie County; and

WHEREAS, another of the initiatives submitted within the proposal was for \$500,000 in efficiency grant funding for the creation of a master plan to optimize the use of the 1.42 million square feet of office space currently used by Erie County, via a Request for Qualifications (“RFQ”); and

WHEREAS, the ECFSA anticipates that the optimization of Erie County office space through a master plan --with particular focus on the cost per square footage—will lead to the better utilization of space owned and leased by Erie County, and that the funding of said project is in the best interests of the citizens of Erie County;

THEREFORE, BE IT RESOLVED that the ECFSA does hereby release \$169,000 to Erie County, to be used for the sole purpose of contracting with the University at Buffalo’s Institute for Local Governance and Regional Growth to implement the project work-plan, *Alternatives to Incarceration: Strategies for Success*; now, therefore

BE IT RESOLVED that the ECFSA does hereby request that Erie County resubmit its request to fund a space optimization master plan with the suggestion that Erie County: 1) re-submit the proposal as a staged study with the first phase not to exceed \$250,000; 2.) provide details to ECFSA as to how the study will be accomplished; 3.) provide details to the ECFSA as to how success of the study will be measured; 4.) include a component within the study that measures space usage costs such as energy per square foot and janitorial costs per square foot; 5.) include a series of temporal and qualitative benchmarks that can be achieved during the study; 6.) include provision for the ECFSA to periodically review the progress being made on the study, as well as what benchmarks have been achieved and 7.) provide the ECFSA with the proposed Request for Qualifications to include the above mentioned modifications; and be it further

RESOLVED, that copies of this resolution be sent to the County Executive, the County Comptroller, the Chair, Majority Leader, Minority Leader and Clerk of

the Erie County Legislature; and to the Governor, the State Comptroller; the Senate Majority Leader and the Speaker of the Assembly.

This resolution shall take effect immediately.

Director Keysa announced that the governance committee would be meeting briefly after the board meeting to go over the By-Laws revisions, and invited other Directors, Authority staff, the media and the public present to attend the committee meeting.

Chairman Baynes thanked Director Goodell and the other finance committee members on the time they spent reviewing the grant applications. He then recognized Director John Johnson, who moved to adjourn; Director Sheila Kee seconded the motion, which was unanimously approved. The meeting adjourned at 12:30 p.m.

Respectfully submitted,

Stanley J. Keysa
Secretary