

Minutes
Erie County Fiscal Stability Authority
December 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 December 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 10:00 am on Thursday, December 28, 2006 in the Buffalo and Erie County 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; Stanley Keysa, Secretary; Kenneth Kruly, Treasurer, Sheila Kee and John Johnson

Absent: Joseph Goodell

Also present: Kenneth Vetter, Executive Director

Opening Remarks

Chairman Baynes called this meeting of the Erie County Fiscal Stability Authority to order. I welcome my fellow Board members and the public officials, interested members of the public and press and media in attendance. Thank you for coming.

He stated that the Board was there today for a number of housekeeping items.

Approval of November 8, 2006 Minutes

The first order of regular business is to approve the minutes of the last meeting on November 8, 2006. They have been submitted by Secretary Keysa, and were circulated to the members in their briefing books prior to this meeting.

Director Kruly moved to approve the minutes as presented and Director Johnson seconded. Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 06-55

APPROVING MINUTES AND RESOLUTIONS FROM NOVEMBER 8, 2006

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its meeting of NOVEMBER 8, 2006 and ratifies and affirms 2 resolutions numbered 06-53, 06-54 were approved November 8, 2006.

This resolution shall take effect immediately.

Other Business

There are two resolutions the board is being asked to consider, the first is an amendment to resolution 6-50, authorizing a hiring freeze. The Chairman asked Mr. Vetter to explain the resolution.

Mr. Vetter stated that it was a resolution amending 06-50 that opposed a hiring freeze during the control period. This resolution streamlines the process of how a position gets accepted. With the current process no matter who is requesting the position, the County Executive has to sign off on the need for those positions and the elected officials can not sign off on the positions. It would streamline the process if the other elected officials could have a part in the hiring process.

Mr. Vetter stated they put together the resolution in conjunction with members of the Board and legal counsel that would allow separate officials to come directly to the Fiscal Stability Authority to request an exception for the hiring freeze.

Director Kee asked after the waived comes from an elected official, if we decided to approve or disapprove, the notice will also go to the County Budget Director.

Mr. Vetter responded the waiver goes back to the relevant department and to the Director of Personnel of Erie County.

Chairman Baynes stated that everyone has a copy of resolution 06-56 making technical changes to the ECFSA hiring freeze.

Chairman Baynes asked for a motion to approve. Director Kruly moved and Director Johnson seconded.

The motion is passed.

Resolution No. 06-56

CONTINUING AND AMENDING A HIRING FREEZE UPON THE COUNTY
OF ERIE

WHEREAS, section 3957 of the New York Public Authorities Law (“Public Authorities Law”) requires the County of Erie (the “County”) to develop a four-

year financial plan for 2007-2010 for submission to the Erie County Fiscal Stability Authority (“ECFSA”); and

WHEREAS, the County presented its 2007-2010 four-year financial plan (“2007-2010 Plan”) to the ECFSA on October 18, 2006; and

WHEREAS, the ECFSA Finance Committee questioned County Executive Joel Giambra and County Budget Director James Hartman about the 2007-2010 Plan on October 23, 2006; and

WHEREAS, upon subsequently reviewing the 2007-2010 Plan, the ECFSA Finance Committee determined that it failed to project revenues and expenditures on the basis of reasonable and appropriate assumptions; and

WHEREAS, on November 3, 2006, the ECFSA accepted this determination of its Finance Committee, and found that the Erie County Executive (the “County Executive”), acting as an agent of the County, violated Public Authorities Law section 3957(1) upon submitting the 2007-2010 Plan, which did not “contain actions sufficient to ensure with respect to the major operating funds for each fiscal year of the plan that annual aggregate operating expenses for such fiscal year shall not exceed annual aggregate operating revenues for such fiscal year;” and

WHEREAS, pursuant to Public Authorities Law section 3959(1)(e), the ECFSA consequently imposed a control period over the County on November 3, 2006; and

WHEREAS, Public Authorities Law section 3959(2)(c) authorizes the ECFSA to impose a hiring freeze upon the County during a control period; and

WHEREAS, the ECFSA imposed a hiring freeze upon the County when it unanimously adopted Resolution 06-50 on November 3, 2006; and

WHEREAS, Public Authorities Law section 3959(2)(n) further empowers the ECFSA to issue binding orders to Erie County officials during a control period, to the extent that the ECFSA deems necessary or desirable in order to accomplish the purposes of the Erie County Fiscal Stability Authority Act (“ECFSA Act”); and

WHEREAS, such purposes of the ECFSA Act include, but are not limited to, timely and satisfactory implementation of an approved four-year financial plan;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA finds that continuing a hiring freeze upon the County of Erie remains essential and necessary to accomplish the purposes of the ECFSA Act, particularly to achieve the adoption,

timely implementation, and maintenance of a compliant four-year financial plan;
and

BE IT ORDERED that the County shall continue the hiring freeze first imposed by Resolution 06-50 on November 3, 2006; and

BE IT FURTHER ORDERED that this hiring freeze still applies to all employment positions (“positions”) in the County; and

BE IT FURTHER ORDERED that the County Executive may request the Chairman of the ECFSA to waive the hiring freeze on a case-by-case basis; and

BE IT FURTHER ORDERED that, also on a case-by-case basis:

(a) the President of Erie Community College (“ECC”) may request the ECFSA to waive the hiring freeze with respect to a position at ECC;

(b) the Executive Director of the Buffalo and Erie County Public Library (the “B&ECPL”) may request the ECFSA to waive the hiring freeze with respect to a position in the B&ECPL;

(c) both Commissioners of the County Board of Elections (“Board of Elections”) may jointly request the ECFSA to waive the hiring freeze with respect to a position at the Board of Elections;

(d) the County Sheriff (the “Sheriff”) may request the ECFSA to waive the hiring freeze with respect to a position in the County Sheriff’s Department;

(e) the County Clerk may request the ECFSA to waive the hiring freeze with respect to a position in the Office of the County Clerk;

(f) the County Comptroller may request the ECFSA to waive the hiring freeze with respect to a position in the Office of the County Comptroller;

(g) the County District Attorney (“District Attorney”) may request the ECFSA to waive the hiring freeze with respect to a position in the Office of the District Attorney; and

(h) the Chairperson of the County Legislature (the “Legislature”) may request the ECFSA to waive the hiring freeze with respect to a position in the Department of the Legislature; and

BE IT FURTHER ORDERED the President of ECC, the Executive Director of the B&ECPL, both Commissioners of the Board of Elections, the Sheriff, the County Clerk, the County Comptroller, the District Attorney, the Chairperson of the Legislature (individually, a “Responsible Official”), or the County Executive shall seek a waiver of the hiring freeze only upon certifying in writing the necessity of filling a position in order to:

- (1) protect the health or safety of the County of Erie and its citizens,
- (2) comply with the Erie County Charter or pertinent New York State or federal law,
- (3) prevent excessive overtime by County of Erie employees, or

(4) produce revenue in excess of the cost of filling the position; and

BE IT FURTHER ORDERED that the Chairperson of the ECFSA, upon reviewing such certification submitted by a Responsible Official or the County Executive and any other pertinent circumstances, may approve a waiver of the hiring freeze with regard to one or more positions that he or she determines necessary and appropriate to be filled; and

BE IT FURTHER ORDERED that the County Executive shall officially notify all Commissioners, Department Heads, and any other employee of the County who possesses the authority to hire, that the ECFSA has issued this ORDER, which continues and amends the hiring freeze originally adopted via Resolution 06-50 on November 3, 2006, and which, other than as expressly amended herein, retains full force and effect.

This resolution shall take effect immediately.

Chairman Baynes stated that the second is resolution 06-57 referring the yet-to-be submitted budget and financial plan to the authority's Finance Committee for review. The Chairman asked Mr. Vetter to explain this resolution.

Mr. Vetter stated that it was a procedural manner the matter was referred to the Finance Committee and it would come back with its finding and recommendations. We are anticipating the official submission of the Budget and the four year plan should be submitted to us today or tomorrow. He continued by stating he thought it would be appropriate to officially refer the upcoming plan to the Finance Committee as soon as the documents are received.

Chairman Baynes asked if there were any questions being that there were none he asked for a motion to approve. Director _____ moved and Director Kee seconded.

The resolution was passed unanimously.

Resolution No. 06-57

**REFERRING THE FINANCIAL PLAN AND BUDGET TO THE FINANCE
COMMITTEE**

WHEREAS, section 3957 of the New York Public Authorities Law ("Public Authorities Law") requires the County of Erie to develop a four-year financial plan for 2007-2010 for submission to the Erie County Fiscal Stability Authority ("ECFSA"); and

WHEREAS, the County of Erie will present its 2007-2010 four-year financial plan ("2007-2010 Plan") to the ECFSA during the week of December 25th, 2006; and

WHEREAS, the ECFSA Finance Committee has reviewed previous financial plans and budgets, reporting back findings and recommendations to the ECFSA board; and

NOW, THEREFORE, BE IT RESOLVED that the ECFSA on this date, does hereby refer the yet-to-be-received county budget and financial plan to its Finance Committee for review; and

BE IT ORDERED that the ECFSA Board of Directors does hereby refer said plan and budget to its Finance Committee for review; and

BE IT FURTHER ORDERED that the ECFSA Board of Directors does hereby direct its Finance Committee to present its findings and conclusions to the full board, within 15 days of the receipt of the 2007 Adopted Budget and Four-year-plan.

This resolution shall take effect immediately.

Efficiency Grants

Chairman Baynes stated that finance Chairman Joe Goodell could not be here today to report on the efficiency grant progress, so I will ask Mr. Kruly to report on where we are now on the four items we have under consideration.

Director Kruly stated that the Finance Committee met before Christmas to go over the proposals from the Administration. There were on the subjects of Alternatives for Incarceration, a space study for county facilities so they County can reduce rental space. The first plan called for a half of a million dollars which we rejected and they came back with a \$250 thousand proposal that we have reviewed. The third item was to provide funds for training for technology employees of the county to keep them up to date. The fourth proposal was to provide reimbursement for the Community College for combining police service and the college. We have had some pluses and minuses on the grants and we have not come to a conclusion.

Director Johnson stated that the Finance Committee had a full discussion on the proposals that were submitted. Several are worthy of the Boards consideration and as Mr. Kruly has stated there are some issues with one proposal and we are looking for further information.

Chairman Baynes thanked Director Kruly for his presentation and we look forward to getting the additional information requested and to responding to the county's request for efficiency dollars.

2007 ECFSA Budget

Chairman Baynes stated that there is an initial 2007 Authority Budget that has been distributed to you prior to the meeting for review. Given that this is our last meeting for 2006, we need to have a 2007 budget in-place before the beginning of the year.

He asked Mr. Vetter to cover some of the highlights of the proposed budget.

Mr. Vetter stated that the budget has been circulated. It is consistent with last year budget but with some minor revisions. This year's proposed but of \$1.284 million is actually \$141 thousand less than last year's budget of \$1.4 million and \$141 thousand less than the county has budgeted for the Authority expenses. This budget reduces total staffing from 8 to 7 and the two largest expenses which are payroll and consulting have been reduced by \$50 thousand over last year's budget.

He continued by stating a large expense for last year for meals and travel have been reduced by \$20 thousand. He stated that looking at the budget, the \$1.284 million and if you look at the 2005 financials the Authority spent under \$1.2 million. This is a prudent budget. Consulting services is the largest number and we had to make the assumption that there maybe some continuing litigation.

Director Kruly asked if the Office of Management and Productivity would be coming out of efficiency money and Mr. Vetter responded yes it would.

Director Kee asked what accounts for the 38 percent of benefits.

Mr. Vetter responded that it was the retirement which is 12 percent and FICA is 6.7 percent and there are other benefits that we have to pay in terms of workmen's compensation and disability. The larger piece is health insurance. We assumed that any new staff would need coverage and you can not ask somebody if they have family or single health coverage. If you look at the percentages it is consistent with last year and fairly consistent with what Erie county does.

Director Johnson asked are the benefits consistent with the State and county employees. Mr. Vetter responded that they are consistent, we are state employees and with the health insurance, we did an analysis on whether it would better to have the county insurance of the state insurance. The monthly cost for the county insurance for a family is about \$200 hundred cheaper per month and single is about \$50-60 cheaper. All the rest of the benefits are state benefits because we are a State agency.

Director Johnson asked Executive Director Vetter for a list of all the hired employees.

Chairman Baynes so noted that request and asked for a motion. Director Johnson moved and Director Kruly seconded.

The motioned is passed unanimously.

Chairman Baynes stated that it was 10:15 and being that there is no other business, he moved for adjournment.

Director Keysa stated that they might want to set dates for future meetings. Chairman Baynes stated that the Board needs to have a meeting within the next fifteen days.

The Board decides to have the next full board meeting on January 12, 2007.

Mr. Vetter stated that a draft schedule was emailed out to the Directors yesterday and we anticipate to have a basis schedule set up.

Director Johnson stated he has a concern for human services in Erie County and he would like a presentation from the County in regarding its human service delivery system. He requested that the Authority ask the County Executive to make available to us the appropriate staff to share with us the proposed human service delivery system as it relates to the four-year plan.

Chairman Baynes stated it was noted and stated the Mr. Vetter informed him that Commissioner Weiner would be available for the Authority.

Chairman Baynes asked for a motion to adjourn. Director _____ and Director _____ seconded.

