

**Erie County Fiscal Stability Authority
Finance Committee Meeting Minutes
August 30, 2007**

(Note: the following is a draft copy of minutes of a meeting of the Finance Committee of the Erie County Fiscal Stability Authority ("ECFSA"), which was held August 30, 2007. These minutes will not become final until approved at a subsequent meeting of ECFSA Directors, and may be amended before approval)

Present: Joseph Goodell, Chairman; Kenneth Kruly; Robert Glaser; John Johnson; Executive Director Kenneth Vetter

Chair Goodell: "Welcome everyone to the Finance Committee meeting of the Erie County Fiscal Stability Authority. We are here to discuss three efficiency grants. They are Energy Conservation Measures, Risk Management Training and one for an Online Property Tax Payment Module."

"The first order of business is the approval of minutes. These have been sent to you. Do I hear a motion to approve?"

Director Kruly moved to approved, Director Johnson seconded, and the Directors voted unanimously to approve the minutes.

Chair Goodell: "Mr. Vetter if you could discuss the grants?"

Executive Director Vetter: "Yes Mr. Chairman if I could let me start with the Energy Saving Measure. This is a request for \$800,000 to install energy conservation measures including insulation and set back thermostats in smaller County buildings.

Let me go through if you would prefer maybe we could have a brief discussion on some of the items discussed at the last meeting. One of those items was phasing the program and how to measure actual cost savings. Conservation measures and anticipated cost benefits were projected over a payback period of seven years but we are looking for more definite reassurances."

"This is an investment of \$800,000 to determine what is actually saved as to what is exactly in place. So based on what is already in place, I would suggest that they come back with a scaled back program to look at the actual cost savings and one that better monitors the conservation efforts. I would suggest to the Finance Committee that the County come back with a scaled back project that can be monitored and verifies that savings did in fact occur."

Goodell: "Could I get a motion to approve?"

Director Johnson moves the efficiency grant be referred back to the county to come up with a scaled back project that is less than \$800,000 and better means of monitoring cost savings. Director Kruly seconds and the Committee votes unanimously in favor.

Goodell: “The next efficiency grant is for Risk Management Training in which the County is requesting \$25,000 in funding to train County employees and to audit all current County risk management policies and procedures. Mr. Vetter could you discuss in more detail?”

Executive Director Vetter: “Mr. Chairman if I could, the goal of this risk management program is to train County employees in the risks and liabilities inherent in County policies and procedures in order to reduce and eventually eliminate things like workers compensation claims and automobile liability cases.”

“Similar comments were to put more of a focus on training within the County for risk management and workers compensation. I believe from a staff standpoint this should be returned to the County for some additional focus; potentially that there is more of an emphasis that could benefit these areas not only in cost savings but continuing education. As staff we recommend that this proposal be enhanced to include further training and a better delineation of good solid risk management process.”

Director Goodell: “We also would like to see the County explore the thought of where this individual sits in the organization and the power to implement change. Do I hear a motion from the group to send this back to the County with those thoughts in mind?”

Director Kruly moved to approved, Director Johnson seconded, and the Directors voted unanimously to approve the decision to further develop the risk management proposal.

Director Goodell: “Mr. Vetter could you introduce the next one?”

Executive Director Vetter: “Yes Mr. Chairman, the online property tax payment module, I think this issue is really expanding technology in Erie County to make it more accessible, property tax, reconciliation and makes it more accessible to people and also allowing people to make online payments through e-checks to make their property tax payments. I believe based on the guidelines that have been put forward by the Board it would be very difficult at this time for staff to recommend further consideration for this as is. The implication for the amount of \$25,400 and the implication of annual savings anticipated is over \$50,000 but when you look at this at face value, the payback, if you look a little bit further into what would be

saved it would be savings for a junior tax clerk position that doesn't exist and for which there are no plans for the position to exist. If you are looking at a specific payback mathematically the result would be zero or negative. So I believe given the guidelines that have been put together by the Board and accepted by the Finance Committee that this does not meet those guidelines. If the County would like to go back and rework the proposal somehow but basically this does not clear the first hurdle and from a staff level, this would not be recommended for approval or for further consideration without some changes on the margins."

Director Goodell: "Do I here a motion from the Committee that we reject this proposal on the basis of Mr. Vetter's description?"

Director Johnson: "Mr. Chairman, I will make a motion and comment that I just don't see where this fits any of the guideline and I don't think it is something that should come back to us as an efficiency grant."

Director Goodell: "Thank you could I get a second?"

Director Kruly moved to approved, Director Johnson seconded, and the Directors voted unanimously to approve the following resolution

Director Goodell: "Alright, I think that is the end of the efficiency grant applications. Mr. Vetter, I think we wanted a little further discussion on the Space Study. I think there were some questions that we would like brought to this meeting that do not require a vote."

Executive Director Vetter: "If I could just reiterate that the staff recommendation of this is that based on the last meeting there were a number of questions and issues that I believe Mr. Lofredo, the Public Works Commissioner is going back to look at. Probably the biggest question that we have is the significant dollar value in whether they move back or make significant change regarding the Rath Building that would require significant asbestos abatement for which the costs could be considerable. I believe Mr. Lofredo indicated at the meeting moving the Public Works department from 45 Oak Street to the 14th Floor of the Rath Building. That the total cost of that move was in excess of \$2 million and a significant portion of that, in excess of \$1 million was for asbestos abatement. The staff would recommend that they look at that very closely, the cost that might be incurred. Secondly with regard to the Auto Bureau because that really does have a significant give back. Mr. Lofredo mentioned that with asbestos abatement it will cost \$1.5 million to move the Auto Bureau in to the first floor Rath Building, which are significant dollars. We believe that Commissioner

Lofredo and Ms. Hochul have had discussions and from the staff level we recommend that those discussions continue to go on. Two that given the recommendations of the Finance Committee that they come back to us given the over arching issues of asbestos abatement and build out.”

Director Goodell: “Thank you. It seems to me that asbestos abatement would be one of those things that might be state funded or even federal government funded, I would ask again to have the County people check into the possibility that there is a funding source for that. That is the type of thing that might you might get offered funds that might help considerably with this whole space study issue.”

Executive Director Vetter: “Mr. Chairman we will do that. We will communicate at the staff level.”

Director Goodell: “Are there any other items that you would like to discuss?”

Director Johnson: “Just a comment about the space study, Commissioner of Public Works discussed with us at our last board meeting, he mentioned that the study report would be in draft form in mid September. I would strongly recommend that the Finance Committee take a look at that because it appears that there would be significant savings if we could get this online as soon as possible. I would then like to see an analysis and our review of the report.”

Director Goodell: “Alright good idea.”

“Is there anything else that we would like to bring up at the Finance Committee? Could I get a motion to adjourn?”

Director Kruly moved to adjourn, Director Johnson seconded, and the Directors voted unanimously to adjourn the meeting.

Respectfully submitted,

Stanley J. Keysa
Secretary

Date: October 10, 2007