

Minutes
Erie County Fiscal Stability Authority
March 2, 2007

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

Opening Remarks

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

“Before starting our regular business, I would like to apologize for any inconvenience caused by canceling last week’s meeting. It was cancelled for one reason and one reason only. As many of you may already be aware, prior to my accepting this position, I was in a serious automobile accident which I am still recovering from. For the past two weeks I have been in severe discomfort that has required some bed rest. I’m still in some discomfort now. I just wanted everyone to know that if I get up during a presentation, it doesn’t mean I’m bored at the speaker or anything like that, I just need to move occasionally to relieve the discomfort. I would just like to clear up one more rumor going around; it was not the County Executive who rear-ended me.”

“Before starting the regular business, I’d like to make a couple of statements in this open forum.”

“We recognize our responsibilities under the law concerning the Four-Year plan. The County’s problems were created over the past seven years, and they aren’t going to be resolved overnight. We’re going back over the suggestions we have made to the County in the past year which have been, for the most part, ignored. Another plan that just fills in numbers is of no value to the County or the taxpayers of Erie County.”

“We continue to have conversations with legislators and others in County government to determine the best course of action. A control board’s job is simply to control. That’s why we have a hiring-freeze and why we are reviewing contracts. Although we have only been in a hard control period for about four months, we have gotten some things done:

- Fewer jobs are being filled. The number of vacancies in Erie County is up by more than 100.
- We’ve made it clear that total new County borrowing must come down below the amount the County is retiring in old debt.

- We've secured a bond rating that is considerably better than the County's; as a matter of fact, our bond rating is one of the highest of all municipalities in New York compared to the County bond status which is one level above junk bond status. By doing that the control board can save the County millions of dollars.
- While the business of the County must proceed and we are in agreement about most contracts, we have raised many questions. Notably, the County has withdrawn its proposed sale of County assets on the grounds of ECMC, a \$5 million plus deal of questionable value.

As we move forward, we will:

- Look at taking advantage of our excellent bond rating to sell County bonds for a savings to the County taxpayers.
- Review the possibility of using our enhanced bond rating to re-finance old County debt. As you are aware people who have credit card debt with 18% interest can help themselves dramatically when they get a 9% credit card. Obviously they want to move to the other credit card, similar to what Erie County should do with better interest rates because of the state the County has been in for the previous seven years. We now have the ability to look at those and that is something we are going to do and pursue vigorously.
- Press forward to reduce the leasing of outside office space. That is very important.

Chairman Baynes: "We have a full agenda today, including a presentation from Social Services Commissioner Weiner on an Enterprise Integrated Case Management proposal. A report from finance chair Goodell on the meeting held just previous to this. Mr. Vetter and Mr. McNamara will be presenting information on resolutions dealing with contracts, hiring and some technical issues that require a board vote."

"The first order of regular business is to approve the minutes of the last meeting on January 11, 2007. They have been submitted by Secretary Keysa, and were circulated to the members in their briefing books prior to this meeting."

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

Resolution No. 07-05

APPROVING MINUTES AND RESOLUTIONS FROM JANUARY 11, 2007

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its meeting of January 11, 2007 and ratifies and affirms three resolutions numbered 07-02, 07-03 and 07-04 that were approved on January 11, 2007.

This resolution shall take effect immediately.

Chair Baynes: “I understand we have Commissioner Weiner here to make a 15 minute presentation on Integrated Case Management in Erie County. Mr. Weiner, if you could, please step to the microphone.”

Integrated Case Management Presentation

Commissioner Weiner: “Thank you very much for giving me this opportunity. This is an exciting new initiative that I would like to present. You should have copies of a PowerPoint presentation and a formal application. Hopefully you have had a chance to look through it. I am going to go through it briefly. I want to highlight some of the key features and the opportunities that this new Enterprise Integrated Case Management system can offer Erie County.”

“First of all Erie County manages a very large and complex array of health and human services. Our current IT technology supporting these services presents significant challenges. There is no common case management database for County-operated or County-funded health and human services currently. The proposed Integrated Case Management System is intended to support a “*No Wrong Door*” approach which will promote greater integrated effort, improved efficiency, service delivery and better outcomes for consumers.”

“What is an enterprise system, you ask yourself? It is utilizing the customer relations for CRM component of our existing SAP system. An integrated case management system would allow the collection, maintenance, tracking, eligibility determination and performance monitoring of County-supported health and human services. It would essentially allow a holistic view of the consumer. It would also enhance our provider management capabilities, allowing us to actually do more performance outcome based contracts. It would also give us real time data management to assist in planning and finally it would allow for a more consistent and efficient sharing of information with local and State partners.”

“What essentially is an enterprise system? What are currently some of the challenges that we face?”

“The current challenges of our existing IT system are too diverse and expensive to maintain. They are not meeting our confidentiality requirements and there are training implications. One of the PowerPoint presentation slides will show that Social Services alone operates 24 different IT systems software; legacy, Oracle, etc. They are expensive and require special training and are dated. We need to upgrade the hardware and software in that regard. There is little integration of IT processes across health and human services. There is inconsistent communication between programs, there is no integration presently with our State-mandated system including welfare management, case management systems and the like. We cannot measure return on investment or accurately report the number of individuals served across our health and human resources in Erie County and with other organizations a well. There is an inability to rapidly identify high cost, high need individuals and who are involved.”

The Key Features of an Enterprise System

It will give us a complete picture of our customers; it will give us benefit and family history, social utilization patterns, etc. It will allow us to manage cases, programs and provide them together. A “*No Wrong Door*” approach, would allow us to help an individual who came into Social Services and ended up needing Health Services. We would be able to help them because of the access to case management. The database would be able to make a rapid identification of the need and provide referrals accordingly. It would allow for an early alert in changes in any case dynamics which would prompt increase fraud protection capabilities. It would also advance the conversion from paper application processes to automation.

In our temporary systems area in our work center, we have over 142 separate forms that we are utilizing currently that can be automated. These advances would also allow us enhanced accuracy, data consistency and decrease records management costs. We would also be able to standardize systems operations which will ease our staff training specialization needs and eliminate redundant functions, etc. A system like this will allow us to be more adaptable or to adjust to a changing environment such as changes in State rules and general work rules. It will allow us to meet privacy and confidentiality requirements. The enterprise proposal is a phased in approach. We are looking at a three-year plan beginning with the Department of Social Services as an entry point where we have extremely high volume. We are looking at the temporary systems,

which is our entry point or efficiency points right into the self sufficiency area. Right now it is a paper-based application process, limited and no access to online information. We have the ability for information collection which is extremely time consuming. As I said earlier, this is a high volume operation; assuming 20,000 people come through the door. We have over 82 FTE's assigned to this one operating area and we spend over \$4.6 million alone on one system. This represents really just the front-end key temporary functions. This would be our starting point for an integrated system that would touch on other health and human integration systems into future phases. The performance outcomes that we see would be enhanced in this particular area involve full engagement of systems consumers, would allow for more timely referrals and consumer movement. It would improve traffic of our work participation that would result in fiscal requirements which are now federally-mandated. This would result in fiscal sanctions and meet those work participation requirements. It would also increase the proportion of cases with earned income and reduce our benefit levels which will result in increase case closings due to employment and enhances assistance. Essentially, a reduction in our temporary systems case loads. Other benefits would include more effective and efficient access to critical information that will assist for the purposes of care coordination. It would improve access to aggregate data for the purposes of tracking performance. It would improve internal and external reporting capabilities. It would allow for improved customer satisfaction and certainly increased staff moral. It would cause a reduction in the amount of paper forms which I mentioned before which are currently being utilized. We would envision phase two including an expansion of Children and Family Services. Phase three would include Adult and Senior Services programs

So what we are really looking at is a starting point in Social Services in a specific area but blowing out the initiative over time to include other health and human services departments across five separate department and health and humans services in Erie County alone that are managed by government, let alone the opportunity to include contract agencies in the not-for-profit sector where there is a lot of opportunity.

“So let me speak briefly on return on investment opportunity, as that will be of great interest to you. It is to us, as well. We anticipate that the Enterprise Integrate Case Management System will result in easy case closings resulting in a monthly average case load reduction. For example if the temporary system closes a case one month sooner for approximately half of our current annualized cases we will achieve in our first full year of completed cycle over \$1.2 million in local-share savings alone. This is an overall program cost savings target representing approximately 4.0% other ROI opportunities include savings by not having to revive old technologies systems. We also believe that as a result of the opportunity

to have an integrated case management program we will identify early on high need, high risk consumers and provide improved access to early intervention and prevention services that will result in more community based, strength based family supported services that will reduce the placement in hospital and residential based programs and the like.”

“We also envision that there will be the opportunity to reallocate staff as a result of savings off efficiencies by virtue of implementing the Integrated Case Management Program. It will allow us to do some cost shifting and maybe move some staff in into State-funded case management initiatives in areas like food stamps and Medicaid. We have detailed the estimated costs for you in the application but I will go through it very quickly.

“Year one is \$1.7 million. The overall three-year cost would be just under \$4.4 million. The cost would cover contract development, which are essentially consulting services and training services from experts. It would also include five full time equivalent staff that would provide technical and business process support. We have some large needs for knowledge in software, acquisition needs. There is a competence center function that is required as well.”

“As we continue to phase in additional programs in year three, the cost of adding such programs is Integrated Case Management Systems will decrease. We intend to use a request-for-proposal process which hopefully may reduce further the estimated cost for the consulting and training fees estimated at about \$940,000.”

“The list for not investing in this particular solution for health and human services will be a continued action of silence, a continuation of our present situation. The “No Wrong Door” concept will not be achieved and the cost of maintaining outdated IT systems will continue to surmount. The ability to achieve work participation rates will be hampered and could result in fiscal sanction in the future. The early identification need for high risk high need consumers involved in the cross system that we support will be limited and the cost to service consumers will rise.”

“In conclusion, this is truly a significant re-engineering proposal customizing a customer relations management cost saving initiatives component within SAP to maximize efficiencies in service delivery to consumers. The ability to better collect, analyze and manage data will result in more effective work processes and a more holistic case management approach for consumers, improve consumer outcomes and program cost savings. This is truly a model proposal that can support all County health and human services departments as well as community departments with a contract with the County. The estimated savings are

included in the four-year plan that we have provided, as well. I will entertain any questions.”

Chairman Baynes: “Thank you very much Commissioner Weiner. Not only was that professionally done, it was a very enlightening presentation. I have only one question for you. How will the systems you propose integrate with the State or Federal systems?”

Commissioner Weiner: “We have had preliminary conversation with three State agencies in March of this past year. Director Johnson will remember, we met with the Health Department, with OCFS and with the Office of Temporary Ability Assistance and shared with them our Integrated Case Management solution that would require integrating State systems. Quite frankly that State systems would look forward to seeing an opportunity of this nature evolve. Success would be heard in other municipalities and it could be an opportunity to showcase what we have accomplished here in other communities.”

Chairman Baynes: “Does anyone have other questions for Commissioner Weiner?”

Director Kee: “Are you using any other systems throughout the nation as your model for developing this?”

Commissioner Weiner: “That is a great question. Actually what we want to do is take advantage of the major system SAP. Within SAP a component called Customer Relations Management (*CRM*). *CRM* has not been designed currently to accommodate health and human services organizations. We have been working with SAP on this very vision and they would love to see an opportunity for this project to come to fruition as part of SAP. It would be something that could work outside this community. There is more a comparable and parallel system that we could develop and extract and build into SAP or a new operating system for the County which is what we want to avoid.”

Director Johnson: “Commissioner Weiner, I applaud you for your willingness to bring about efficiencies in engineering service capabilities to Erie County. As you well know dollars for new editions are very scarce. You have the proposal is set up in a way that you can benefit from phase one to phase two. Is this a possibility or do or need funding in a lump sum.”

Commissioner Weiner: “John, quite frankly, we will take what we can get. If it takes us one year to demonstrate the efficacy of what we have proposed that is what we will have to live with it. I would suggest that looking at this as a more long term project opens up the door for greater benefits. Year one would only focus on one industry, one environment; Temporary Assistance, and that is a narrow few when you think about everything my

partners do in health and human services both within government and outside of government. Clearly, I would argue that we would see more expanded opportunities for not only greater efficiencies but improving customer services if the vision was longer, but I understand your concern with a substantial commitment over a several-year period that is in the multi million-dollar range. You will have to decide on your end what you would like to do. I would argue for a longer term commitment. We could build this as if we were building the building blocks of a new integrated system of care.”

Chairman Baynes: “Thank you Mr. Weiner, any other questions from the Board?”
“Again Commissioner that presentation was well done.”

Commissioner Weiner: “Thank you for the opportunity”

Finance Committee Report

Chairman Baynes: “On to our next order of business. The finance committee met earlier today and would like to hear from them on efficiency grant proposals that were put forward by Erie County. I would like to ask Director Goodell to report on that meeting.”

Director Goodell: “Thank you Chairman. Before getting into the efficiency requests, I wanted to point out a few things. So far the finance committee of the board has approved about \$1 million in efficiency grants and as you know the total pot we have to look at under the current law is about \$18 million. One of the questions that was asked of me by one of the reporters here was that there may be a perception that the control board and finance committee were dragging their feet in terms of approving these efficiency grant requests, but what appears to be foot dragging is insistence on our part that the requests be more rigorous, that requestors think through different alternatives and get to understand how cost-savings would really be generated. We are going to keep going back and going back on these until we feel that the savings and the costs are truly understood and realistic. Let’s move on to efficiency grant requests.

The first one is Parenting Plus Program Outreach Program and this is a request for \$60,000 to restart a program that has been in the County for some time. It involves nurses visiting young women who have had children. It was a very effective program and Director Johnson has strongly endorsed this program as something that really works. In discussing this with Mr. Weinstein we came up with some things that we would like brought back to us; first of all it must have the signature of the County Executive and approval from the Legislature. Mr. Chairman Johnson pointed out that there may be some opportunity to get some existing State funds to help with this. A very important caveat from the

finance point of view is that this is recognized as a partial-year bridge. We will not fund a program that will go year after year. We expect that the Legislature and the Executive, to the extent that they can, will assure us that this program will be considered ongoing. The control board will not approve this kind of a program again because it is not our job to get into long term funding. Our role is to come up with basically bridge money that can help cost reduction programs move quickly. To members of the board, we recommend that the County come back to us with this request with the caveats that we request.

Director Kee: “I would also like to see forecasted productivity data for this program compared with what used to be the case.”

Executive Director Vetter: “I will make sure that gets in writing to the appropriate County figures in the resubmission.”

Director Goodell: “Could I get a vote here to consider this request from the finance committee as I just outlined?”

Director Johnson moved to consider the request as outlined and Director Goodell seconded. Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 07-06

**RETURNING APPLICATION FOR PARENTING PLUS OUTREACH PROGRAM
REQUESTY FOR EFFICIENCY GRANT FOR \$60,000**

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority (“ECFSA”) to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] 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 is a public Authority of the State of New York and, as such has been granted authority to approve the allocation of certain State funds to promote efficient government within Erie County, and

WHEREAS, the finance committee of this Authority has reviewed a grant application submitted by County Legislator Barry Weinstein requesting \$60,000 be awarded for the Parenting Plus Outreach Program, and

WHEREAS, the finance committee found this to be a worthwhile use of efficiency grant funds, but also found that the application lacked indication of possible funding from State

sources, lacked data forecasting productivity gains, lacked an indication of support from the Legislature for continuation in future years, and lacked endorsement of the County Executive,

NOW, THEREFORE, BE IT RESOLVED that the Erie County Fiscal Stability Authority returns this request to the County Executive and the County Legislature for information and endorsements as noted.

This resolution shall take effect immediately.

Director Goodell: The second proposal we received from Dr. Weinstein, which we considered a worthwhile cause, was for \$99.94 in postage for a mailing to encourage the State Legislature to pass laws that will enable the County to save something like \$25 million. Obviously, we applaud the idea behind this and hope the Legislature and perhaps an individual in the Legislature has enough funds to take \$99 to send these letters out. Finally this is a request for something that brings in revenue. Our role is to promote revenue enhancement, but this technically does not apply. I see there is one County Legislator here and hope that he would support Dr. Weinstein's proposal.

Director Goodell: The third program before us was the Enterprise Integrated Case Management System that you just heard Mr. Weiner discuss. I would like Chairman Johnson so explain his feeling on that.

Director Johnson: Thank you Mr. Chairman. I would like to discuss with Mr. Weiner the scarcity of dollars. I applaud Mr. Weiner's very professional manner in the way he is going about bringing efficiencies to the County as well as re-engineering human service delivery. Dollars will be tough to come by and I think that the committee looked at it thoroughly, and as a Director, I know the direction that you are going in having been a part of the efforts at the State level. I know we still have a long way to go. In getting started at Erie County, I would encourage the committee and the board to move forward with some strong dollar support of this proposal. I can tell you, as a professional, well, as a retired professional, in the field, it is absolutely imperative that human service delivery improve and efforts that are being proposed here through the Integrated Case Management system is something that is most desirable. It does bring about a measure of improvement and efficiency. It looks closely at how we weed out fraud and thirdly and of equal importance, a way that we can assure ourselves that the taxpayers are getting some relief in terms of savings. You have demonstrated that and I have to say that the finance committee thinks that we need to move forward with the proposal and fund this with the commensurability of the dollars that the board can make available.

Director Goodell: Thank you Director Johnson. One other thing that the finance committee was concerned about is there an opportunity here to get others to share in the cost of this program. The State, as Mr. Weiner has noted, is interested in this, the County is interested in this and SAP is interested in this, and so I would hope that they would try to get all the interested parties involved in this as far as the up-front costs are. The consensus of the finance committee was as outlined by Director Johnson, and my comment is that we think this a good program but we would like to see it taken in small bites and particularly some kind of pilot program. That is our recommendation Mr. Chairman.

Director Keysa: “Are you asking him to come back with more a specifically phased pilot program?”

Director Goodell: “Yes, I would like them to come back with plans for a pilot program and to think through the sharing of up-front costs and recognize some of the other items that Director Johnson spoke about.”

Director Keysa: “I just wanted to make sure that they are clear as to what we are requesting before they leave here today”

Director Goodell: “We are not turning this down.”

Chairman Baynes: “Thank you Chairman Goodell and the fine work of the finance committee.”

“There are two resolutions in front of you to reiterate policies that we already have in place to provide reasonable assurances that the ECFSA remains in compliance with New York State statutes that govern public authorities. One dealing with prompt payment and the other with procurement. I will ask Mr. Vetter to run through the resolutions before we vote on them.”

Executive Director Vetter: “Thank you Mr. Chairman, just a brief description of the resolutions. These are policies that are already in place and are required in order to remain in compliance on an annual basis. One is to adopt a prompt payment policy indicating that the Authority complies with New York State regulations that the Authority will pay bills within a 30 day pay period to vendors that require appropriate payment and if, for some unbeknown reason, the Authority is not able to pay within that period of time that according to State law, the Authority would have to pay any interest or other charges that might accrue as a result of that delay.

The second is the procurement guidelines, really referring to contracts going to bidding processes and provides reasonable assurance that potential vendors are aware and given the opportunity to bid. We do have

a local notification so that local vendors have the opportunity to apply to the Authority as well as contract reports so that State vendors can view the items that the Authority puts forward. The Authority goes through a reasonable process that includes items like legal services, our financial advisor and lager ticket items that will require Board approval as well. So Mr. Chairman these are policies that are in place, there are no changes made to them and I would suggest that individually each of those resolutions be passed.”

Chairman Baynes: “Thank you Mr. Vetter does anyone have questions regarding these two resolutions? Could I get a motion to move the resolution on prompt payment?”

Director Goodell moved to resolution to approve prompt payment policy as presented and Director Kruly seconded. Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 07-07

ADOPTION OF PROMPT PAYMENT POLICY

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority (“ECFSA”) to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] 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 is a public Authority of the State of New York and, as such, is governed by certain State laws that require the adoption of a prompt payment policy; and

WHEREAS, in order to comply with State law, it is necessary for the ECFSA to adopt a prompt payment policy, as required by section 2880 of the New York Public Authorities Law (“Public Authorities Law”);

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA hereby adopts the Prompt Payment Policy attached to this resolution; and

BE IT FURTHER RESOLVED, that the ECFSA Executive Director send, via first-class mail, within thirty (30) days, copies of this resolution and the attached Prompt Payment Policy to the State Comptroller, the State Director of the Budget, the Chair of the State Senate Finance Committee and the Chair of the State Assembly Ways and Means Committee, as required by section 2880(5) of Public Authorities Law; and

BE IT FURTHER RESOLVED, that the attached Prompt Payment Policy shall be deemed effective as of August 1, 2005.

This resolution shall take effect immediately.

Chairman Baynes: “Could I have a second motion to approve the resolution on Procurement?”

Director Keysa moved the resolution to approve the procurement policy as presented and Director Johnson seconded. Without further discussion, the board voted unanimously to approve the following resolution:

Resolution No. 07-08

APPROVING PROCUREMENT GUIDELINES FOR CERTAIN CONTRACTS

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority (“ECFSA”) to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] 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 requires professional assistance in performing its mission; and

WHEREAS, the ECFSA is a public Authority of the State of New York and, as such, is governed by certain State laws that specify the method for the procurement of certain services; and

WHEREAS, in order to comply with State law, it was necessary for the ECFSA to adopt Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts (the “Procurement Guidelines”), as required by sections 2879 and 3960 of the New York Public Authorities Law; and

WHEREAS, the ECFSA adopted its Procurement Guidelines in Resolution 05-10 on August 18, 2005; and

WHEREAS, in order further to comply with State law, it is necessary for the ECFSA to review and approve the Procurement Guidelines at least annually; and

WHEREAS, the Board of Directors of the Authority has reviewed the Procurement Guidelines currently in effect and has determined that such Procurement Guidelines do not need to be amended at this time; and

NOW, THEREFORE, BE IT RESOLVED that the ECFSA hereby approves for use the Procurement Guidelines attached to this resolution.

This resolution shall take effect immediately.

Chairman Baynes: “We will come back to Director Goodell who has a couple more efficiency grants that he would like to discuss.”

Director Goodell: “I had just one more efficiency grant to discuss. This final one is called Performance-Based Budgeting. This proposal is to enable the County to comply with changes in the County charter just passed by the voters. It requires that the County convert the existing accounting system to a program-based accounting system. That means that the costs of the whole program would be line-item rather than the components of that program being the line-items. This enables everyone to better manage programs and better manage costs. It is also impossible to create unit costs and productivity measures much more easily. This is something that surprised me when I became familiar with the financial systems in the County that we had traditionally in the business world, that is the ability to measure unit costs or some form of product measure. This is an excellent program, however, we believe that the County and those who have championed this program have not focused on the fact that this is a very complicated program and has the potential to be a financial mess. I once implemented a program like this and I did it the wrong way. I can appreciate arrows in the back and things also in a different part of my back when these things go wrong. The trick is to switch from the old system to the new system. That is where it is difficult. The committee feels that the implementers will have to spend much more time understanding the good part and the troublesome parts of the program. There are about a dozen places in the United States where these systems has been implemented and it is our strong feeling that those responsible for the implementation, people in the Executive’s office, the Comptroller’s office, and the Legislature, should understand all of this. This is a very important management change. We feel that those implementers should go and visit some of these locations where the programs are in place. It should not be entrusted to a consultant to gather up the good news and bad news. Furthermore the Standards Board that develops the standards for all government accounting is in the process of studying new accounting standards that would apply to the County’s accounting systems. We need to understand what those are and see what comes out of that in the context of this whole thing.

“Finally, we question our role in this. At the present time, the proposal states that the proponents do not necessarily have cost-savings involved. We are prepared to revisit this in other ways. At this point we believe

there is a lot more work that needs to be done and the committee recommends that the board not approve this at this time because of the caveats that I have been sharing with you.”

Chairman Baynes: “Thank you Director Goodell and again thank you to your Committee. I would like to ask McNamara to approach the podium to provide an explanation of the next resolution dealing with the hiring freeze established on November 3, 2006 of last year.”

Counsel McNamara: “You should have in front of you a previously-circulated resolution with the heading *“Amending the Hiring Freeze upon the County of Erie.”* This resolution if passed would continue and restate the hiring freeze that was adopted by resolution 07-04 passed January 11, 2007. The purpose of restating the hiring freeze specifically provides that the hiring freeze will be applied by the Authority to require the County to seek the Authority’s approval to fill a vacant position in all cases including instances where it is the County’s intention to fill a position by transferring an existing County employee or by changing the job title of an existing County employee. The important aspect of the resolution is that the approval process made by the resolution is directed to the County’s discretionary determination as to whether to fill a position or to change a job title. It does not regulate any non-discretionary determination as to who is eligible to fill a position or a title which may govern by a collective bargaining agreement or law. That is stated in the third paragraph on page two of the proposed resolution. I think the important aspects, just for emphasis, are that this does not constitute a wage freeze. It does not constitute any impairment of rights under any collective bargaining agreements under the law. Are there any questions? Thank you again.”

Chairman Baynes: “May I have a motion to approve the resolution?”

Director Kee moved to amend the hiring freeze on the County of Erie, as presented and Director Johnson seconded. Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 07-09

AMENDING THE HIRING FREEZE UPON THE COUNTY OF ERIE

WHEREAS, Chapter 182 of the New York Laws of 2005 (the “ECFSA Act”) created the Erie County Fiscal Stability Authority (“ECFSA”) to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] 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 first imposed a control period upon the County of Erie (the “County”) by adopting Resolution 06-49 on November 3, 2006; and

WHEREAS, incident to and in furtherance of the imposition of the control period, the ECFSA adopted Resolution 06-50, which imposed a hiring freeze upon the County, on November 3, 2006; and

WHEREAS, the ECFSA may impose such a hiring freeze during a control period pursuant to New York Public Authorities Law section 3959(2)(c); and

WHEREAS, on December 28, 2006, the ECFSA adopted Resolution 06-56, which continued and amended the hiring freeze originally imposed by Resolution 06-50; and

WHEREAS, pursuant to Resolution 07-04, adopted on January 11, 2007, the ECFSA renewed and continued the hiring freeze imposed by Resolution 06-56; and

WHEREAS, the ECFSA desires to clarify and, to the extent necessary, modify the hiring freeze to ensure that the County seeks and obtains the ECFSA’s prior approval to fill vacant positions in all cases, including, without limitation, in instances where it is the County’s intention to fill any such positions by transferring an existing County employee or changing the job title of an existing County employee; and

WHEREAS, the clarification and modification herein is directed to the discretionary determination by the County that it desires to fill a position or change a title, and not to the non-discretionary determination of who among the County’s employees must be designated to fill such position or assume such title pursuant to law (including, without limitation, obligations under the law arising pursuant to a collective bargaining agreement);

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

BE IT ORDERED that, in order to satisfy this purpose and avoid unnecessary increases in the County’s payroll to the detriment of the County’s taxpayers, the hiring freeze shall hereby be applied as of the date hereof to require the County to seek and obtain the ECFSA’s prior approval to fill a vacant position in all cases including, without limitation, in instances where it is the County’s intention to fill any such position by transferring an existing County employee or by changing the job title of an existing County employee; and

BE IT FURTHER ORDERED that the ECFSA may waive the hiring freeze on a case-by-case basis, pursuant to the procedure established by Resolution 06-56; and

BE IT FURTHER ORDERED that, notwithstanding any contrary provision of this ORDER, the hiring freeze shall not regulate any procedure, mandated by any contract or collective bargaining agreement binding the County, for determining priority among the County's employees to ascend to a vacant job title that the County chooses to fill after it has sought and obtained the ECFSA's waiver of the hiring freeze; and

BE IT FURTHER ORDERED that except as expressly clarified and modified hereby, the hiring freeze imposed by Resolution 07-04 shall in all respects continue; 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, amended via Resolution 06-56 on December 28, 2006, and renewed via Resolution 07-04 on January 11, 2007; and

BE IT FURTHER ORDERED that Resolution 06-50, Resolution 06-56, and Resolution 07-04, other than as expressly amended herein, retain full force and effect.

This resolution shall take effect immediately.

Chairman Baynes: "On to the next order of business. There is an amendment to approve contracts procedure. I would ask Mr. Vetter to run through the contract approval process amending approval processes before asking the Board to vote on this resolution."

Executive Director Vetter: "Mr. Chairman if I could, there is a resolution that has been circulated to the board regarding amending the contract approval process since our process has come under fire. The initial process was a mirror image of the BFSAs approval process which has been successful for the past three and a half years but we thought that it was necessary to amend in which all County contracts that come under the purview of the Authority, those under which we have established under resolution that will have to come to a vote that would require a majority of the Board vote approval and that in this process contracts would be an internal reviewed by staff with in 10 days and recommend for approval and for consideration at a meeting of the board. Mr. Chairman, I would suggest that if there are any questions, I can answer them."

Chairman Baynes: "Are there any questions for Mr. Vetter? If not may I have a motion to approve this resolution?"

Director Keysa moved to amend the contract approval process as presented and Director Johnson seconded. Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 07-10

AMENDING THE PROCESS FOR APPROVING CONTRACTS, SETTLEMENTS, OR OTHER OBLIGATIONS BINDING OR PURPORTING TO BIND THE COUNTY OF ERIE

WHEREAS, Chapter 182 of the New York Laws of 2005 (the “ECFSA Act”) created the Erie County Fiscal Stability Authority (“ECFSA”) to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] 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 first imposed a control period upon the County of Erie (the “County”) by adopting Resolution 06-49 on November 3, 2006; and

WHEREAS, incident to and in furtherance of the imposition of the control period, the ECFSA adopted Resolution 06-51, which authorized a process for approving contracts, settlements, or other obligations binding or purporting to bind the County (“contract approval process”), on November 3, 2006; and

WHEREAS, during a control period, the ECFSA “may review and approve or disapprove contracts or other obligations binding or purporting to bind the County or any covered organization,” pursuant to New York Public Authorities Law (“Public Authorities Law”) section 3959(2)(h); and

WHEREAS, during a control period, the ECFSA also “may review and approve or disapprove the terms of any proposed settlement of claims against the County or any covered organization in excess of fifty thousand dollars,” pursuant to Public Authorities Law section 3959(2)(k); and

WHEREAS, during a control period, the ECFSA also “shall review and approve or disapprove any collective bargaining agreement to be entered into by the County or any covered organization, or purporting to bind, the County or any covered organization,” pursuant to Public Authorities Law section 3959(2)(e); and

WHEREAS, in adopting Resolution 07-04 on January 11, 2007, the ECFSA renewed and continued the contract approval process authorized by Resolution 06-51; and

WHEREAS, certain County elected and appointed officials have requested amendment of this contract approval process to require the ECFSA to entertain and act upon requests to approve a contract, settlement, or other obligation binding or purporting to bind the County at a duly noticed public meeting of the ECFSA Board of Directors (the “Board”);

NOW, THEREFORE, BE IT RESOLVED that the ECFSA hereby authorizes the following process for the approval of contracts, settlements of claims (“settlements”), or other obligations binding or purporting to bind the County or its covered organizations:

1. The ECFSA must review and approve any contract, settlement, or other obligation, valued at greater than \$50,000, that binds or purports to bind the County or a covered organization, before it takes effect.
2. Requests to review contracts, settlements, or other obligations must be submitted to the ECFSA in writing, and must consist of a copy of the proposed terms of the contract, settlement, or other obligation; a completed standard contract approval request form, as the ECFSA Staff (“Staff”) may develop; and any other required authorizations or additional information.
3. The County Executive or a “Responsible Official,” as defined herein, must sign any request by the County for ECFSA review of a contract, settlement, or other obligation.
 - (a) The President of Erie Community College (“ECC”) is a Responsible Official with regard to any contract, settlement, or other obligation binding or purporting to bind ECC.
 - (b) The Executive Director of the Buffalo and Erie County Public Library (“B&ECPL”) is a Responsible Official with regard to any contract, settlement, or other obligation arising from or relating to the operation of the B&ECPL.
 - (c) Acting jointly, both Commissioners of the County Board of Elections (“Board of Elections”) are Responsible Officials with regard to any contract, settlement, or other obligation arising from or relating to the operation of the Board of Elections.
 - (d) The County Sheriff is a Responsible Official with regard to any contract, settlement, or other obligation arising from or relating to the operation of the County Sheriff’s Department.
 - (e) The County Clerk is a Responsible Official with regard to any contract, settlement, or other obligation arising from or relating to the operation of the Office of the County Clerk.
 - (f) The County Comptroller is a Responsible Official with regard to any contract, settlement, or other obligation arising from or relating to the operation of the Office of the County Comptroller.
 - (g) The County District Attorney (“District Attorney”) is a Responsible Official with regard to any contract, settlement, or other obligation arising from or relating to the operation of the Office of the District Attorney.
 - (h) The Chairperson of the County Legislature (the “Legislature”) is a Responsible Official with regard to any contract, settlement, or other obligation arising from or relating to the operation of the Department of the Legislature.

4. Within ten (10) days after submission of a completed request for approval of a contract, settlement, or other obligation in compliance with paragraphs (2) and (3) above, the ECFSA Executive Director, after consultation with the Staff, shall recommend his or her approval or rejection via written correspondence to each ECFSA Director.

5. Upon the ECFSA Executive Director's recommendation concerning a requested contract, settlement, or other obligation, the Board shall consider whether to approve such contract, settlement, or other obligation at its next duly noticed meeting. A contract, settlement, or other obligation shall be deemed approved upon the affirmative vote of four (4) ECFSA Directors at a duly noticed Board meeting.

6. Notwithstanding any contrary provision of this resolution, the ECFSA shall consider whether to approve a collective bargaining agreement binding or purporting to bind the County or its covered organizations, pursuant to the procedure established by Public Authorities Law section 3959(2)(e).

BE IT FURTHER RESOLVED that the above process for the approval of contracts, settlements, and other obligations binding or purporting to bind the County or its covered organizations replaces and supersedes the process adopted by Resolution 06-51 on November 3, 2006; and

BE IT FURTHER RESOLVED that the Executive Director shall send a copy of this resolution to the County Executive, the Executive Director of the B&ECPL, the Commissioners of the County Board of Elections, the County Sheriff, the County Clerk, the County Comptroller, the District Attorney, and the Chairperson of the Legislature.

This resolution shall take effect immediately.

Chairman Baynes: "The next order of business is contract approvals. In accordance with resolution just passed, we need to consider the contracts forwarded to us for approval by the County that have been recommended by staff for approval. I would ask Mr. Vetter to quickly run through the items put forward."

Executive Director Vetter: "Mr. Chairman, thank you. I would point out two things to members of the board. One, there is a resolution in your package that has been circulated prior to the meeting asking for approval on contracts that have been put forward. There is a list that has been circulated that does reconcile the exact contracts that were forwarded in their entirety to members of the board. In front of you a seven-page list that contains the 36 entries of items that the staff has reviewed. The first six pages contain items that the staff (in the final column) has recommended the board approve. The staff believes that they were appropriate and I believe that when Chairman Baynes returns that he would recommend for approval of the board."

“There are 6 items that are on page seven of the sheet which has been circulated to you, in which there have been questions raised either by staff, board members or some combination of the two, whereby, at this point, we cannot make a recommendation for you to approve and would like to discuss these items as the exception. These items will be discussed here from a number of representatives from Erie County. If I could point out, on page seven, there is a contract that arrived two days ago for CAD platform at the cost of over \$4.4 million. It was believed by staff that there was not sufficient time to review that contract in detail and did not feel it was appropriate to suggest to the Board for approval. Not that there are specific issues with it but that it is a rather voluminous contract with a number of attachments with it and requires a greater review before it the staff could bring it to you for approval.”

Director Keysa: “Mr. Vetter if I could just insert in here. I have had discussions with some of the board and Mr. McNamara and they would like to know if we should take a vote on every single one of these 36 items as there may be questions on each. The suggestion that I have made is that, if there were questions either through the staff recommendation or comments from the board that those go into a separate grouping for further discussion. However, if there are no questions on the contract, that we be able to consider those as a single grouped resolution for approval. If anyone here were to raise a question, we could pull one of those items out. That ought to be the first thing that we do but, if not, then we go on to the specific ones with questions raised and then vote on each of those in question individually.”

Executive Director Vetter: “Director Keysa, given that, I would suggest that the 30 contracts on the first six pages of the summary report are items that have been distributed to the board. There have either been favorable comments or no comments from the board members on each question or no objection, and I would suggest to the Chairman that this slate of contracts on pages one through six be put forward for vote. Upon the question of voting on any items that the Board would like to pull, we can do that. “

Chairman Baynes: “Were there any no votes on the first thirty? Could we get a vote on the first thirty?”

Director Keysa: “By my suggestion, I would ask the Board at this point if there are any items on the first six pages that they would like to be considered separately before a motion. If not, I would move to have the first 30 contract be considered together and that there be a recommendation of approval of those 30 contracts.”

Director Johnson seconded the motion to approve the contract resolutions, as presented. Without further discussion, the board voted unanimously to approve the following resolution:

Resolution No. 07-11

APPROVING CERTAIN CONTRACTS, SETTLEMENTS, AND OTHER OBLIGATIONS BINDING THE COUNTY OF ERIE

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority (“ECFSA”), to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] 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 first imposed a control period upon the County of Erie (the “County”) by adopting Resolution 06-49 on November 3, 2006; and

WHEREAS, incident to and in furtherance of the imposition of the control period, the ECFSA adopted Resolution 06-51, which authorized a process for approving contracts, settlements, or other obligations binding or purporting to bind the County (“contract approval process”), on November 3, 2006; and

WHEREAS, in adopting Resolution 07-04 on January 11, 2007, the ECFSA renewed and continued the contract approval process authorized by Resolution 06-51; and

WHEREAS, the ECFSA has adopted Resolution 07-10, which replaces and supersedes the contract approval process authorized by Resolution 06-51; and

WHEREAS, the ECFSA must review and approve any contract, settlement, or other obligation, valued at greater than \$50,000, that binds or purports to bind the County or a covered organization, before it takes effect; and

WHEREAS, the County Executive or a “Responsible Official,” as defined in Resolution 07-10, has duly submitted a request for review of the contracts, settlements, and other obligations listed on the attached document; and

WHEREAS, the ECFSA Executive Director, after consultation with the ECFSA Staff, has recommended approval of each contract, settlement, or other obligation via written correspondence to each ECFSA Director;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contracts, settlements, and other obligations listed on the attached document.

Department	Description	Amount
Erie Community College	Receipt of Grant Funds 1/1/07-12/31/07 – ECDSS funds Youth Engagement Service program (YES) for mentoring, tech assist. & internships to foster care youth 1/1/07-12/31/07	\$100,000
Erie Community College	Receipt of Grant Funds Extension from 12/31/06 to 6/30/07 – ECDSS funds Youth Engagement Service program (YES) for mentoring, tech assist. & internships to foster care youth. Extend thru 6/30/07	\$100,000
Erie Community College	Receipt of Grant Funds – ECDSS funds Career & Success Training (CAST) educational assistance to PA recipients to aid independency	\$500,000
Erie Community College	Program Services Contract – Buffalo Public Schools – “Pathways” – a continuing ed. Program in conjunction with Buffalo Schools – provides students with opportunity for GED	\$1,690,140
Erie Community College	Program Services Contract – Cheektowaga Maryvale Schools – “Pathways” – a continuing ed. Program in conjunction with Cheek./ Maryvale Schools – provides students with opportunity for GED	\$185,305
Erie Community College	Program Services Contract – Kenmore/ Tonawanda Schools - “Pathways” – a continuing ed. Program in conjunction with Ken./Tonawanda Schools – provides students with opportunity for GED	\$116,949
Erie Community College	Receipt of Grant Funds – ECDSS funds the Education to Recovery program. Seeks to combat child support delinquencies through integration of education & vocational training.	\$99,925
Erie Community College	Program Services Contract – Chautauqua Cattaraugus BOCES – “Pathways” – a continuing ed. Program in conjunction with Chaut./Catt. BOCES – provides students with opportunity for GED	\$96,501
Erie Community College	Receiving Grant Funds – Independence Bound Program funded by ECDSS - services to assist social, academic and job readiness of foster care youth	\$200,000
Erie Community College	Lease Renewal – Sprint – Renew South Campus Cell Tower Lease – 5 years	\$102,900
Erie Community College	Lease Renewal - Nextel – Renew South Campus Cell Tower Lease – 5 years	\$102,000
EC Mental Health	Program Services – Adult Rehab & Recovery Service providers – Action for mental health, BFNC, JFS, RSI & WNY ILP.	\$5,534,999
EC Mental Health	Program Services – High risk population AIDS/HIV services – ECMC, EC Sr. Serv., AIDS Community Serv., Kalieda, UB Family Medicine. SPCS	\$4,998,843
EC Mental Health	Program Services – Evidence-based strategies for preventing behavioral health dysfunction in youth and adults – Eating Disorders, ECC PASA, EC Sheriff, EPIC, MHA, NACS, Prevention Focus, Westside Community Services, WNY United	\$3,727,222
EC Mental Health	Program Services – Mental Health & Gambling Addiction Services – Jewish Family Services	\$680,646
EC Mental Health	Program Services – Community-based services for those with significant developmental disabilities - Cantalician Center, Community Concern for the Developmentally Disabled, Heritage Center, Suburban Adult Services	\$2,263,673
EC Mental Health	Program Services – Residential & community Health Center Provider contracts. - Horizon, ADDS, Friends of Caz manor, Transitional Services	\$9,132,700
EC Environment & Planning	NYSDEC funding for feasibility of a compost facility.	\$454,325
EC Dept. of Law	Pastor Settlement – Personal Injury Claim – manhole cover	\$125,000
EC Department of Social Services	Services Contract – Full services Schools Contract –	\$71,428

Department	Description	Amount
	WNY United Against Drug & Alcohol Abuse	
EC Senior Services	Legal Services for the elderly	\$216,519
EC Senior Services	Legal Services for the elderly	\$50,000
EC Senior Services	Meals on Wheels – Delivery to homebound elderly and disabled in Erie county	\$2,956,181
EC Senior Services	Supportive Services Corporation – Employment training for low income seniors	\$78,108
B&ECPL	NYLINK Cataloging system- State University of NY	\$110,000
EC Department of Social Services	Service contract – LABCON paternity testing	\$100,000
EC Sewer Districts	Underground storage tank – L&O Mechanical Contractors – removal of 20,000 gallon steel fuel tanks – install 3 double-walled fiberglass tanks.	\$384,771
EC Central Police Services	Contract with ECC for Police Training Academy	\$800,000
EC Central Police Services	CAD Platform to be used by all police agencies in Erie County	\$4,093,000
EC Environment & Planning	CVB-tourism	\$1,500,000
EC Environment & Planning	Convention center-convention	\$1,300,000
EC Attorney	Fahnstock V Erie County –settlement for malpractice in 2002	\$550,000.01

This resolution shall take effect immediately.

Executive Director Vetter: “On page seven are the items that we have reservations. The CAD program, to reiterate, the staff has not had the time to review this as it was received on Wednesday, is a voluminous contract with numerous attachments. Under the resolution that has just been passed, staff would have ten days to review this and would like to take the time to do that. At this time staff would ask that the Board not considers this item for approval at this time but will have a recommendation after review prior to the next meeting.”

Director Keysa moved to table that particular contract for recommendation from staff. Director Johnson seconded. Without further discussion the board voted unanimously to table the contract until further review.

Executive Director Vetter: “The second item was a contract circulated and comments back from the board asking whether for Environment and Planning funding of \$54,000 for a compost-site feasibility study. The question that arose was, “was there any mandate or any future cost that the County is locked into to occur with this study?” The response was a verbal from the Commissioner of Environment and Planning that there is an option for the County to move forward, but there is no obligation at this point for any future significant involvement. So Mr. Chairman, I would ask that the board consider this for approval if that answers the question significantly.”

Chairman Baynes: “May we have a motion to approve?”

Director Kee: “Are we talking about using State funding for this?”

Executive Director Vetter: “Yes it is.”

Director Keysa: “In fact, it reimburses the County \$48,000 worth of planning.”

Chairman Baynes: “Could I have a motion to approve.”

Director Kruly moved to approve the funding for a compost site feasibility study. Director Johnson seconded. Without further discussion the board voted unanimously to approve the contract.

Executive Director Vetter: “Chairman, there were two that were forwarded from the Sheriff in which there were questions regarding the reconciliation process. We received a response late yesterday afternoon, so I would ask that Chief Doyle come to the podium to address the issues that have come forward on those particular contracts.

Chief Doyle: “Good afternoon, Authority members and Chairman. This is one of the first contracts to come from Sheriff, so we are a little bit new to the process and also, as I outlined in the letter to the Executive Director Vetter yesterday, we have to give it to the County Executive and the County Executive sends over whenever he chooses to. My understanding is that questions that were raised were regarding the purchase of purchase of milk, lemonade, and chocolate milk. The other one was for groceries. My understanding is that, on the question of the milk contract, was that we had asked for approximately \$200,000 to be approved to be contracted with the winner of the bid but there was another page that had a higher estimate. My understanding is that the bid was not only for the Sheriff’s Jail Management system but included possibly the Youth Detention facility so they upped the amount that was needed. As for the groceries, I believe that Mr. Vetter’s concerns were that there were not a lot of details. The problem for the Sheriff’s Office is that we only do those about two weeks in advance, it needs to be approved by a dietitian and there is fluctuation in the population due to any compilation or special needs like certain religions only eating certain kinds of foods. It fluxuates and it is hard to give a six-month estimate how many chickens we are going to buy or how much lettuce or things of that nature. I offered, in the letter to Director Vetter, to provide any details that you wish at any point in time. I think it would just be hard to put together an estimate today of a grocery list for the next six months.”

Director Kruly: “I think that you have answered the question. I would just like to comment on the difference in numbers. This is just a suggestion to people in the Budget office and the Administration to please make sure the numbers match because Mr. Doyle in this case was looking to spend more than what the aggregation of the bid was for. It makes sense that the product is going somewhere else but number differences need to be reconciled.”

Chief Doyle: “As I said this is the first time we were involved in one. We will make sure to get together with purchasing in the future.

Executive Director Vetter: If significant items our board members have been answered, I would suggest that those two related items be voted on.

Chairman Baynes: “Could I have a motion to vote on the two items to vote on the two Sheriff’s items?”

Director Goodell moved to approve the two contracts from the Sheriff’s office. Director Johnson seconded. Without further discussion the board voted unanimously to approve the contracts.

Resolution No. 07-12

APPROVING CERTAIN CONTRACTS SUBMITTED BY THE ERIE COUNTY SHERIFF

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority (“ECFSA”) to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] 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 first imposed a control period upon the County of Erie (the “County”) by adopting Resolution 06-49 on November 3, 2006; and

WHEREAS, incident to and in furtherance of the imposition of the control period, the ECFSA adopted Resolution 06-51, which authorized a process for approving contracts, settlements, or other obligations binding or purporting to bind the County (“contract approval process”), on November 3, 2006; and

WHEREAS, in adopting Resolution 07-04 on January 11, 2007, the ECFSA renewed and continued the contract approval process authorized by Resolution 06-51; and

WHEREAS, the ECFSA has adopted Resolution 07-10, which replaces and supersedes the contract approval process authorized by Resolution 06-51; and

WHEREAS, the ECFSA must review and approve any contract, settlement, or other obligation, valued at greater than \$50,000, that binds or purports to bind the County or a covered organization, before it takes effect; and

WHEREAS, the Erie County Sheriff, a “Responsible Party” as defined in Resolution 07-10, has duly submitted a request for review of two contracts listed on the attached document; and

WHEREAS, the ECFSA Executive Director, after consultation with the ECFSA Staff, has recommended approval of each contract;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the two contracts submitted by the Erie County Sheriff listed on the attached document.

Department	Description	Amount
EC Sheriff	Groceries for HC & Correctional Facility – Maple leaf, Will Poultry, Somerset, Wattles, Sysco, Maplevale	\$220,000
EC Sheriff	Milk for HC & Corrections Facility – Upstate Farms & Byrne Dairy	\$200,000

This resolution shall take effect immediately.

Executive Director Vetter: “There are two items left. One is for the Department of Health and the other is for the Youth Services for youth detention through Hopevale. There was a question on the bidding processes. I would like to invite Mr. Endress to speak and answer any questions on this. There was a question on the bidding processes because there was a bid on these service in the years past. There was an e-mail sent out this morning from Commissioner Endress. Maybe I could read it quickly in his absence.

“This is a program to acquire State certification. The certification attests to the agency’s ability and qualification to provide the required services. In addition there are specific space requirements in that capacity. In 2005 Erie County reduced the number of non-secure contracts compiled to be consistent with changes taken in the children’s services systems. Erie County will issue a new part here in third quarter 2007 to amend selection of venders for 2008.”

The original question was about the selection process.

Chairman Baynes: “Does that answer any concerns.”

Director Kruly: “Mr. Chairman, I think the item that Mr. Vetter raised, this contract is a good example of why these need to be reviewed here. In fact this one went six years without bidding even, dating back to 2000. A number of people might be interested in bidding and I hope that our existence helps out with these kinds of things. Otherwise I would make a motion to approve the contract.”

Director Kruly moved to approve the contract. Director Johnson seconded. Without further discussion the board voted unanimously to approve the contract.

Resolution No. 07-13

APPROVING CERTAIN CONTRACTS, SETTLEMENTS, AND OTHER OBLIGATIONS BINDING THE COUNTY OF ERIE

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority (“ECFSA”) to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to “oversee [Erie] 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 first imposed a control period upon the County of Erie (the “County”) by adopting Resolution 06-49 on November 3, 2006; and

WHEREAS, incident to and in furtherance of the imposition of the control period, the ECFSA adopted Resolution 06-51, which authorized a process for approving contracts, settlements, or other obligations binding or purporting to bind the County (“contract approval process”), on November 3, 2006; and

WHEREAS, in adopting Resolution 07-04 on January 11, 2007, the ECFSA renewed and continued the contract approval process authorized by Resolution 06-51; and

WHEREAS, the ECFSA has adopted Resolution 07-10, which replaces and supersedes the contract approval process authorized by Resolution 06-51; and

WHEREAS, the ECFSA must review and approve any contract, settlement, or other obligation, valued at greater than \$50,000, that binds or purports to bind the County or a covered organization, before it takes effect; and

WHEREAS, the County Executive or a “Responsible Official,” as defined in Resolution 07-10, has duly submitted a request for review a contract for non-secure youth detention services with Hopevale, as listed on the attached document; and

WHEREAS, the ECFSA Executive Director, after consultation with the ECFSA Staff, has recommended approval of said contract;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract for non-secure youth detention services with Hopevale, as listed on the attached document.

Department	Description	Amount
EC Mental Health	Hopevale services contract – Juvenile non-secure detention	\$929,356

This resolution shall take effect immediately.

Director Johnson: “I want to be certain that my fellow directors be made aware of the importance of this contract, one for the people that is serves, and secondly

the progress that the young people make in terms of the services that are provided by this.”

Executive Director Vetter: “If I could, there was one question with regard to the bidding process in the paternity testing contract at the value of \$150,000. I believe that Mr. Paulson is here from the Department of Social Services. An e-mail was sent just prior to the meeting but I wasn’t able to distribute it. I just received it a few minutes ago. Maybe Mr. Paulson can respond to the question put forward.”

Mr. Paulson: “Thank you. I know all of you except Chairman Baynes. I am so glad to meet you. There were two questions on this contract; one with regard to interpretation as to why the highest bidder wasn’t chosen and why the second highest bidder was chosen. The circumstance that we were trying to describe, and maybe weren’t making clear, was that we received three bids. The lowest bidder misinterpreted the bid specs and withdrew the bid. So we awarded the bid to second highest of the three submitted but it would have been the lowest bid of the two remaining. I hope that clarifies that particular question. The other question you asked was how did we arrive at the \$100,000 figure for this particular contract? This was based on historical expenditures. In 2005, we actually had invoices of \$99,843 and in 2006 we had actual invoices of \$99,889, so we thought that \$100,000 was a pretty good guess.”

Chairman Baynes: “Thank you Mr. Paulson. Could we get a motion to adjourn this meeting?”

Executive Director Vetter: “There is another item that we need to discuss at our next meeting. That is the \$4.1 Million contract that requires more time to review. “

Director Keysa: "I would also like to discuss at that meeting the contract with Xspand. There is no contract yet. Is that correct?"

Chairman Baynes: “That is correct.”

Director Keysa: “So we have nothing to review until we see the contract?”

Executive Director Vetter: “The Legislature passed an authorization for the Administration to enter into agreement with and insisted that we discussion it at this meeting but there is no contract at this point that can be analyzed or brought to the board because the document does not exist.”

Chairman Baynes: “Just let it be clear also, Ken, when you receive contracts from the County Executive and the Legislature, you are reviewing them for ten days before we get them. Is that correct?”

Executive Director Vetter: “Under the policy that we have put in place today, there are 10 days for staff review and recommendation to the board. You will still receive the contract information that does come in, but there will be an official staff recommendation.”

Chairman Baynes entertained a motion to adjourn. Director Kee moved and Director Johnson seconded. Without further discussion the board, voted unanimously to adjourn.

Respectfully submitted,

Stanley J. Keysa
Secretary
March 26, 2007