

ECFSA Minutes
May 18, 2007
Full Board Meeting

(Note: the following is a draft copy of minutes of a meeting of the Erie County Fiscal Stability Authority (“ECFSA”), which was held May 18, 2007. 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 the meeting of the Erie County Fiscal Stability Authority (“ECFSA”) into session at 4 p.m. on Friday, May 18, 2007 in the Auditorium of the Buffalo and Erie County Library in downtown Buffalo. 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 J. Keysa, Secretary; Kenneth Kruly; Shelia Kee and John Johnson

Chairman Baynes: “I’d like to call 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. Before we begin I would like to congratulate my fellow board member Sheila Kee, who is now the Deputy Health Commissioner for New York State. There are two of them, one in New York City and now one in Buffalo which is great for Buffalo. The Governor couldn’t have chosen a better person and I truly appreciate all the help that you will bring to the region.”

Director Kee: “Thank you”

Chairman Baynes: “At our last meeting we took action on the Counties proposed agreement with Xspand.”

Member of the Crowd: “Mr. Chairman a point of order. We have an American flag in the corner and would appreciate if you began this meeting with the Pledge of Allegiance.”

Chairman Baynes: “Sure. Thank you.”

PLEDGE OF ALLEGIANCE

Chairman Baynes: “Again in our last meeting we took action on the County’s proposed agreement with Xspand. Before starting our regular business, I would ask Mr. Vetter to give a recap on some issues that have been brought forward since the May 3rd meeting.”

Executive Director Vetter: “Mr. Chairman, I would just like to provide a little recap since the last time the board got together. I guess that there are some issues related to (3:00) Mr. Chairman, before we get into the meat of the meeting, I’d like to address some issues I’ve heard related to the board’s actions on the tax lien sale.”

“There are a number of items being put forward by outside parties that don’t seem to match up with what happened, the overall process and timing and the intended outcomes:

“Those implications fall into two categories, that the Authority didn’t promptly and thoughtfully consider the Xspand proposal; and that the authority’s action on May 3rd was simply a way to antagonize and thwart the County Administration.”

“Mr. Chairman, if I might, I report to this board, but I have worked with many boards and community groups in the past, and I have never seen a group of community citizens work so hard and so long on a single issue, as I have with this board and this issue. There was a two-session meeting, with the tax lien sale as the sole or major item that spanned over five hours of testimony and discussion, but that was only the tip of the iceberg. There were many discussions on the pros and cons of the deal, how it was structured, how it was bid, and generally, how to serve the best interests of the people of Erie County, not the government, the people.”

“I can’t emphasize that more, that we all work for the people of Erie County. The government is only the instrument to do that.”

“Legitimate questions were asked, like: Who was invited to bid? Who controlled the bid? What’s the legal structure? How is the deal configured? Is it in essence one or two deals? How will it impact the towns and villages? The answers that came back were sometimes very informative, sometimes contradictory – like the question on who will remain the sole member of the tax corporation. The attorney for the corporation said the current incumbent would remain after he leaves office, the former county attorney said that’s not true. We still have no documentation to show which is the case.”

“In terms of timing, some have put forward that the Authority did not act in a timely fashion. I won’t go through the history of the back and forth on this issue, but final contract documents were not submitted to the ECFSA till April 27th. Action was taken on May 3rd - 6 days later. I want to repeat that action was taken 6 days later, not weeks, or months, 6 days!”

“In terms of substantive issues that led to the board’s actions, there were a number of significant issues that came up in any discussion on the tax lien sale:

- Is it, in essence, one deal or two/ After 5 hours of testimony the conclusion was two.
- Is this just another one-shot to help balance the books now?
- Is there a better deal for the county and for the region in terms of dollars and development?
- Is this deal truly serving the government, or the people?
- Are there other bidders or structures that can bring more to the table? We don’t know because of the limited nature of the invitation to propose a bid.

“After our last meeting, we found a website for Stratford Connecticut that appears to embody a number of the concerns of the ECFSA:

- The fact that the RFP was on the website was comforting so that any organization that wanted the opportunity to bid, could.
- The RFP requires that the purchaser of their tax liens will be obligated to maintain all abandoned properties that it acquires through foreclosure.
- The taxpayers of Stratford will be assured that the purchaser of their tax liens will have local administrative offices and use proper servicing methods. Xspand is out of New Jersey.
- The taxpayers of Stratford will know that the purchaser of their liens will remain the owner of their liens. For anyone who has ever had their mortgage sole do another company, it can be a very disconcerting experience.

“Mr. Chairman, in closing, I would put forward that the board’s action on the tax lien sale can be argued, much like goals in a Sabres game or plays in a Bills game, but if asked, I would have to say that the board action was the result of thoughtful deliberations, made under extremely high pressure conditions, in a timely manner, using best judgment for the people of Erie County, not for the government, which is only the instrument of the people.”

“Mr. Chairman, thank you for allowing me to make these comments.”

Chairman Baynes: “Mr. Vetter, well said and thank you very much for your kind words. On to first order of business and that is to approve the minutes of the April 19th that was reconvened on May 3rd.”

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. 07-37

APPROVING MINUTES AND RESOLUTIONS FROM APRIL 19, 2007 MEETING
THAT WAS CONTINUED ON MAY 3, 2007

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its April 19, 2007 meeting that was continued on May 3, 2007 and ratifies and affirms seven resolutions numbered 07-24, 07-25, 07-26, 07-27, 07-28, 07-29 and 07-30 that were approved on April 19, 2007 and six resolutions numbered 07-31, 07-32, 07-33, 07-34, 07-35 and 07-36 that were approved on May 3, 2007.

This resolution shall take effect immediately.

Chairman Baynes: “On April 30, the County issued Budget Monitoring Report for the first quarter of 2007. The board members have received copies of the report and are interested in getting a more indebt understanding from the County. I believe Budget Director Hartman is here and would ask him to step the podium to go through some of the highlights of his report.”

Mr. Hartman: “Good afternoon. Now, before we talk about the BMR, just briefly, we requested that tax lien deal be on the agenda. You sort of said to us that you would prefer that it not be, and we respect that, saying that we already had a set agenda.

Chairman Baynes: “We went through over 5 hours of deliberation and as much as we would love to hear it, we could put it in for another day, we have no problem; now, on to the Budget Monitoring Report.”

Mr. Hartman: “Right. You received a copy of a letter that we submitted on April 30, 2007 to the County Legislature. It has a summary and then it has the details. I will take any questions?”

Chairman Baynes: “Any questions for Mr. Hartman?”

Director Kruly: “Mr. Hartman, your letter says that you have a positive variance of \$2 million but the second page of the letter indicates that you actually have a deficit of \$5.7 million. Why don’t you tell us about the status of ECMC cash that you are trying to get to put the budget back in balance?”

Mr. Hartman: “Let me explain here. It is actually on the first page of the numbers. We have an \$8.8 million issue with the hospital. Without that issue, we have a

positive variance of \$2.1 million. So the net effect is, yes we have a net deficit of \$6.7 million. It is a somewhat complicated issue involving what is called ITP; Intergovernmental Transfer Payments. There is a long history to it. These are essentially payments that are determined by a federal process and they represent retroactive payment to the hospital for indigent care. Now, Ms. Kee, as you probably would know, in the past; the history was that these payments would be made. Technically, half of it is the County's amount. Although, when the hospital was a full-fledged County entity, the County's half would always be repaid to it. When the sale and operating agreement with what is now the independent corporation was made in 2004, it indicated that that practice would continue. What has now happened is that there are federal guidelines which really are, and as an attempt to kind of explain this, I did include a letter from the State Department of Health which says that direct reimbursement of the County's share is no longer allowed. However the letter does explain that the hospital, although it cannot directly reimburse ITT payments, it does have with the County, the capability to make mitigated reductions in other revenues that the County provides to the hospital which in our case would be the operating subsidies as well as about \$10 million of other payments that we make to the hospital for contract services. To answer your question, Mr. Kruly, that is a long way away; we are in discussion with management of the hospital as to when and how they will make those off-setting payments to us. I can not tell you exactly, at this time, when it will occur, but they have indicated that they intend to make it occur and it is a question of how. This happened to us last fall."

Director Kruly: "Mr. Chairman, related to that on the second page of the "Details by account there \$3.1 million positive revenue coming from ECMC. Would you explain that?"

Mr. Hartman: "Again, part of the problem here was that for, and I think Rick Paulson knows this better than I, is that in 2004-2005, this ITT probably didn't really exist because there were no payments being made and then we were surprised in the fall of 2006 when the hospital received a ITT payment of some \$11 million; \$5.6 million of which hit the County's accounts. The hospital did eventually reimburse us, well let me be careful with my language; they made a contribution to us of \$3.1 million which is what is shown there."

Director Kruly: "Looking at that then the receipt of ITT last fall, there was \$11 million from ECMC. So the County's share would have been the \$5.6 million but you received \$3.1 which is about 50% of something so why should we think now that the \$8.8 million that you want to get, that you are going to get more than 60%."

Mr. Hartman: “Because we have indicated to the hospital very clearly that this year we are not in a situation we were in 2006 in which we can afford to have anything less than that amount.”

Director Kruly: “Just a couple more questions. One of the things you are doing to determine where you stand is to compare the actual payments of January through March in the budget period of January through March but in looking at the budget period for those three months it looks like to me, other than sales tax, is that you have taken the total annual budget and divided it by four which doesn’t indicate any sophistication about what you really think is going to be spent or come in and/or put a different spin on where you really stand compared to budget. Why are you just dividing by 12 and multiplying by the number of months instead of doing something a little more detailed?”

Mr. Hartman: “Mr. Cercone will answer that. This is Joseph Cercone who “calendarizes” our budget.”

Mr. Cercone: “What we have done, when we started with the new SAP system, is integrate the BMR right into SAP. What the system does, when you enter the budget in at the beginning of the year, is divide it by 12. What I do than is look at individual accounts and, for example, Personnel’s spending is a percent of the working days within each month. That is set up in the beginning of the year and I do spend a lot of time. For example, if you look at golf fees, the budget has been adjusted for the seasonality of collecting more golf fees in the summer. A lot of the accounts like office supplies and repairs are relatively small amounts in each department and it isn’t really worth the effort to go in and change every single account for every department because what you are doing is taking a \$1,000 budget for a department of purchasing their office supplies and dividing; however you think you are going to end up spending it. It is an awful lot of work in the system to do that and quite frankly we don’t have the time or staff to do that now. The major items that would affect the budget are adjusted.”

Director Kruly: “Isn’t that something that the SAP system can help you with? I assume you have some history built into the system.”

Mr. Cercone: “No but you would have to go into each individual account for each department and with let say \$1,000 divided by 12; you would have to go in and adjust it out of those months to whatever months you would like it to be in which again for the relatively small amounts, for a lot of the departments we have small accounts it is just not that significant to do that. Again, for contractual payments; I know WICC spends a lot of time with Social Services giving the adjustments to the budget and actually as we are working on this and going through it we are perfecting the process

a lot better too. It didn't seem to be a problem last year either with projections.”

Director Kruly: “Thank you Mr. Cercone, I just have one more question. The responsibilities now for revenue collection on the Charter have now shifted to the Comptroller Office; is that correct?”

Mr. Hartman: “Yes, served in combination with the Office of Real Property Services.”

Director Kruly: “I noticed some of the fees and stuff were included; are they are the Comptroller’s responsibility now?”

Mr. Hartman: “Yes, those are now in the Comptroller office but no I cannot say in fairness that it is entirely the Comptroller’s responsibility; much of it lies within the line department and it is only when certain fees are clearly delinquent, then the Comptroller recovery unit comes into play.”

Director Kruly: “Do you have any comment on the Comptroller’s audit that came out this week of not going after the major tax delinquents?”

Mr. Hartman: “I do not have a comment on that; I am not really familiar with it. That was Mr. Maciejewski’s issue.”

Director Kruly: “Mr. Chairman I would like to see the Comptroller invited to the next meeting to review that audit.”

Chairman Baynes: “So noted.”

Director Johnson: “A bit different than my colleague’s question, Mr. Hartman, this relates to a bright spot in the Budget Monitoring Report which happens to be a little bit over \$5 million in savings due to vacancies. However, there seems to be continued growth in overtime, primarily for the jail, which is under the Office of the Sheriff’s Department. Are there any strategies in place to help control this growth? The second question, is there any potential help from the State government?”

Mr. Hartman: “Yes to number one and no to number two. Partly what happens here is that, to the extent that there are vacant positions, overtime goes up. That is partly what is happening here. There is a particular issue, as we know, a long standing issue in the jail with regards to overtime. Some of this we are trying to address by getting their jobs filled more quickly; that should cause their overtime to go down, and we are working on the attempt to reduce the population of the jail. We talked a lot about alternatives to incarceration. I think, to your particular question about the State, we do have about 20 inmates in the jail who are parole violators and there had been a proposal that the Governor made which would have effectively

taken those State prisoners out of county jails. Unfortunately, during the course of the budget process, it was not funded and essentially, there was a task force set up to study it. As a practical matter, I do not expect us to get any relief from the State on that in 2008.”

Director Johnson: “One other question. Are there any other units within the government that are contributing to the overtime?”

Mr. Hartman: “It is spread throughout the government. There is, again, most of it is related to vacancies but there certainly is overtime. We could give you our separate vacancy report but out of 400 vacant positions 200 are in Social Services Department, so Social Services is certainly a contributor to the overtime problem but, once again, that is largely a vacancy issue.”

Director Johnson: “That separate report would help because it would appear from this report that it is primarily from the jail.”

Mr. Hartman: “That is correct.”

Chairman Baynes: “Any further questions for Mr. Hartman? Again Mr. Hartman, thank you very much.”

“Erie County has the opportunity for the State to intercept a portion of its sales tax receipts to cover the County’s Medicaid costs. The County needs to make a decision if they will participate in this program by September 30th of this year. ECFSA staff has taken an initial look at this program and Darren Kempner, our financial analyst, has put together a presentation on some initial findings. Thank you, Darren.”

Darren Kempner: “Hi, my name is Darren Kempner, I am a financial analyst for the Fiscal Stability Authority and I have included in your package a memo that I have written on the Medicaid intercept option for Erie County as well as some Power Point slides that give you a brief executive summary of that memo, because that memo does get a little more complex.”

“The elected 2005-2006 New York State Budget capped annual growth and Erie County’s Medicaid expense in the 2006 county fiscal year and gave the County two options for paying its share of Medicaid expenses beginning in January of 2008. One option, the Medicaid Cap, under which the County can continue to remit an annual capped amount through 52 weekly wire transfers which will increase by an inflationary factor or 3% in 2008 and each year thereafter. The second option, the Medicaid intercept option, the County would make variable monthly payments to the State Comptroller’s Office based on a certain percentage of its sales and compensating use tax revenues. As you mentioned, Chairman Baynes, if the County determines that the Medicaid intercept option would

be beneficial, and that is the key point, whether electing the Medicaid option could reduce the County's Medicaid expenses, the local share of Medicaid expense, the County Legislature would have to adopt a resolution by September 30, 2007. Once the County has adopted this resolution adopting the Medicaid intercept option, the decision is irrevocable. If the County does not adopt the Medicaid option, they will continue with the capped option and make its weekly payment to the State. Under the Medicaid cap, we know that the County's weekly payments will be fixed based on the cap amount and will increase no more than 3% each year. Under the Medicaid intercept option, the County's annual Medicaid cost will be variable and could be less or more than the Medicaid cost under the cap."

"In order to determine possible Medicaid expenses under the intercept option, forecasts have to be made of expected sales tax revenue for the County. The County's forecast of sales tax revenue increase 3.91% in 2007, 1.59% in 2008 and 2.47% in 2009 and 2010. However, for the last 20 years, Erie County's sales tax revenues have increased at an annual average rate of 3.37%, that is, from 1986 to 2006, and at a rate of 2.74% for the last ten years, that is, 1996 to 2006. So, to give a complete picture of the possible outcome: Should the County accept the intercept option? we need to look at a few scenarios."

"The first scenario is based on the County's sales tax forecast and the second scenario is based on the historical growth in the last 20 years that I mentioned in Erie County Sales Tax. What you will see in these scenarios is that there is a risk of additional cost out of the Medicaid intercept option also the opportunity for potential savings. Under the first scenario, the County sales tax projections that I mentioned, there is the potential for \$5.8 million of savings in Medicaid expenses over the first three years. However based on the 20-year annual average growth in the County sales tax revenue, there is the potential for additional costs of \$9.5 million over the first three years of the option which would be 2008-2010. We also took a look at confidence intervals to give us an idea of where sales tax revenues would likely fall and then therefore the Medicaid expenses under intercept option. We can say that we are 95% confident that election of the intercept option could save the County \$6 million over three years or incur additional cost of \$25.3 million and kind of any result in between there is just as likely as any other based on the 95% confidence interval. We can also say that we are 99% confident that the election of the option could save \$10.8 million in County Medicaid costs over three years or incur additional cost of \$30.3 million. Any risk of additional cost or potential additional savings in the Medicaid intercept option must be evaluated in conjunction with other economic, political and legal factors that are associated with its election. The situation which I have alluded to before the Medicaid cap is fixed, fixed weekly payments. Under the Medicaid

intercept option, variable monthly payments will be paid making Medicaid expense under the intercept option tied directly to the County's economic fortunes. So if sales revenues go down, Medicaid expenses go down. Second, any changes to the County sales tax base such as clothing or other exemptions that are made would decrease Medicaid expenses under the intercept option and sales tax revenues. Thirdly, any changes to the sales tax rate would not affect Medicaid expense under the capped or intercept option. For example, if the County or the State Legislature failed to pass any of the additional sales taxes when below 1% or 0.5%, the County would continue to incur the same Medicaid expense under the intercept option or the cap option. Fourth, and this takes into account the sales tax sharing that Erie County has entered into over the past few years, the New York State Department of Finance has made it clear that any municipalities will have to be made whole even if the County accepts the Medicaid intercept option. The last point that I would like to make is based on some real good work from a member of our legal counsel, Mr. Craig Bucki. He took a close look at State tax law and found that for Erie County, the name Medicaid intercept for the intercept option is kind of a misnomer because of the sales tax distribution process under the ECFSA act. The County would actually have to pay its monthly amount to the State Comptroller on or before the 25th day of the month rather than have Medicaid expense intercepted from sales taxes each month like what happened in other counties throughout the State. So thanks for your attention and I would be happy to answer any of your questions you may have on the presentation or materials that I have given you."

Director Kee: "Yes, thank you, Darren. I think you have done some really good research and I think what we want to talk to folks about today is to set up a little task force so that people can look at the data, challenge it, accept it, whatever they need to do so that when the time comes for a decision it is not rushed it is done in a very deliberative way. I think, Mr. Chairman, if we could talk about how we make sure that good decision making stems from this research."

Chairman Baynes: "I think that you are right, I think that we should invite the Comptroller and others to sit on this committee and if you have any ideas or if anybody here has any ideas, why don't we express them right now? I think that maybe you should head it up, if you have time."

Director Keysa: "I think that we should invite the County Legislature so that they have an understanding of what this issue is."

Chairman Baynes: "Exactly. I agree. I see Sean Ryan out in the crowd. He would be a great candidate if he would like to volunteer and Mr. Kempner should be involved."

Executive Director Vetter: “Mr. Chairman, maybe if I could suggest that a resolution or motion be made to create this task force, and it would seem appropriate at this time if Director Kee would like to Chair this Task Force and that relevant parties like the County Comptrollers Office, The County Division of Budget, the County Legislature be involved to come to consensus because we are talking about close to \$200 million in this item. It is a significant item and a significant process and could be a significant opportunity or problem depending on how the analysis finally ends up so I guess I would suggest to the board that a resolution be passed with at least initially the members form the Stability Authority and stakeholder form the County.”

Chairman Baynes: “Okay great. Ms. Kee?”

Director Kee made a motion as a follow through to the presentation that the ECFSA establish a task force of County representatives and members of this Authority for the purpose of reviewing the options and make recommendation to the County and to ECFSA relative to the best options.”

Director Kruly seconded the resolution; without further discussion, the board voted unanimously voted to approve the following resolution:

Resolution No. 07-38

CREATING AN ERIE COUNTY MEDICAID INTERCEPT OPTION WORKING
GROUP

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority (“ECFSA” or “the Authority”) 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, Part C of Chapter 58 of the New York Laws of 2005 capped annual growth in County Medicaid expenses starting in January of 2006 and, beginning in January of 2008, gives the County a one-time, irrevocable option of making variable monthly Medicaid payments to the New York State Comptroller’s Office based on a fixed percentage of monthly sales and compensating use tax collections in Erie County (“Medicaid Intercept Option”); and

WHEREAS, election of the Medicaid Intercept Option may allow the County to reduce its annual Medicaid expenditures relative to the current Medicaid cap; and

WHEREAS, in order to elect the Medicaid Intercept Option, the County Legislature must adopt a local resolution by September 30, 2007 and mail a certified copy of said resolution to the State Commissioner of Health no later than that date; and

WHEREAS, absent the election, the County will continue to remit an annual capped amount through 52 weekly wire transfers, which will increase by an annual inflationary factor of 3 percent in 2008 and thereafter; and

WHEREAS, staff of the ECFSA have prepared research and analysis on factors to consider before election of the Medicaid Intercept Option; and

WHEREAS, in order to ensure that good decision-making stems from the research and analysis prepared by the ECFSA, it is important that relevant parties look at the research and analysis, challenge it or accept it and, when the time comes for a decision, it be made in a very deliberate, thoughtful way; and

WHEREAS, section 3959(2)(j) of New York Public Authorities Law states that “during any control period, the Authority may recommend to the County and the covered organizations such measures relating to their operations, management, efficiency and productivity as the Authority deems appropriate to reduce costs, enhance revenue, and improve services so as to advance the purposes of [the Act]; and

NOW, THEREFORE, BE IT RESOLVED that a task force be formed to review research and analysis prepared by staff of the Authority and to make recommendations to the County and the Authority on whether Erie County should elect the Medicaid Intercept Option to reduce its annual Medicaid expenditures relative to the current Medicaid cap; and

BE IT FURTHER RESOLVED that task force be chaired by Sheila Kee, a Director of the Authority, and consist of members of the Erie County Division of Budget, Erie County Comptroller’s Office, Erie County Legislature and the Authority.

This resolution shall take effect immediately.

Chairman Baynes: “Mr. Kempner, again thank you for your hard work on that; it came out great.”

“Office staff has circulated contracts requiring approval and a matrix with the highlights of those contracts. I am looking to follow the same process we have been using in approving the agreements. I understand that there is a slate of contracts that need approval and individual agreements that we will take under separate consideration. Mr. Vetter would you like to go through the first slate.”

Executive Director Vetter: “Very quickly, there are 26 items on pages 1-5 on your contract matrix for which the items appear to be regular County business. The contracts were circulated to all the board members and reviewed by staff. There were no questions, there were no significant issues so that consistent with our procedures in the past I would suggest that these contracts be moved as a slate unless someone from this board would like to pull out any contracts that may appear to require discussion.”

Chairman Baynes: “Could I have a motion to approve the slate of contracts that Mr. Vetter has just outlined.”

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

Resolution No. 07-39

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, by 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
EC Department of Social Services	Purchase Contract - Aramark – Food service contract for the Juvenile Detention Facility	\$220,000 - \$110,000 Local Share
EC Public Works	Amendment to Service Contract - C/M - Change order in purchase of evacuation signage for the courts renovation of the Courts Masterplan Implementation project.	\$3,000 – All local share
EC Senior Services	Services Contract – Towns of Aurora, Cheektowaga, Clarence, Concord, Evans, Lancaster, Orchard Park, W. Seneca & Cities of Lackawanna & Tonawanda Service contract with designated agencies for Adult Daycare for elderly with Alzheimers & related disorders.	\$250,000 – No local share
EC Environment & Planning	Receiving Grant Funds – NY State Department of Economic Development - NYS Department of Economic Development grant to conduct the EC Pollution Prevention, Reuse & Technical Assistance program	\$461,138 - \$230,637 local share
EC Division of Information & Support Services	Service Contract - Verizon – Annual maintenance fees for support of Nortel Phone System	\$160,000 – All local share
EC Division of Information & Support Services	Service Contract – Synergy Global Solutions – Annual maintenance fees for network storage	\$190,000 – All local share
EC Division of Information & Support Services	Service Contract – Synergy Global Solutions – Annual maintenance fees for all county network equipment	\$130,000 – All local share
EC Division of Information & Support Services	Service Contract – Synergy Global Solutions – Annual maintenance fees for support of 180 county servers	\$110,000 – All local share
EC Division of Information & Support Services	Service Contract – Hewlett-Packard – Annual software maintenance & licensing fees for Windows Operating System, server software & Microsoft office for all county PC’s & servers	\$500,000 – \$300,000 local share
EC Division of Information & Support Services	Service Contract – IBM – Annual maintenance fees for support of IBM/AIX servers & software	\$64,000 – All local share
Erie Community College	Purchase Contract – Hadala Construction, Parise Mech., L&D Johnson, CIR Elect – .Labor & materials to build an addition to the Auto Body Shop @ Bldg. 2 of the ECC South Campus.	\$321,885 – All ECC funds
EC Department of Public Works	Service Contract – Edbauer Construction – General construction agreement of the Erie Canalway Trail along Erie Canal/Tona. Creek in Amherst & Tonawanda	\$1,268,000 - \$0 local share
EC Senior Services	Services Contract – Amherst Sr. Ctr., S. Buffalo Comm. Assn., Northwest Comm. Ctr. N. Buffalo Comm. Ctr. Urban Center, Concerned Ministry, Com. Concern of WNY, Buffalo Fed. Of Neighborhood Ctrs., Schiller Pk. Community – CSE & EISEP contacts with community agencies to address a wide range of issues to high risk elderly. Assist in maintaining clients in their own homes, as opposed to institutional care.	\$1,617,543 - \$404,386 Local Share
EC Senior Services	Services Contract – Town of Amherst, Salvation Army & 36 other municipalities & agencies –Additional reimbursement received for congregate dining sites. Original contract approved by the ECFSA in 3/07	\$26,567 - \$0 Local Share
EC Public Works	Change Order to Existing Contract – Tunney Electric –	\$265,000 – Funds in Capital Budget.

Department	Description	Amount
	Amends existing contract. Necessary for 2,000 sq. ft. expansion of Library's Secure Rare Book Storage Area.	
EC Sheriff's Office	Service Contract Contract – NYS Industries for the Disabled – Contract for laundry services for the Holding Center & Correctional Facility - service previously provided by ECMCC	\$100,000 – All local share
EC Senior Services	Service Contract – Supportive Services Corp – Provides subsidized training & unsubsidized employment for low-income older persons	\$244,939 - \$27,216 Local Share
EC Public Works	Purchase Contract – Nichols, Long & Moore – Authorize repair for Dann Road Bridge 727 (\$221,798.50) and change order as prepared by Abate Construction inspection (\$57,888.06).	\$321,687 – All Local Share in capital budget
EC Department of Law	Lease – Main court, LLC – Leased office space for Associate Justice Pigott	\$72,530 - All local share
EC Environment & Planning , Sewer Management	Erie County Water Authority – EC Sewer District #6 and the EC Water Authority to enter into a cooperative agreement to facilitate a combination sanitary sewer rehab and water main replacement project	\$50,000 – 100% from Sewer Funds
EC Mental Health	Service Contracts – Multiple Agencies – NYS Office of mental Health issued 2006 retroactive, 100% state share increase in county agency provider contracts, based on cost of living increases	\$7,044,033 - \$0 Local Share
EC Central Police Services	Professional Services Contract – L.R. Kimball & Associates – Telecommunications consulting services for consolidated 911 planning, design & implementation on the new PSC 911 call center	\$247,500 – 100% funded through NYS Local Enhanced Wireless 911 program
EC Mental Health	Service Contracts – New Directions – Increase in 2006 contract consistent with expensed incurred against services in the System Care initiative.	\$1,293,595 – 100% Federal/State reimbursed
EC Senior Services	Services Contract – Catholic Charities Manpower Services, Inc. – Adult daycare and respite program for elderly suffering from Alzheimer's or related disorders.	\$109,280 - \$0 Local Share
EC Environment & Planning	Federal Grant – Sub-recipient Agreement – Research Foundation of State University of NY at Buffalo – Use of CDBG funds for the preparation of an Impediments to Fair Housing Study, as required by the federal govt. as a condition of receiving CDBG funds each year	\$58,000 - \$0 Local Share
Buffalo & EC Public Libraries	Suburban Library System Annual Contracts – 22 suburban libraries in EC – Annual contracts with 22 independent public or free association libraries operating in various cities, towns and villages in Erie County	\$11,136,439 - \$9,958,178 Local Share from Library Tax Levy

* EC – Erie County

This resolution shall take effect immediately.

Director Johnson: “Yes, Mr. Chairman, on page two of the matrix, the Erie County Senior Service contract with the towns of Aurora, Cheektowaga, Clarence, Concord talks about day-services primarily for those individuals unfortunately suffering from Alzheimer's and other related disorders and that was for \$250,000 and in page 6, there is an additional contract for \$247,500 that is 100% funded primarily doing the same thing. My question is, there are other units of government participating, here such as the City of Buffalo? That is what I am trying to get to.”

Executive Director Vetter “Mr. Johnson, if I could ask Commissioner Krawczyk who is here, if there are other governments or really if this is pass-through money through the County, that would be on the Senior Service contract that is a value of \$250,000 related to the towns of Aurora, Cheektowaga, Concord, Evans, Lancaster.....and this is a contract with a value of \$250,000 for adult day care services? My understanding is that this is State pass through money that goes to these entities for established adult day care centers to provide respite for those who are caring for individuals who are suffering from Alzheimer’s, dementia or other illnesses of that type”

Chairman Baynes: “Commissioner could you just come to the microphone?”

Director Keysa: “The staff finds it much easier if it is recorded using the microphone because it really doesn’t pick up from the audience. Thank you.”

Chairman Baynes: “Good afternoon and thank you.”

Commissioner Krawczyk: “Good Afternoon. Yes that is title 3-E money that is passed through from Older Americans Act for Alzheimer’s respite program.”

Director Johnson: “Does it cover all of Erie County or is it just related to certain towns and villages?”

Commissioner Krawczyk: “No, this is all of Erie County. There are very specific agencies which provide services as well.”

Director Johnson: “Would the City of Buffalo have a comparable program?”

Commissioner Krawczyk: “Yes, it is a consumer-driven program, by the location of sites of where adult day care is provided. There are agencies within the City of Buffalo as well.”

Chairman Baynes: “Any further questions? Commissioner Krawczyk thank you very much. All in favor – Aye”

Chairman Baynes: “Mr. Vetter would you like to walk us through the individual ones on the last page of the matrix?”

Executive Director Vetter: “Mr. Chair, if I could, on pages six and seven are individual items that people have questions on in the process to bring forward one by one. The first is a contract for \$577,590 total money and no local share. There are actually two issues; one on whether this had received Legislative approval. That was in the first meeting in May that this contract received Legislative approval so that is all set and not an issue, and the second was with regard to a sole-provider contract among the vendors. I believe it was Greater Buffalo Works on the uniqueness of the service.”

Dr. Paulson: “It is a truly unique service. We have a real problem with clients who are sanctioned for failure to participate in work activities who chose to accept the sanction and essentially live off the benefit of their kids, whether they are working under that table or whatever, we have people who are just happy to be sanctioned and what happens is we cannot close the case; we can only do a prorated reduction of benefits, so if you’ve got a caller who refuses to participate and gets sanctioned, their benefits may be reduced by a third or a quarter or some such amount and it very difficult to engage in any activity. Unfortunately those sanctioned peoples count against us in meeting the federal participation rates that has huge penalties associated with it down the road if we fail to meet those standards. The Legislature has refused, a couple of times to approve a full family sanction or a full family case closing, when the folks are in sanction status. So we have been scrambling to try to find ways to engage the sanctioned clients and to either close the case legitimately or to convince them that they ought to get into activities. This proposal or this set of contracts really has two components to this thing. The first component which is contracts with three agencies through an RFP for cases with specific and related services to sanctioned clients the contract that is at issue with Greater Buffalo Works is for the expansion of an existing program of wage subsidies for sanctioned clients. This is a unique program in a couple of ways. First of all the Greater Buffalo Works or the Work Force Investment Board is in fact the employer and they use the wage subsidy money to pay wages to people we refer to them.

Dr. Paulson: “And they use to waive subsidy money to pay wages to people that we refer to them if we refer someone with a modified job offer and they refuse we can close the case. So we have created this program through Greater Buffalo Works to provide immediate job referral, *bona fide* jobs, we refer people, those who don’t show we close cases and those who do show up we get into a legitimate rate subsidy situation where Greater Buffalo Works paying the wage, getting them placed with one of the hundreds of local employers that they have contracts with, and at the conclusion of these wage subsidy jobs, what we find is that some percent of them actually moved to unsubsidized employment with the employers that they were placed with. So if you need, in a sense that money the Greater Buffalo Works can provide these wage subsidies and it is unique that as far as we can determine that the Greater Buffalo Works seems to us to be the only entity around with the scope and depth of employer-contacts to make that work. So, as I say, this is an amendment to an existing contract that will enable us to expand the duration of those wage subsidy placements, hopefully for greater effect and more people getting into unsubsidized employment.”

Chairman Baynes: “Does anyone have any further questions for the doctor? Again thank you for your presentation.”

Dr. Paulson: “Ms. Kee, congratulations.”

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

Resolution No. 07-40

APPROVING CERTAIN CONTRACTS SUBMITTED BY THE ERIE COUNTY
DEPARTMENT OF SOCIAL SERVICES

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, by 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 submitted by the Erie County Department of Social Services for enhanced case management services as listed on the attached document.

Department	Description	Amount
EC Social Services	Service Contracts – Goodwill Industries (\$100,000), Mental Health Peer Connection (\$50,000), Greater Buffalo Works (\$227,590) & Buffalo Urban League (\$200,000) – Federal TANF \$’s to be used to provide enhanced case management services for those subject to sanction for failure to comply with work requirements	\$577,590 - \$0 Local Share

* EC – Erie County

This resolution shall take effect immediately.

Director Keysa: “Perhaps the easiest way to do this would be page 6, number 1.”

Chairman Baynes: “Mr. Vetter why don’t you run through this in that form.”

Executive Director Vetter: “Mr. Chairman if I could, page 6, number 2, a contract with Supportive Services for subsidized training, really the issue there that someone had brought up in reviewing this was that it was a sole source contract and I think Commissioner Krawczyk is here to provide information to the Authority on the nature of sole service contract and the unique service that precipitates that.”

Commissioner Krawczyk: “Supportive Services and Senior Services have been working together for the past thirty years to provide employment services and subsidized employment for older adults here in Erie County. They have also been recognized nationally for the ability in exceeding the placement and retention rates on a national level. They are also working with us on a work-force investment board; they are integrated into the one-stop operating system and they provide service to between 180 and 200 older adults. They not only provide employment services but subsidized employment and training as well.”

Director Kee: “I can certainly understand about the effectiveness of this program. At Sheehan we have several Supportive Services volunteers who we ultimately employed in various capacities. It gave an absolutely incredible good life experience, good work experience and I fully fully support this.”

Director Keysa: “Is this a for-profit or not-for-profit organization?”

Commissioner Krawczyk: “Not-for-profit.”

Chairman Baynes: “Great, thank you very much. Any further questions? Thank you.”

Executive Director Vetter: “There are two other agreements here for Supportive Services that Ms. Krawczyk could cover if you have a moment or two?”

Chairman Baynes: “Okay, could we have a motion on Page 6 number 2?”

Director Keysa moved to approve the Supportive Services Contract (#6-2) as presented and Director Kruly seconded. Without further discussion, the board voted unanimously to approve the following resolution:

Resolution No. 07-41

APPROVING A CERTAIN CONTRACT SUBMITTED BY THE ERIE COUNTY
DEPARTMENT OF SENIOR SERVICES

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, by 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 said contract via written correspondence to each ECFSA Director;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract submitted by the Erie County Department of Senior Services for low-income elderly training as listed on the attached document.

Item	Description	Amount
EC Senior Services	Service Contract – Supportive Services Corporation – Provides subsidized training to low-income elderly in Erie county.	\$1,113,841 - \$128,751 Local Share

* EC – Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman if I could, while Commissioner Krawczyk is here, there is also a Senior Services contract with PCI for database, a top-desk function. There is a question as to subcontracting with an outside computing firm and how this relates with the internal DISS function so maybe Commissioner Krawczyk if you address them?”

Commissioner Krawczyk: “Sure, I would be happy to. We have been working with our DISS department throughout the past six years at least. We set up a database that we network with community based organizations that provide case management services. We worked with DISS initially to set up the server so that any agency or when a case manager goes out into the community they can dial into the County Rath building and provides security to the system. We’ve been working with the Citrix server for these past few years and it has worked extremely well however with the cutbacks in the DISS department the ability to maintain the citrix servers we’ve had ongoing problems. Now we have worked with Directors Joe Gervase and Ken Beam in order to try and look at where we go in the near future with our new database and the ongoing problems. They could not support the Citrix server at this time and there was a decision to pull all the areas who were on the Citrix server off of the one that is currently in the County because there has to be certain trained staff to maintain those and update the servers. We were directed to look at an outside provider. We bid this out and had two bids; one from PCI and another from Synergy. We also asked, because Director Gervase instructed me that at some point the County may go back to a Citrix form and provide those services in-house, so we do have an out-clause after the first year and it is at no cost to the department or the County, should we decide to do this in-house again. At this point, we work very closely with the DISS department and we are, at this point, as a matter of making sure that we are able to access the files and the services for our elder population.”

Chairman Baynes: “Great, does anybody have any questions for the commissioner? May I have a motion to approve the item page 6 #3?”

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

Resolution No. 07-42

**APPROVING A CERTAIN CONTRACT SUBMITTED BY THE ERIE COUNTY
DEPARTMENT OF SENIOR SERVICES**

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, by 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 said contract via written correspondence to each ECFSA Director;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract submitted by the Erie County Department of Senior Services for servicing a case management database as listed on the attached document.

Department	Description	Amount
EC Senior Services	Service contract - PCI - This contract will allow the Sr. Svcs. Department to access necessary database information, maintain a help desk function and assure	\$80,400 – Local Share is 25% EISEP, 10% III-B

Department	Description	Amount
	hardware and software maintenance for community based agencies using the depts. reporting system	

* EC – Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “If I could skip down to item 6-5; the last item on page 6, while Commissioner Krawczyk is here, regarding purchase of service contract for Fresh Baked; the County’s State congregate dining program, really the issue here was one of timeliness and time periods. The contract was received in May for consideration by the Authority. The start date is January 1, 2007 and I believe that there were a couple of members interesting in finding out about the delay in the contract provision versus the contract service.”

Commissioner Krawczyk: “Right. We actually bid out the contract; it was time for renewal last year and we rebid. We received two bids one from Fresh Bake and one from Sodexho unfortunately Fresh Baked did not have all the equipment at the time so the contract was awarded to Sodexho in September of 2006. During that time the renewal date would have been January first. Sodexho’s attorney’s held up the process, at the time they had all the time in the world to review all the contracts and the performance bonds required through the purchasing department but the attorneys at Sodexho held it up. We did not receive the contract back from Sodexho until late April and may have been the beginning of May but we have had ongoing dining services. Again this is converted dining services throughout Erie County so we couldn’t stop service to the older adult population so we continued service at that point.”

Executive Director Vetter: “Let me make a correction, we have Fresh Baked on there and it should be Sodexho?”

Commissioner Krawczyk: “It should be Sodexho.”

Executive Director Vetter: “We will make that correction.”

Commissioner Krawczyk: “Fresh Baked actually came in under bid but when it came time, Purchasing had looked at the qualifications and they were unable to meet them so it was awarded to Sodexho. It is a three-year contract but can be renewed three times.”

Chairman Baynes: “Was it put out to bid to more than two people?”

Commissioner Krawczyk: “Two people were the only people who looked at it. We are still looking for anyone who is a food service provider who would be

interested in providing because we have had some problems with our commissary at this point.”

Chairman Baynes: “Great does anybody have any further questions for the Commissioner? Commissioner, thank you very much and we appreciate you coming here on such short notice, you did a great job. May I have a motion to approve item 5 on page 6.”

Executive Director Vetter: “Can I suggest with that change to Sodexo with the change of Sodexo as the vendor.”

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

Resolution No. 07-43

APPROVING A CERTAIN CONTRACT SUBMITTED BY THE ERIE COUNTY
DEPARTMENT OF SENIOR SERVICES

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, by 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 said contract via written correspondence to each ECFSA Director;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract submitted by the Erie County Department of Senior Services for the “Stay Fit” congregate dining program as listed on the attached document.

Department	Description	Amount
EC Senior Services	Purchase Contract – Sodexo – Luncheon meals for the “Stay Fit” congregate dining program for Senior citizens. Grant Title IIC-1	\$1,122,612 - \$112,261 Local Share

* EC – Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman let me jump back to 6-4 an Environment and Planning contract. Really, that is for an outside service to look at combining work of the Erie County Water Authority and the Sewer Districts. It is a good project. The only problem early on is that we did not have the documentation of the funding. It is 100% Sewer-funded and there appears to be no question with that and the question is what was addressed earlier on and probably could have been moved up to the other list but there was a question so we kept it here.”

Chairman Baynes: “Thank you; could we have a motion for #4 on page six?”

Director Kruly moved to approve the contract 6-4 as presented and Director Kee seconded. Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 07-44

APPROVING A CERTAIN CONTRACT SUBMITTED BY THE ERIE COUNTY
DEPARTMENT OF ENVIRONMENT AND PLANNING

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, by 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 said contract via written correspondence to each ECFSA Director;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract submitted by the Erie County Department of Environment and Planning for SAP consulting services as listed on the attached document.

Department	Description	Amount
EC Environment & Planning	Services Contract – New Dimension Solutions – Retain services to provide consulting services for project preparation and business blueprint development for SAP plant maintenance module implementation	\$289,822.18 – 100% Sewer Funds

- EC – Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Then we go on the page 7 and I will go through these items quickly. 7-1 was a grant to reduce diesel fuel school bus emissions. The question on that was whether it required legislative approval. The original documentation indicated that no approval was required but we have found that that as a typo on the submission. We just found that out yesterday. Legislative approval was required and given so in terms of staff, we would recommend at this point that the Board consider approval of this contract.”

Chairman Baynes: “May I have a motion for 7-1?”

Director Johnson moved to approve the contract 7-1 as presented and Director Kruly seconded. Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 07-45

**APPROVING A CERTAIN CONTRACT SUBMITTED BY THE ERIE COUNTY
DEPARTMENT OF ENVIRONMENT AND PLANNING**

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, by 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 said contract via written correspondence to each ECFSA Director;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract submitted by the Erie County Department of Environment and Planning for reducing diesel school bus emissions as listed on the attached document.

Department	Description	Amount
EC Environment & Planning	Receiving Grant Funds – US Environmental Protection Agency – USEPA awarded grant to EC to reduce diesel school bus emissions . Retrofitting busses in 6	\$298,960 - \$47,828 Local Share

Department	Description	Amount
	districts – Akron, Grand Island, Iroquois, Lancaster, Ken-ton and Sweet Home	

* EC – Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “To speed things up because, well we are on Friday night, 7-2, 7-3 and 7-4 relate to the Board of Elections and I believe Commissioner Mohr is here; really, there are two issues on these three agreements. One was the time period. Two out of the three contracts indicated a start date of October 1, 2006, one of them indicated a start date of over a year ago of April 2006 and I believe a number of the board wanted a little more detail on how these work so maybe Commissioner Mohr could provide that.”

Commissioner Mohr: “The Federal Help-America-Vote Act allocated monies to the State that actually did pay the money to the State several years ago for two major categories, one being to improve voting access for the disabled and also for inspector training. We received the contracts with a cover letter dated in December of 2006 that we received some time in the beginning of January 2007. We were not...; as you can see, the contracts are very sketchy and really don’t have any detail with them. We were not sure what they were and why allocations have been made in the manner that they were. Over the past four years we have received indications of how money will be allocated to the County. At the end of January, we were informed by the State Board that this was basically their allocation and we would have to sign the contracts if we wanted to participate in these grant programs. Over the course of the next two months, we then began to get indications as to what was being covered under the contracts and what was intended by the State Board. The State Board generally intends for us to reply to them after we sign these contracts with the statement of work or how we are going to spend the money. Once we had a grasp of the understanding of what these contracts were, we then submitted it to the County Legislature, the County Attorney first, he looked at it and said it was fine. We then submitted it to the Legislature and the control board for approval. With respect to the inspector training program, the money for that is primarily to train inspectors on the use of the new voting machines. It is fairly clear now that we will not have new voting machines through out all of this year and probably not through a portion of the beginning of next year, so how we are going to spend that money is very questionable. However what we are going to look at is something like setting up a web-based training center so that inspectors in the outlying areas of the County or those that are not able to make regular scheduled training classes are able to go on the internet and qualify as there is new legislation that requires training each and every year which we are going to try and satisfy somehow through this grant. The other question, and it relates to the inspector training as it does to the polling place access, is whether we are

able to use County employees, employees specifically in place at the Board of Election. So they can go out and evaluate the polling place sites to conduct the training. As far as the inspector training goes, the benefit of inspector training is using people that have the experience to tell them what is going on. As far as the polling place surveys, many of the outer counties, which are primarily smaller counties, much less number of polling places, have inducted the surveys with employees at the Board of Elections either extending the hours that they would normally work part time or hiring new employees. They have recently been informed by the State that they are not entitled to reimbursement, so we are looking to see if this is paying us for handicapped cones and markings or if there is really some meat to the program. That is going to be battled out between some of the counties that had been told initially that it would be reimbursed and covered and the expenses that they had paid. So basically what we have here are contracts that, because of the how and the dates on the contracts that are based on federal legislation, but we got it very late. Some of that money won't even be able to be spent in the time frame that is in the contracts and the State Board has not indicated whether or not it is going to extend the contract dates or not. What we will do is, if the board approves the contract, is to prepare a statement of work as to what we feel we want to do under each of the contracts. We will send a copy to the board as we will to the State Board of Elections and from that, we will explain what the duties are and primarily our concern is to make sure that any money spent is reimbursed, any money that we spend, we will get back from the State.”

Chairman Baynes: “Great does anybody have questions for the Commissioner?”

Director Keysa: “I assume that these are primarily approved contracts with the State to receive the funds; if you were going to go with another vendor, for example to do some of these activities, you would have to come back to get it?”

Commissioner Mohr: “It looks like we are going to have to go and contract with various vendors such as the point place survey even if whoever we use to utilize this survey will have to be trained. We are either going to have to hire someone and come back or use existing personnel and hire someone to train our existing personnel but we would be back on each of those items.”

Director Kee: “I move approval of the three resolutions for the Erie County Board of Elections.”

Chairman Baynes: “Thank you Commissioner.”

Director Kee moved to approve the contract 7-2, 7-3 and 7-4 as presented and Chairman Baynes seconded. Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 07-46

**APPROVING CERTAIN CONTRACTS SUBMITTED BY THE
ERIE COUNTY BOARD OF ELECTIONS**

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, by 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 submitted by the Erie County Board of Elections for receiving various grant funds as listed on the attached document.

Department	Description	Amount
EC Board of Elections	Receiving Grant Funds – New York State – Contract with NYS to implement programs the educate individuals on the proper use of voting systems	\$583,803 – Local share of 5% of spending

EC Board of Elections	Receiving Grant Funds – New York State – Contract with NYS to establish, expand and improve access to and participation by individuals with a full range of disabilities in the election process	\$291,901 limit – No local share
EC Board of Elections	EC Board of Elections – Receiving Grant Funds – New York State – Contract with NYS to establish, expand and improve access to and participation by individuals with a full range of disabilities in the election process	\$140,234 limit – No local share

* EC – Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman, item 7-5 on the last page that the Erie County Central Police Services purchase a contract regarding 800 Mh, we just had a few general contract on what this contract entails. I believe the Assistant Commissioner Sterner is here, I stand corrected Mr. David Sterner.”

David Sterner: “Hello my name is David Sterner. I work in the administrative offices of Central Police Services. Commissioner Comerford was unable to attend today’s meeting; he is representing the County at a national disaster preparedness conference. A brief history, the County has been looking at upgrading the public safety communication system for a number of years Ms. Kee and Mr. Kruly may very well remember the County put out an RFP many years ago. The cost to update the system was nearly \$60 million. In the meantime, as a result of September 11th, New York State has put a priority on upgrading inner-operable public safety communication process in the state. They also did an RFP selecting Maycom as the vendor for the project, and Erie and Chautauqua counties were selected as the first counties to go with this state-wide system. Essentially, the \$1,350,000 contract actually is a purchase of hardware, software and other vendor services. We are asking for an umbrella type of approval for future funding and that is basically tied to the amounts in two grants. I believe we attached the general details of the two grants. The state-wide homeland security program, which is in the amount of \$1,250,000, and \$100,000 comes from law enforcement terrorism prevention program which comes in the amount of \$100,000. Both of those programs are specifically earmarked to provide the localities with funds to upgrades the interoperable public safety community systems. Maycom has a contract with New York State. All the purchase will be made using New York State pricing and we are asking for board approval up to the limit of the amount that are in those two grant programs; it is 100% State funded.”

Director Kee: “Move approval.”

Director Johnson: “I have just one question Mr. Chairman. What agency in New York State are the dollars coming through?”

David Sterner: "The contract with Maycom is through the state-wide wireless network department"

Director Keysa: "I will second the motion. I also have one question here. I recall as the Chair as the Emergency Services Steering Committee nine or 10 years ago putting out a letter to the fire companies, among others, to ask their comments and so forth on this program. There were still questions at that time. I am trusting that, over time, some of these have been resolved. There was a concern about paging, that the fire departments page right now, and that with the other bandwidths that they are using, they can actually hear and use that same pager unit to listen to what is going on as they are responding, so that they are able to get some sort of idea where the fire might be or the activity might be. There was concern that such paging would be restricted, and others would not be able to listen in and there were issues after that. Has that been resolved?"

David Sterner: "Yes. Basically, what we are doing is providing an entire infrastructure back-up technical platform where all the public safety and emergency service agencies can talk to each other throughout the state actually."

Director Keysa: "You also had a concern at that time with the cost, and again my recollection was \$50 million."

David Sterner: "\$56 million exactly."

Director Keysa: "Right, and it was an enormous cost to get into this, and a number of agencies or municipalities, Amherst comes to mind, that went off on their own and did their own communications systems at that time. How many municipalities have done that in the intervening time frame and will they be integrated into this system at some time point?"

David Sterner: "The answer to the first question is primarily Amherst, and there are several others, but not to the extent that they can communicate with other departments in their own areas."

Director Keysa: "Strictly internal?"

David Sterner: "Exactly right, the backbone is that this department makes the project."

Director Keysa: "The other point that I saw in that is that you are focusing on the Sheriff's department and the southern portion of the County; is that because of the need for repeaters?"

David Sterner: "Yes sir."

Director Keysa: “Is that because you are having difficulty communicating over the hills and ridges?”

David Sterner: “Historically, the communication in the southern part of Erie County, especially over the terrain, has been the most problematic area and that this is what we are addressing first and foremost on the project.”

Director Keysa: “Thank you.”

Chairman Baynes: “Any further questions for Mr. Sterner. Thank you very much. We have a motion already for 7-5 and it has been seconded by Ms. Kee.”

Director Keysa: “She moved it and I seconded it.”

Chairman Baynes: “Okay. Any further discussion or amendments?”

Without further discussion the board voted unanimously to approve the following resolution:

Resolution No. 07-47

APPROVING A CERTAIN CONTRACT SUBMITTED BY
ERIE COUNTY CENTRAL POLICE SERVICES

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, by 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 said contract via written correspondence to each ECFSA Director;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract submitted by Erie County Central Police Services for build out of 800Mhz project as listed on the attached document.

Department	Description	Amount
EC Central Police Services – Purchase Contract – MA/COM	Erie county was selected as the location for first build-out and test of 800Mhz project	\$1,350,000 – 100% NYS reimbursed

* EC – Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman.”

David Sterner: “I have a second item.”

Executive Director Vetter: “You do?”

David Sterner: “Consulting contract with Kendle and Associates”

Executive Director Vetter: “That was in the batch that was approved already.”

David Sterner: “Okay. Thank you”

Executive Director Vetter: “Mr. Chairman, page 8 item number 1, there is a purchase contract for inmates at the holding center and correctional facility. I believe I see Chief Doyle and Mr. Cook. There is really a question regarding two issues; one is the need for the contract based on the September 2003 declaration of emergency and the second being on the alternative to this because there has been different interpretations of this plan in the past; some of this on 340B and special pricing for prescriptions.”

Chief Doyle: “Good afternoon, we are asking permission to pay an organization called Metcare Rx for providing prescription medication to our inmates. As you well know, we are required to provide medical services including prescription medication to inmates in the correctional facility and holding center. About three years ago, almost four now, we lost our pharmacists that we had on staff. It is extremely difficult for governments to hire pharmacists at this point in time because they are in demand and command high salaries. Right now, we haven’t been successful in putting a position

together that would pay enough for someone to take the job. Metcare Rx was at the time in 2003 available, they were in the process of setting up a kiosk in ECMC at which time there were plans to expand it to either ECMC or ECMC pharmacies, an employee network pharmacy for Erie County's employees and a bunch of other plans some of which have come into play and while some that haven't gone with Metcare Rx, they have been providing prescription drugs for us since that period of time. We have been through numerous planning sessions, meetings, discussions since that time, legal proposals in the interim three and half year, and there is no final resolution to this day. We have to provide.... The Sheriff's Office is required by the State..., we have to provide prescription medication, we don't determine where the prescription medicine comes from; we are asking that they get paid for what they have provided for us this far. I know that there are questions, I just want to through that information and provide answers to whatever questions you may have."

Director Kee: "Hello."

Chief Doyle: "Congratulations!"

Director Kee: "I am just curious how we can go this long without paying a vendor who has delivered services and product?"

Chief Doyle: "They are at the stage that they will cut us off; however they are in discussion with us and the County about the processes here today and that they should be receiving payment."

Director Kee: "I think that a vendor that provides a service should be assured at least an adequate time period for getting reimbursed for services rendered and you say that are doing this since 2003?"

Chief Doyle: "No they have been paid."

Director Kee: "They have?"

Chief Doyle: "Yes, they have. The most recent event that has occurred is the questions have been raised. I am sorry; maybe I should have explained that too. All along they have been getting paid, because this about a \$1.2 million expense per year."

Chairman Baynes: "So this is for a one year period?"

Chief Doyle: "This is actually shorter than that at this stage; we owed them payments since January. Maybe Mr. Cook can come up and assist me on that specific question. This is a partial year's payment because we are in discussions with the Purchasing Department, the Department of

Budgeting, Erie County Medical Center and the Department of Health on how to proceed in the future. How long is this for?"

Mr. Cook: "This is for the beginning of the year to almost current because, obviously, they are billing for prescription drugs provided today and we are asking for the total budget line that is in place for the year here today, so that we can continue with the service."

Chairman Baynes: "So this is not for just a seven month period or six month period; this is for the whole year and you owe money from May 15th backwards?"

Mr. Cook: "Correct."

Chairman Baynes: "Okay."

Chief Doyle: "However, we would be able to exit at any time if we engage a local area hospital, for example the Erie County Medial Center or a local pharmacy, but one of the problems is that is a large dollar figure. There is also the Youth Detention Facility involved and now the relationship between the County and ECMC cause complications that have to go through many layers of bureaucracy for lack of better words. What will happen six months from now, I still can't tell you, the Sheriff's only interest in this process is that prescription drugs are provided to the inmates in our care and custody in a most efficient and cost-effective manner."

Chairman Baynes: "And at this point, this is the most efficient and cost-effective manner?"

Chief Doyle: "Right now, we are told that we are getting the drug cheaper than we could through any other process including what is called 340B. We are told that Med Care is beating 340B prices and the surcharge is a dollar a prescription so we are getting the dugs at their cost plus one dollar per prescription and that is the cheapest, even when I have talked to other entities at this stage."

Director Keysa: "This is a for-profit corporation?"

Chief Doyle: "Yes, they are based out of NYC and are looking to come to here under some grand schemes some of which didn't take place but they do have a kiosk on the first floor of ECMC and act as both a public and employee pharmacy."

Director Keysa: "Is there any intent to bid this?"

Chief Doyle: "Yes, there is intent to bid this if an alternative is not the proper way to go and what I mean by that is, for example, prior to ECMC becoming a CC we were in discussion stages of them taking it over. Now that they are a

PBC, can we go to them without a bid? We don't know; it is something that is in legal's hands that they are analyzing. We are also tied up in umbrella agreements between the County of Erie and the medical center. The question is: Should we just put it out to bid? Should we go to ECMC because of our relationship and quasi-governmental entities working with one another? Those are issues that are being handled through purchasing, legal, budget and through the health department."

Director Johnson: "My question is: What would be regulations under the auspices of the NYS Commission on Correction that govern this direct us to do? Do they direct us to do a bid?"

Chief Doyle: "The COC simply directs us to provide proper medical care to our inmates but the COC does not specifically oversee this in depth. The NYS Department of Health would, the DEA would, if we need a pharmacy license but the COC simply mandates proper medical care."

Chairman Baynes: "You can terminate this at will?"

Chief Doyle: "Yes"

Director Kruly: "Mr. Chairman, I think it is kind of incredible that we have a million dollars plus contract operating for three and half years without being put out to bid. I would only approve this perhaps for half providing that either bids be taken or that reasons why they cannot be taken be produced in the next six months. I know that the service needs to be provided; we cannot cut that off, but I think we have to do this in a better way."

Chief Doyle: "The Sheriff's Office has no opinion on whether there should or should not be bid. Med care was recommended to us by the County Department of Health. We would be in full agreement with that. We are required to provide the drugs and we believe that Metcare Rx is a responsible vendor and is in the best interest of the tax payer but I am not arguing that they have to continue the business they are just the ones that we were told to go with."

Chairman Baynes: "So follow up on Mr. Kruly's suggestion. Would the Sheriff's Office put out the RFP or the Health Department?"

Chief Doyle: "Actually, Purchasing would put out the RFP. The Sheriff does not issue his own bids, generally speaking. We work in conjunction with the Department of Purchasing because, especially some of these items that are monthly and expensive like food and prescription drugs, we assist each other as much as possible, but it is the Department of Purchasing that monitors that type of thing."

Director Johnson: “Mr. Chairman, Metcare Rx is an out-of-county firm?”

Chief Doyle: “Yes.”

Director Johnson: “For-profit?”

Chief Doyle: “I think so, yes.”

Director Johnson: “They would also be involved in the dispensing of prescription drugs to those youth who are detained at the EC Detention Center?”

Chief Doyle: “I actually, don’t know who the vendor for the Youth Detention Center is. We only pick up our own drugs. That is one of the discussion points, though, in what should we do. Should we try and loop it together with the Youth Detention Center, but I don’t know who provides drugs to them.”

Executive Director Vetter: “Mr. Chairman, could I suggest, based on the comments that have been made here to the members, that a motion be made to approve a purchase contract with Metcare Rx for \$550,000, and that within 60 days a proper bid be made for those services?”

Chairman Baynes: “Will that make you whole?”

Chief Doyle: “Yes, we owe them so far about \$249,000; that is our outstanding debt. I did not realize it was that high. If you approve \$550,000, that would probably only carry us a couple of months, not to say that...”

Chairman Baynes: “So you are going to need the whole amount? Why don’t we approve the whole amount with the stipulation that they put an RFP out some time this year?”

Chief Doyle: “We could have a report put out in three months of our status. We just met with the County Department of Health yesterday in trying to discuss some of the medical issues. We have had issues with the way Medical Services have provided service.”

Chairman Baynes moved to approve the contract 8-1 in the whole amount but to request that an RFP be done within the next 6 months and Director Kruly seconded. Without further discussion, the board voted unanimously to approve the following resolution:

Resolution No. 07-48

APPROVING A CERTAIN CONTRACT SUBMITTED BY
THE ERIE COUNTY SHERIFF’S OFFICE

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, by 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 said contract via written correspondence to each ECFSA Director;

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract submitted by Erie County Central Police Services for pharmacy services as listed on the attached document.

Department	Description	Amount
EC Sheriff’s Office – Purchase Contract – Metcare Rx	Pharmacy Services and purchase of inmate prescriptions for Erie County Holding Center & Correctional Facility	\$1,100,000 – All local share

* EC – Erie County

This resolution shall take effect immediately.

Chairman Baynes: “Thank you very much Chief.”

Executive Director Vetter: “Mr. Chairman, the last item I have on my list, item 8-2 is an item from the last meeting. I see Mr. Gervase and Mr. Beam are here. I think

the last time Director Kee has looked for a *pro forma* and that has been received and distributed and, really, a second issue with regard to the contract staffing and approval of personnel, because simultaneously you are requesting approval of a contracting agency, DISS, which has gone to the County Personnel Committee for a staff approval and members are looking at a reconciliation of those two items.”

Director Kee: “I have not other questions.”

Director Keysa: “I think the materials that you submitted were very useful and, in fact, I congratulate you on the savings that you have made to this point. As we said, the question here and Mr. Executive Director Vetter has noted it, is that you have asked the County for approval of additional personnel.”

Mr. Beam: “We are looking for one laborer that we used from the budget earlier in the year. Right now, I am using two people that I told you about at the last meeting that are working out of title to come up to the mail room for an hour each day to help sort out mail and get things prepared. This person would do those same duties and would resume delivering and picking up any departmental mail. Right now, we have probably higher-paid people coming down from departments to handle this issue. This would apparently save costs.”

(Chair Baynes briefly left the meeting to stretch his back.)

Executive Director Vetter: “Our Chairman will be back momentarily. Maybe in the interim, there is one other item. If Commissioner Loffredo is here and maybe for a moment or two until Mr. Chairman Baynes comes back. Mr. Loffredo.”

Director Keysa: “He is back.”

Executive Director Vetter: “Okay, Mr. Chairman I guess what I would suggest is that a motion be made to approve at this point on contract 8-2.”

Chairman Kee moved to approve the contract 8-2 as presented and Director Kruly seconded. Without further discussion, the board voted unanimously to approve the following resolution:

Resolution No. 07-49

APPROVING A CERTAIN CONTRACT SUBMITTED BY ERIE COUNTY
DIVISION OF INFORMATION AND SUPPORT SERVICES

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, by 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, a “Responsible Official” as defined in Resolution 07-10, has duly submitted a request for review of the attached contract; and

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

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA approves the contract submitted by the Erie County Division of Information and Support Services for outsourcing of the County’s pre-sort first class mail service for the period March 1, 2007 through February 28, 2008.

Department	Description	Amount
EC Division of Information & Support Services Purchase Contract	Pre-sort mail service – IMS of WNY – Erie County has made the management decision to outsource mailing as opposed to purchasing costly new equipment.	\$140,000

* EC – Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Two other items really quickly; Commissioner of Public Works John Loffredo is here and there will be a number of contracts that are coming to the Authority from his department and he has asked for a moment or two to present something so this may save the board members a couple of questions in time and processing of these items, in terms of contingencies and how the contracts are put together.”

Commissioner Loffredo: “Thank you for the opportunity to speak about construction contingencies which are probably part of every contract we send over

here. I will be very brief and just let me outline some things we did in the chart we came up with that might be helpful. First off, construction contingencies in Public Works contracts are a necessary way of life because there are a number of different things we have to deal with.”

“Mainly we have project schedules. We want to produce a product with the minimum amount of cost and sometimes we are mandated by other State agencies to address the project. Let me talk about these schedules, well let me just skip to how much contingencies should the projects include. The new Legislature asked that question, and they asked that the Public Works Department investigate the history of their projects, how much in contingencies did we normally need for projects and then come up with a chart that they could review and approve so that any project that we brought before them would contain contingencies in the amount that they approved up front. So I would like to hand out the chart to you.”

Director Keysa: “The usual, in my recollection was 10%, and you are indicating that 10% is obviously middle of the road and variable. When you are dealing with historic buildings, I am assuming, when you open up the walls, you find things?”

Commissioner Loffredo: “That is normally what happens and they are normally not good things so we came up with the chart and it really came in different groups. New buildings, road, bridges, rehab structures, etc. and then there is one really strange thing with historical buildings which we found out when we did the courthouse project of Old County Hall that is in a group all by itself. Hopefully we never do another project like that; it was very expensive.”

Director Keysa: “You did a very good job on that, and it will be there very long time even after we are gone.”

Commissioner Loffredo: “Yes, I think it turned out well. I don’t know if you got a chance to see it. It did turn out well. Anyway we broke it down into three groups. Easy, average and difficult and you can see the span there. So with this chart this is what we go by and it’s not to say that if we think it is going to be less for some reason we would go to a lesser amount but these are our normal amounts, so this is what we use for the Legislature so when you see things come over here it will fall in this group and that will be for Highways and Buildings.”

Executive Director Vetter: “Mr. Loffredo, thanks. Again, this was information that will be valuable before getting these contracts to stave off a series of questions going back and forth.”

Chairman Baynes: “Commissioner, thank you for your presentation.”

Director Keysa: "I recall a conversation we had about 9-10 years ago; you don't like to go back before the Legislature twice, do you?"

Commissioner Loffredo: "No."

Director Keysa: "I take it you don't like to come before other boards either?"

Commissioner Loffredo: "You're right, thank you."

Executive Director Vetter: "Mr. Chairman I guess that there is one more item that is not on this list. Our legal counsel, Mr. McNamara, has some clean-up language with regard to the tax lien proposal from the previous meeting."

Mr. McNamara: "That is correct, Mr. Vetter. There were some parliamentary loose-ends left in passing the resolutions at the May 3rd meeting relative to Xspand. At the beginning of the discussion of the Xspand proposal, there was a motion made by Secretary Keysa and seconded by board member Kruly to approve the proposal. After that motion was made and seconded, there was a lengthy discussion and question and answer period and then that motion was never voted upon. Other resolutions were made, seconded and passed but the initial motion that was made and seconded was not voted upon at the conclusion of the meeting. So to clean things up, Mr. Chairman, I would recommend that you take a vote now on the motion that was made at the May 3 meeting to approve the Xspand proposal upon the terms stated in the proposed agreement that were submitted with the Counties April 27th contract approval request."

Chairman Baynes: "Could we have a vote?"

Mr. McNamara: "Let's have a roll call vote here."

Director Keysa: "Mr. Chairman, I would like to note that I moved that to get that on for discussion, and that remains so."

Chairman Baynes: "Do we need a motion?"

Director Keysa: "No we don't need a new motion."

Chairman Baynes: "Okay Secretary, could you take roll call?"

Director Keysa: "This is a vote to approve the both the 2003-2005 as well as the 2006 and forward sale?"

Mr. McNamara: "That is correct."

Director Keysa: “Okay, I just want to make that clear.”

Director Keysa began a roll call of Directors.

Director Johnson: “Aye”

Director Kruly: “Nay”

Director Kee: “Aye”

Director Keysa: “Nay”

Director Kee: “Mr. Chairman, could we restate the motion?”

Mr. McNamara: “The motion made and seconded on May 3rd was to approve the Xspan proposal on the terms stated in the April 27th submission.”

Chairman Baynes: “Let’s have a vote on that; let’s start over, Secretary Keysa.”

Director Keysa again started a roll call on **Resolution 07-50.**

Director Johnson: “No”

Director Kruly: “No”

Director Kee: “No”

Director Keysa: “No”

Chairman Baynes: “No”

Director Keysa: “There are five nays, no ayes.”

Mr. McNamara: “After that motion has been addressed, we need to circle back and take care of the motions that were passed out of order at the last meeting and those were embodied in resolutions 7-31 through 07-36 as circulated to the Board and signed by Secretary Director Keysa.”

“Mr. Chairman I would suggest that with respect to those resolutions that were passed out of order that you make a motion now to rescind those resolution for the purpose of passing a new consolidated resolution in the form previously circulated to the board with respect to the board’s action on the Xspan proposal.”

Chairman Kruly moved to approve the contract resolution as presented and Director Johnson seconded.

Chairman Baynes: “Any amendments or discussion?”

Director Keysa: “On discussion, I believe that the motions that were made still stand on their own. I grant you, they were out of the sequence; that would be nice to have corrected, but I think they were a valid expression of the desire of the board with regard to each aspect that was covered there. I understand that a consolidated motion at this point would be appropriate and I think that that can be composed of the different elements that are contained in those separate resolutions and that it may not be a bad thing to have, so that they have one document that addresses all of these different points. I don’t know that it necessarily had to be in the specific series of steps that the discussion evolved last time. That would be my discussion.”

Chairman Baynes: “Any other discussion? Could I have a roll call vote?”

Director Keysa: “This would be a motion to rescind the various resolutions from our last meeting?”

Chairman Baynes: “Correct.”

Director Keysa: “Would you like a roll call vote on that?”

Director Keysa conducted a roll call on **Resolution 07-51.**

Director Johnson: “Aye”

Director Kruly: “Aye”

Director Kee: “Aye”

Director Keysa: “Nay”

Chairman Baynes: “Aye”

Mr. McNamara: “You all have before you a set of resolutions that have been previously prepared and circulated to you that will better dispose conditionally of the Xspan contract and those resolutions as passed would be replaced but they will be substantively the same as the resolutions that were just rescinded. So Mr. Chairman, I would recommend that you now ask for a motion and take a vote with regard to the previously-circulated resolution that would consolidate and restate but be substantively the same as the resolutions that were passed at the May 3rd meeting.”

Chairman Baynes: “May I have a motion?”

Director Johnson: “Just a second, counsel, are we speaking of the Resolution 07-37?”

Mr. McNamara: “It presently circulates as 07-37 but that numbering won’t stand given the other resolutions that were passed prior to this point at this meeting.”

Director Keysa: “I would suggest that we strike the number there because that is not in sequence tonight. A different number will have to be assigned to it but essentially it the same, rejecting certain portions of the Xspand contract.”

Director Johnson: “Shouldn’t we assign the number tonight?”

Director Keysa: “The best way to actually assign them is after we do the minutes, because we find that there are a sequence of resolution that are adopted over the course of the meeting and if we try and pre-identify those it may be out of the sequence with what finally is adopted during the meeting. That is part of the confusion that we had with the last meeting.”

Chairman Baynes: “Do I have a motion with regard to Mr. Mr. McNamara’s statement?”

Director Kruly moved to approve the contract resolution as presented and Director Johnson seconded. Without further discussion the board voted by four ayes (Directors Johnson, Kruly, Kee and Chair Baynes) and 1 nay (Director Keysa) to approve the following resolution:

Resolution 07-52

CONDITIONALLY APPROVING ELEMENTS OF THE XSPAND
CONTRACT

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, by 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, a “Responsible Official” as defined in Resolution 07-10, has duly submitted a request for review and approval of a Purchase and Sale Agreement between Plymouth Park Tax Services, LLC (“PPTS”) and the County, as well as a Sale and Assignment Agreement between PPTS and Erie Tax Certificate Corporation (“ETCC”);

NOW, THEREFORE, BE IT RESOLVED that the ECFSA approves the sale of the County’s interest in tax liens from the Erie I, II, III, and IV Transactions with Erie Tax Certificate Corporation, subject to the following conditions:

- (1) Because any revenues from the sale of tax liens are “one shot” in nature, any and all proceeds from such sale must be deposited into a reserve fund to enhance the County’s reserves, and to assist in meeting the 5% level referenced in the County Charter, as revised by referendum on November 7, 2006.
- (2) The sole member of the ETCC must resign as such at the end of his current term as County Executive.
- (3) The ECFSA must receive reasonable assurance that the County Executive shall henceforward serve the ETCC only in a capacity as an *ex officio* member.
- (4) Appropriate officials must authorize the ECFSA to audit the ETCC’s books and transactions, dating to its inception in 2003.
- (5) The ETCC must comply with the provisions of the Public Authorities Accountability Act on or before July 20, 2007.

BE IT FURTHER RESOLVED that the ECFSA disapproves the sale of the County’s 2006 tax liens, and the option to purchase future tax liens, as outlined in the attached Purchase and Sale Agreement between PPTS and the County.

This resolution shall take effect immediately

Chairman Baynes: “May I have a motion to adjourn?”

Director Kee moved to adjourn and Director Johnson seconded. Without further discussion the board voted unanimously to adjourn at approximately 5:55 p.m.

Respectfully submitted,

Stanley J. Keysa
Secretary
June 8, 2007