Erie County Fiscal Stability Authority
Minutes of Board of Directors Meeting held November 30, 2007

The meeting was called to order at 1:00 p.m. in the auditorium of the Buffalo & Erie County Main Library in downtown Buffalo. Present were: Vice Chairman Robert Glaser, Secretary Stanley Keysa, Director Kenneth Kruly, Director John Johnson and Director Joseph Goodell

Vice Chair Glaser: "Welcome everybody to another meeting of the Erie County control board. We have just a few items to cover. It is not a lengthy agenda but primarily contracts. With that I will start with the first order of business which is the approval of the minutes of the November 2, 2007 meeting."

Secretary Keysa: "Mr. Vice Chair, you have those in front of you. You may have not gotten a chance to read them because they got printed rather late this morning. If anybody has not had a chance to read them, they appear to be in order."

Vice Chair Glaser: "Very good; could I get a motion to approve?"

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

<u>Resolution No. 07-109</u>

APPROVING MINUTES AND RESOLUTIONS FROM NOVEMBER 2, 2007 MEETING

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its November 2, 2007 meeting and ratifies and affirms eight resolutions numbered 07-101, 07-102, 07-103, 07-104, 07-105, 07-106, 07-107 and 07-108 that were approved on November 2, 2007.

This resolution shall take effect immediately.

Vice Chair Glaser: With that we will move right in to the contracts. Executive Director Vetter, if I could turn this over to you to take us through the contract matrix today?

Executive Director Vetter: Mr. Vice Chairman, there are a number of contracts in the contract matrix that were sent out to members of the board for their review and you have received information on the contracts over the past couple of weeks. On pages 1 and 2, one page one items 1-1 through 1-6 and on page 2 items 2-1 through 2-4, ten contracts in total appear to be regular County business that have gone through the standard approval processes for which no one had significant questions. Staff has reviewed them and is recommending approval of those items. I would suggest, at this point, that a motion be made for approval and that if there is any additional discussion that that can occur.

Vice Chair Glaser: "Could I get a motion for approval?"

Director Johnson: "Mr. Vice Chair, I will make a motion for approval but I do have a question for our Executive Director."

"On items 1-4 through 1-6, since there is no local share involved; I am assuming they are all State grants. Do we know what the maintenance of efforts requirements are?"

Executive Director Vetter: "These are grants in which the County has to perform those services. There is no local share on any of these items so as far as I understand, like for instance 1 through 4…,well actually 1-4 was approved previously, but the amount that was submitted by the County was incorrect. So this is actually a resubmission of a previous contract and these items are on-going grants that have been there for extended period of time. I'm sorry; #1-5 is an on-going grant that has been there for an extended period of time. Item 1-6, my understanding right now is that this is a current grant that is primarily for getting supplies for analyzing fluids and tissues. I don't know if the support will continue for that in the future but my understanding of the budget for this particular item is that this would be primarily but not solely for the purpose of equipment that would not have to be replicated in the future. Hopefully that addressees your question?"

Director Johnson: "It does answer the question but I wanted to point out something though. This Authority must be cognizant of when there is a request to perform certain functions by a State agency on grants, there are applicable grant periods whether it is 3 years, five years, etc. and a "maintenance of effort" requirement and I would not like to have this Authority be confronted with somewhere in the very near future of someone saying that they need a lump some of cash to take care of the maintenance of effort requirements on those grants that we previously approved."

Executive Director Vetter: "Mr. Johnson, I would like to point out that, in the attached contracts to these items, that they do have standard language where, if the state money is no longer approved for these items, that there is no longer any pass-through money, that the County is not required to extend the programs. The County can continue on its own volition, but they are not required under the language that has been stated there."

Vice Chair Glaser: "There is a motion on the table to bundle these, could I get a second?"

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

Secretary Keysa: "Just for the record, these include items 1-1 through 1-6 and also items 2-1 through 2-4?"

Vice Chair Glaser: "That is correct."

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

<u>Resolution No. 07-110</u>

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

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority ("ECFSA") to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to "oversee [Erie] County's budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability;" and

WHEREAS, the ECFSA first imposed a control period upon the County of Erie (the "County") by adopting Resolution 06-49 on November 3, 2006; and

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

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

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

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

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

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

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

Department	Description	Amount
EC Attorneys Office	Settlement of Legal Claim - Green Vs. Erie County	$90,000– all local share
EC Attorneys Office	Settlement of legal Claim - Busalachi Vs. Erie County	$85,000 – all local share
EC Central Police Services	Service Contract – Securitas USA – Security at the Public Safety Campus	$64,158-grant, no local share
EC Health Department	Service Contract – Harlem Road Associates – Leased space for WIC – Amount correction from contract that was approved on 11/2	$69,525 -5 year – no local share
EC Department of Health	Service Contract - Lake Shore Behavioral Health SPOA Grant – Chemical dependency initiative for children	$4,943,514 – no local share
EC Department of Health	Receipt of Grant Funds/Purchase Equipment - DCJS – Supplies for analyzing fluids and tissues	$60,800.00-grant – no local share
EC Environment & Planning	Construction Contract– Sewer District No. 3 – Boston Valley sanitary extension	$206,820.00 – all sewer district funds
EC Environment & Planning	Service Contract – Waste Management – Disposal of sewer incinerator ash Additional funds needed	$40,000.00 – all sewer district funds
EC Environment & Planning	Change Order, roof replacement – S&W Contracting – Change order to roof repairs	$3,500 – capital funds
Erie Community College	Purchase Contract - Duct work – Lovejoy metals – Contract approved on 10/22 for $70,000 Requires increase to $77,787	$7,787.00 – all college funds

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Vice Chairman, if I could, the items on page 3; #3-1 through #3-6 are for individual consideration. These are items for which there have been questions or the items have been tabled in the past or were received late. There is one in particular which for which we had scheduled this meeting because of an immediate request from the Sheriff's office. That is item #3-1 regarding uniforms. Could we have Mr. Doyle and/or Mr. Cook come up to speak to those particular items?"

Undersheriff Doyle: "Good afternoon everybody, Brian Doyle, Under-Sheriff of Erie County for the record. Sorry to ask you to convene this meeting just for this purpose. As I have become aware, some other matters have been added but I appreciate the meeting being called and I thank you Mr. Vetter for your help. The reason why we have to ask you to consider this matter for today is because this is a union contractual obligation between the County and the Sheriff's office to provide a so called uniform voucher to all employees of the Sheriff's office that are either in the PBA and/or Teamsters Union. The purchasing department required that this matter be bid. I have the time line but basically the contract was received by the Sheriff's office after the bid opening on 11/19/2007 and we returned that to purchasing on 11/20/2007. The obligation under the collective bargaining agreement is that employees were suppose to be able to purchase items of the list with their voucher starting the first week of November. We are already late. Secondly, we would like to complete the process by the end of the year just to make billing and payment easier. This program was negotiated with the two unions so that they could purchase items for their uniforms and, not to overuse the word, have uniformity in uniforms throughout the Sheriff's office. We would like to purchase items for their uniforms so that we could regulate where they can buy it, what they are able to buy and when. The cost of the item is about $158,000 for both unions combined splitting that out to about $112,500 for the Teamsters and about $45,500 for the PBA. That is just a function of $250 per employee."

"So if I can answer questions, we would ask that the Board consider this matter and approve it. There has already been a grievance filed on the fact that we have not started the process. United Uniforms gracefully agreed to at least accept orders. In the mean time, our employees have been able to go there (they were the successful bidder) and order items. There is a grievance filed and passage today, if this body decides to do so, will help eliminate any kind of litigation over the issue."

Vice Chair Glaser: "Does anyone have any questions regarding that?"

Secretary Keysa moved to approved, Director Johnson seconded, and the Directors voted unanimously to approve the following resolution:

Resolution No. 07-111

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

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

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

WHEREAS, the County Executive or a "Responsible Official," as defined in Resolution 07-10, has duly submitted a request for review of the contract 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 Sheriff's Office for the purchase of uniforms as listed on the attached document.

Department	Description	Amount
EC Sheriffs Department	Purchase Contract – United Uniforms – Uniform allowance	$158,000.00 – all county share

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Vice Chairman if I could, the second item is regarding the Administrators Association contract for ECC. This is an item that is on the table at this point. I believe that Mr. Reuter the Interim President of ECC is here to speak to the basic analysis of the agreement. A financial impact analysis was sent out to the Board and you do have individual copies."

William Reuter: "If I could give a very brief executive overview it may have been distributed to Mr. Vetter. This contract was negotiated by ECC and the Administrator's Association of ECC. As you may or may not be aware we have two unions that are specific to ECC; they are the Faculty Federations and the Administrators Association. Before the body became a hard control board we entered into contract with the Faculty Federation. They are two other unions at the college that are part of a county-wide collective bargaining agreement that is the AFSCME the blue collar contracts and the CSEA the white collar contracts and those has been without a contract for many yeas. Throughout the summer, myself and with help form the expert assistance of George Loncar who is the Director of Labor Relations in Erie County, negotiated with the UAW and the Administrators Association and we really focused on creating a win-win we focused on what items were of the upmost importance to the college and what was the upmost important to the Administrators Association. The only direction that the BOT of ECC gave me was to come up with a program that is cost neutral so whatever additional costs that were part of the contract, there would be some sort of cost savings that offset those additional costs. The number of employees that are covered are roughly 110 employees in our operating budget, 24 full time in our grant budget. Total salaries are just about $7.3 million, another $2.6 million in fringe benefits so you are looking at a total package of about $10.1 million plus or minus. Obviously negotiations always start with what is in the contract and what the current employees will get within that contract and Administrators Association wanted to protect the current benefits that current employees were receiving. Knowing that we focus on trying to make some concessions on future employees, any employees who are on after the effective date of the next contract and that has provided an opportunity for the savings that will pay for the increase costs. The major elements of this contract are a 3% cost of living increase for each year. The contract, as Mr. Vetter's analysis shows that there is an additional cost and that is the major cost item. We also reached an agreement, there was a very costly benefit in the old contract. That was a retirement incentive that was a 100% of individual salary regardless of number of years of service. That ended on January 31, 2006. The college sustained a payout of $870,000 for 8 employees. So we started negotiations and that was primary on my list of items to remove from the contract. What we did was structure part of the agreement to do a target incentive of $1,000 per year of service and a fixed dollar amount that is a liability to the college of $150,000 the first year, $175,000 in the second and $200,000 in the years three and four. That is an amount that we can now budget; we know what the financial impact will be over the next four years and that is at most 6 employees retiring in year one, 7 in year two and 8 in years three and four; that totals 29 employees. As of today we presently have 35 employees that would be eligible to retire at 55 years old and ten years of service. Over the next four years we will have another thirteen employees. So the number of eligible employees greatly exceeds the retirement benefit that was structured. The major positives to contract, as far as the college's perspective, are on fringe benefits. Presently any County employee hired after January 1, 1993 pays 5% of their health insurance. Health insurance presently is almost $12,000 for family coverage, it is like $11,990. What is negotiated in part of this contract is that new employees hired after September 1, 2007 would be paying 15% versus 5% of their health insurance for full time family coverage."

"The other major change is, well our operation is somewhat unique in many respects. We use a great mix of what is called an RPT employee and PT employees. RPT employees are anyone who is employed to work in between 20 - 39 hours. A part time employee works 19 hours or less. Under the previous contract, an RPT employee receives half leave accrual, so they have half the sick leave and half the holidays but they had 100% of health insurance paid for, this contract negotiated that RPT employees will be entitled to one half of health insurance; thus any RPT employee that is hired by the college will actually create $6,000 in savings. The long and the short of it is that we believe that, financially, this is within our operating budget. We are not seeking any increase from the County; this will be financed within our operating budget. As you are aware, our operating budget begins September 1st so the 2008 County budget will contain our subsidy payment that is for our current fiscal year and that amount is in the proposed Erie County budget. At this point, I know Mr. Vetter has sent out an analysis, I believe that it shows over the next four years in total and on an annual basis that it makes financial sense. We have a few other things, obviously management controls. We have management controls even if they weren't negotiated. We have a good story to tell. We presently spend $1,606 less per student than the state-wide average; that is 19% less than the state-wide average. If we were to spend what state community colleges do on their students, and there are 30 of them, our budget would increase by $19 million dollars and we presently have a $90 million budget. So I think we have a good story to tell. We have vacancy control and we are aggressively pursuing that and that is the way we are going to achieve financial savings, make sure our budget is in balance in any given year because we are all about people and our budget is 84-86% salaries and fringe benefits so that is the only way we can insure that we end the year with a surplus."

Vice Chair Glaser: "Mr. Reuter, just a couple of questions. One is, are we on a single provider for health insurance?"

William Reuter: "Yes, well the County Executive negotiated directly with all unions including the two specific to ECC. That was for the single provider. One of the negatives obviously, is that they also offered this thing called retirees health insurance and that is approximately 4.6% of our payroll right now that is going to retirees health insurance. One of the things that I actually failed to mention that was negotiated is that we will increase with these new groups of employees by 300 hours. Right now with 2,100 hours they get life time health insurance once they retire, this new group will have to get to 2,400 hours of sick leave accrued in order to gain 100% health insurance. That is going to help us also with day-to-day sick leave."

Vice Chair Glaser: "With that, just as a follow up question. I think the County's future obligation for health care benefits is a billion dollars. With that said, the employees that are at the college, how many years do they have to work before they get full lifetime benefits?"

William Reuter: 'I am not sure Mr. Glaser on the age; right now it is based on sick leave hours. So, the number of sick leave hours…every County employee accrues sick leave at the rate of 3 weeks per year, every pay period they earn 4.62 hours of sick leave. So if you don't use sick leave after X number of years and acquire 2,100 hours; it could be 50 years of age. As long as they have that 2,100 they are entitled to is."

Vice Chair Glaser: "What I really meant was more, I know some municipalities you have to work for 20 years before you get your full lifetime health care benefits, is it two year, five years? How many years does it work with the college?"

William Reuter: "Well 2,100 hours is the amount of sick leave hours that you have to have on the books to be entitled to the full health care. I am not sure if there is an age?"

Vice Chair Glaser: "I'm not looking for age. My point is this…If it is five years, I think that is crazy for them to receive full time benefits and I don't know what yours are and if you are looking at those things in this particular contract."

William Reuter: "You are looking at about 50 weeks of sick leave on the books to be entitled to full time health benefits. So 50 weeks and you are earning three weeks a year, it is going to be about 17 years of service without any sick leave before they would hit that 2,100 hour of sick leave. Again that was a benefit that was negotiated by the County for all unions and we unfortunately had no say at the table."

Vice Chair Glaser: "Help me with this then. Your contract that you negotiated, you can only negotiate certain things, you can't negotiate things that the County has negotiated?"

William Reuter: "We actually in this contract negotiated things outside of what the county had negotiated. There are things like sick leave accrual with eh 2,100 hours, so yes, we have with regards to health insurance."

Vice Chair Glaser: "So then to follow it up, if there are things in this contract that haven't been negotiated by you, should they be negotiated by the County now and should we look at them before we finalize this. It is a four-year contract, correct?"

William Reuter: "Correct."

Vice Chair Glaser: "I mean just to make sure that we look at this whole thing right now rather than have to wait another four years rather than have to wait another four years."

William Reuter: "We had a collective bargaining agreement with two of our unions that are specific to the college when the County Executive and the Administration entered into negotiations with all County-wide unions including ours and had negotiated retirees' health insurance and that possibility always remains because we are joint employers with the County and our two specific unions."

Vice Chair Glaser: "Am I hearing that we shouldn't approve this contract right now?"

William Reuter: "No absolutely not."

Vice Chair Glaser: “Do you think that the County Executive-elect should take a look at it?”

William Reuter: “I would suggest that this would very well be seen as a model for other negotiations. It has certainly paid for itself, it is a win-win, it has moved employees from a health insurance 5% co-pay to a 15% co-pay.”

Vice Chair Glaser: “What I am more concerned with is somebody coming to work for this County for just a couple of years and getting life time benefits.”

William Reuter: “No, it wouldn’t work that way. Just from rough calculations they would have to be a full time employee for over 17 years without taking sick leave for the entire time before they would get that benefit.”

Vice Chair Glaser: “I am very uncomfortable with that piece of this. Is this something that you might be able to talk to someone and get back to us about.”

William Reuter: “I can certainly provide to you all the information on an employees as far as their age, years of service, sick leave accruals that sort of thing.”

Vice Chair Glaser: “I’m not trying to get down on your contract negotiations but on the other hand this is a four-year contract.”

William Reuter: “It is a four-year contract that was negotiated in good faith with our union throughout the summer. The County was at the table, the Director of Labor relations participated in negotiations with myself. It approved by the full Administrators Association, it was approved by the Board of Trustees, the EC Legislature and the EC Executive. So we have had multiple approvals and I do truly believe that this can be used as a model for future negotiations because it has created an environment where future employees are going to start participating greater in the rates for what they are paying for health insurance. I treat the college’s money like it is my own money, which is my fault, and we spend $12,000 on family coverage. If we don’t start making changes, that number is only increasing. I went up over $1,500 in this past year.”

Vice Chair Glaser: “I appreciate your concern here. In our own business, health care costs are tremendous. This is heightened by this huge billion dollar amount that we are facing and we have to take into consideration. How do we expect to manage that, because that is a long term item that we are facing? Are there any other questions that anyone else has?"

Director Goodell: "I would like to make an observation that will partly answer your question, Mr. Glaser. There are some unique aspects about this contract….the main thing is this. I think Mr. Reuter referred to it as the early retirement incentive with the savings projected to be $500,000-$600,000 a year. The finance committee and maybe other board members, I can't recall, we got into this a little bit when the college lost an arbitration proceeding. At the time I looked at this and it was off the wall or over the top depending on how you want to phrase it in terms of what it was going to cost. My first reaction was "who negotiated this?" and for them to get rid of that is a big deal. I think Mr. Reuter has presented a number of steps he had to take to get rid of that. Therefore I would expect that it would be difficult for other County unions to use some of the elements in here as precedent because getting out from under that arbitration award and I talked to Mr. Reuter just briefly before the meeting and he is basically assuming that roughly 2/3rds of those eligible for this benefit would have taken it had it this not been done. I was worried that he may have used a number like 100% and he hasn't so I think on that issue alone that the $500,000-$600,000 are pretty solid numbers and he deserves a pat on the back for getting rid something that someone negotiated that doesn't deserve a pat on the back for negotiating."

William Reuter: "Mr. Glaser as Mr. Goodell was speaking, I looked through and the only thing mentioned in the contract on the retirees' health insurance is that it is predicated on the number of hours the employee has accrued so if they have the hours and are whatever age they are applicable for retirees health insurance. I would have to look further into the contract to see if there are any provision for age of retirement but when I take a quick look, it is strictly based on the number of hours that an employees has in sick leave accrual."

Secretary Keysa: "You may have been asked but I am not sure. You have a set amount of money each year to divide for the early retirement incentive. If you have more people that are eligible than the money will provide for how is that resolved as far as who gets that? Is it strictly by seniority?"

William Reuter: "Years of service and you are absolutely right, that is one of the very attractive elements of the contract. Our exposure is capped. Right now we had unlimited exposure, as Mr. Goodell indicated, but right now is capped. We have 35 employees as of today's date that could technically retire. Our potential liability with that is that for nine employees was $870,000; you do the math, if you multiply that number by four. We have a fixed dollar amount that we can plug into the budget each year; $150,000, $175,000 the next year, $200,000 and $200,000 in the forth."

Secretary Keysa: "So if you reach six people and you are number nine on the list you don't get to go."

William Reuter: "Yes, absolutely, and it is also based on years of service. You have to have at least 20 years of service and you get $1,000 for each year of service between 20 and 25 years. If you have 35 years of service you are limited to $25,000. Our contract with the Administrators Association; there is a lot of knowledge amongst our senior administrators. There are also some huge savings because there are some individuals who know what their job….we are looking at differentials, a minimum differential for starting salaries of $15,000 - $20,000. So if you have been in the County service or college service of 20 years you may be at $70,000 and that same job group at step one you may have come in a $45,000 - $50,000 so you will also have those significant savings that will actually pay for the retirement."

Director Kruly: "Mr. Vice Chairman, just an observation, I spent a lot of time working on the ECC budget when I was the Budget Director. I think this contract that we have in front of us is a very fair and reasonable proposal. It is fiscally prudent and I want to compliment Mr. Reuter and his team for putting this together. I think it is a good model for future things. Thank you."

Vice Chair Glaser: "With that, could I get a motion to approve?"

Executive Director Vetter: "Mr. Vice Chairman from a technical standpoint this item is still on the table so we will need to remove it from the table before we vote on it."

Director Johnson moved to remove item #3-2 from the table. Director Kruly seconded and the Directors voted unanimously remove the item form the table:

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

<u>Resolution No. 07-112</u>

APPROVING FOUR-YEAR SUCCESSOR AGREEMENT TO COLLECTIVE BARGAINING AGREEMENT BETWEEN AAECC, ECC AND ERIE COUNTY

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 Erie County by adopting Resolution 06-49 on November 3, 2006 and has renewed and continued a control period by adopting Resolution 07-04 on January 11, 2007 and Resolution 07-108 on November 2, 2007, as required by Section 3959(1)(e) of the New York Public Authorities Law upon finding that the County had violated Section 3957(1) of the Public Authorities Law; and

WHEREAS, during a control period the ECFSA must review and approve or disapprove any collective bargaining agreement to be entered into by the County or any covered organization, or purporting to bind the County or any covered organization, according to Section 3959(2)(e) of the New York Public Authorities Law ("Public Authorities Law"); and

WHEREAS, Erie Community College ("ECC") is a covered organization as defined in Section 3951(10) of the Public Authorities Law; and

WHEREAS, ECC has submitted a copy of a proposed four-year successor agreement to the collective bargaining agreement between the Administrator's Association of Erie Community College ("AAECC"), ECC and the County, accompanied by an analysis of the projected costs of the agreement; and

WHEREAS, the ECFSA has promptly reviewed the terms of the agreement and supporting information as required by Public Authorities Law and has concluded that the agreement is in accordance with the financial plan, as defined in Section 3951(14) of the Public Authorities Law; and

WHEREAS, the ECC Board of Trustees supports the four-year successor agreement; and

WHEREAS, the four-year successor agreement will be effective September 1, 2007 and extend until August 31, 2011; and

WHEREAS, the Public Authorities Law states that no collective bargaining agreement binding or purporting to bind the County or any covered organization after the effective date of Article 10-3, Title 3 of the Public Authorities Law shall be valid and binding upon the County or any covered organization unless first approved by resolution of the ECFSA; and

NOW, THEREFORE, BE IT RESOLVED that the ECFSA approves the four-year successor agreement to the collective bargaining agreement between the AAECC and ECC.

Department	Description	Amount
Erie Community College	Labor Contract- AAECC - Contractual changes	-

*EC- Erie County

This resolution shall take effect immediately.

William Reuter: "Thank you very much for your support and have a great holiday."

Executive Director Vetter: "If you could stay up here, Mr. Reuter, could you address item 3-3?"

William Reuter: "The item regarding Lovejoy Metals. The original purchase order was approved by the ECFSA for $70,000."

Executive Director Vetter: "I'm sorry Mr. Reuter, this is the Industry Power and Lighting; this is the stand by generator."

William Reuter: "I think that item was already approved. I think you had it on the agenda earlier."

Director Goodell: "It was not approved, it was tabled."

Executive Director Vetter: "The Lovejoy Metals was not approved."

Director Goodell: "It was at my urging that this was tabled at the last meeting. I have since come to better understanding what the emergency generator function is and that it is only for 45 Oak Street and is not to illuminate the Flickenger Center or the Main Building or anything like that as I had believed it was before. I would like to move that this be off the table."

Director Kruly seconded, and all voted in favor of removing the issue from the table.

Vice Chair Glaser: "Now that it is off the table could I have a motion for approval?"

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

Resolution No. 07-113

APPROVING CERTAIN CONTRACT SUBMITTED BY ERIE COMMUNITY COLLEGE

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority ("ECFSA") to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to "oversee [Erie] County's budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability;" and

WHEREAS, the ECFSA first imposed a control period upon the County of Erie (the "County") by adopting Resolution 06-49 on November 3, 2006; and

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

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

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

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

WHEREAS, the County Executive or a "Responsible Official," as defined in Resolution 07-10, has duly submitted a request for review of the contract 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 Community College for purchase of a standby generator as listed on the attached document.

Department	Description	Amount
Erie Community College	Purchase Contract – Industrial Power & Lighting Provide & install 200kw Standby Generator	$158,200.00 – all college funds

*EC- Erie County

This resolution shall take effect immediately.

Director Johnson: “Are we going to have to someday be confronted with having to approve stand-by generators for other campuses?”

William Reuter: “Not at this point Mr. Johnson. I believe have adequate power at the other two campuses. North campus has been a challenge not so much with the emergency generator, just power in general and we are completing a transformer project that is almost $100,000 on power just for one building. We are severely short of power at our current facility. We do have and I hate to bring this up but we do have as part of the borrowing item that existing between the ECFSA and the County that will address some of those issues at North Campus, but as far as the emergency back-up, no.”

Executive Director Vetter: “Mr. Vice Chair, item 3-4 is an item with regard to mobility management services contract. This is a contract to coordinate, in essence Medicaid transportation costs for the County that have not occurred I the past. It was tabled at our previous meeting because the item had been in the Community Enrichment Committee of the Legislature for an extended period of time. We didn’t know if it has come out of that committee as originally proposed, so it would not have been prudent at that time for the board to consider this. It has come out of committee, it has been approved by the Legislature, it is 100% reimbursed and this is anticipated to save the County money on Medicaid transportation expenses going forward. So as a procedural step, staff would suggest taking this off the table and than brought up for consideration as a vote.”

Director Goodell moved to remove item #3-4 from the table, Director Kruly seconded and the Directors voted unanimously to remove the item form the table.

Director Kruly moved to approved, Director Goodell seconded. Vice Chair Glaser abstained and the remaining Directors duly voted to approve the following resolution:

Resolution No. 07-114

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

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

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

WHEREAS, the County Executive or a "Responsible Official," as defined in Resolution 07-10, has duly submitted a request for review of the contract 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 Social Services for mobility management services as listed on the attached document.

Department	Description	Amount
EC Social Services	Service Contract – Center for Transportation Excellence – Mobility management services for non-emergency medical transportation to reduce costs	$1,079,498 – no local share

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: "Onto item 3-5 and we had had some initial information on this. I think Mr. Michael Quinn and some other folks are here to speak to this item. This is regarding an EFC for a BAN at 0% for Sewer District #2. If Mr. Quinn if you would like to speak to this?"

Michael Quinn: "My name is Michael Quinn. I am the Assistant Deputy Commissioner for the Erie County Division of Sewerage Management. What you have in front of you today is a request for approval of an EFC bond anticipation note for a loan in the total amount of $8,849,562. The first part of which will be a short term, no interest financing package followed by the remainder of an interest subsidized loan through the Environmental Facilities Corporation. The project itself is for the construction of two upgraded pump stations in our Erie County Sewer District Number two location; Angola, Derby, etc. This is a process that we have been going through for the past ten years or so. It allows us to finance our work at less than 50% of the interest rates available through the EFC. We are looking for approval to enter into an agreement with EFC to borrow the money on Erie County's behalf to finance the projects."

Executive Director Vetter: "Mr. Quinn, just one quick question just to clarify, this for even though the total project exceeds $10 million this is for the BAN that is for approximately two years in the amount of $4.72 million."

Michael Quinn: "That is correct. That is going to be the next phase in this project and that is to construct one more of the two pump stations."

Vice Chair Glaser: "The actual project itself has gone through all the necessary approvals in the County."

Michael Quinn: "That is correct yes. They plan on bidding the project either later this year or first part of next year."

Vice Chair Glaser: "I don't think you can beat 0%."

Director Goodell: "No. Is this an obligation of the County itself?"

Michael Quinn: "It is an obligation of the Eric County Sewer District. The EC Division of Sewerage Management and the sewer district are a separate source of funds. They are administered by the County but they are an obligation of the sewer district."

Director Keysa: "It is a general obligation of the County; however it is backed by the taxes and it is exempted under the constitutional provision, I believe, and is exempted from the County's bond limitations."

Vice Chair Glaser: "They are all administered by the County? Gentlemen, I would suggest that we approve this."

Michael Quinn: "That is correct."

Director Kruly moved to approved, Secretary Keysa seconded, and the Directors voted unanimously to approve the following resolution:

Resolution No. 07-115

COMMENTING ON AND APPROVING ISSUANCE OF BOND ANTICIPATION NOTES THROUGH THE NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION ON BEHALF OF ERIE COUNTY AND RELATED 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, in adopting Resolution 07-04 on January 11, 2007, the ECFSA renewed and continued the contract approval process authorized by Resolution 06-51; and

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

WHEREAS, in adopting Resolution 07-108 on November 2, 2007, the ECFSA renewed and continued a control period and the contract approval process authorized by Resolution 07-10; 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 contract listed below; 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; and

WHEREAS, Section 3959(2)(i) of New York Public Authorities Law requires that, during a control period, the ECFSA review the terms of each proposed issuance of bonds or notes, comment on the prudence of each issuance and indicate approval or disapproval of the proposed borrowing within thirty days after notification; and

WHEREAS, Section 3959(2)(i) of New York Public Authorities Law also requires that, during a control period, no such borrowing shall be made by the County unless first reviewed, commented upon and approved by the authority; and

WHEREAS, the Department of Environment and Planning has requested approval for the issuance of Bond Anticipation Notes ("BANs") through the New York State Environmental Facilities Corporation ("NYS EFC") on behalf of the County to finance various sewer-related capital projects; and

WHEREAS, the issuance of BANs through the NYS EFC on behalf of the County will result in a 100 percent interest subsidy to the County, allowing the County to achieve savings for County taxpayers that the County of the ECFSA could not achieve on their own;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA approves the issuance of BANs through the NYS EFC on behalf of the County and the related contract submitted by the Erie County Department of Environment and Planning as listed below.

Department	Description	Amount
EC Environment & Planning	Bonding Resolution – Sewer District No. 2 – Improve the facility	$4,272,781– Capital Funds

*EC- Erie County

This resolution shall take effect immediately.

Michael Quinn: "Thank you gentleman and have a nice holiday."

Executive Director Vetter: "Mr. Vice Chairman, the last item, item 3-6, we received from the State Division of Criminal Services. This is listed separately from the other items. Staff notes that this is pending EC Legislature approval and it is not something that we would recommend at the staff level to approve until there is Legislative approval."

Director Johnson: "This goes back to an earlier discussion at this meeting regarding State grants with no local share and the granting period. Being very, very familiar with New York State Division of public Services processes, this appears to be equipment. Could there be a situation in the very near future where the State and the Criminal Justice service come back to the County and the ECFSA and ask us to continue to operate the equipment and all the other amenities that goes along with it. I would like for us to table this matter until we answer that question."

Director Kruly: “The Legislature has not approved it yet?”

Executive Director Vetter: “No.”

Director Goodell: “I don’t think we should establish a precedent of any kind approving something the Legislature has not approved. I think there are going to be some things that are going to be facing us in the near future that there might be an exception to that.”

Vice Chair Glaser: “I would agree with Mr. Johnson brought and we should circle back and find out the requirements of the State.”

Executive Director Vetter: “Actually I have the complete grant agreement in front of me. I have read through this and there is no indication that the County…these are services that the County performs already.”

Director Johnson: What is the granting period; how many years?

Executive Director Vetter: “It is for a one year period.”

Secretary Keysa: “Is this someone who is already employed who would now be carried on the State grant or is this a new employee.”

Executive Director Vetter: “No, this is carrying forward. The contract period is from 4/1/2007 through 6/30/2008 so initial approval goes over two fiscal years and that is why it is pending approval by the County Legislature.”

Vice Chair Glaser: “But it also includes employment that would otherwise not be in the budget?”

Executive Director Vetter: “This in the 2008 Budget. I have no problem tabling this and we can discuss it at our next meeting.”

Director Johnson moved to table item #3-6, Director Goodell seconded and the Directors voted unanimously to approve tabling the item.

Vice Chair Glaser: “With that, we have addressed everything on our agenda today. Is there anything else you think we need to cover? Could I get a motion to adjourn?”

Director Goodell then moved to adjourn, Director Johnson seconded, and the Directors voted unanimously to adjourn.

Respectfully submitted,

Stanley J. Keysa, Secretary