Erie County Fiscal Stability Authority
Minutes of Finance Committee Meeting held May 15, 2008

(Note: the following is a draft copy of minutes of a meeting of the finance committee of the Erie County Fiscal Stability Authority ("ECFSA"), which was called for May 15, 2008 in the Auditorium of the Erie County and Buffalo Public Library. These minutes will not become final until approved at a subsequent meeting of the ECFSA finance committee, and may be amended before approval)

Present: Chair of the finance committee Joseph Goodell, Vice Chair Robert M. Glaser, Director Kenneth Kruly, Director John Johnson, and Executive Director Vetter

Chairman Goodell: "Can the meeting come to order please?"

"This is a meeting of the finance committee of the ECFSA. We are here for the purpose of considering the recently submitted revised four-year plan for Erie County. We had a meeting last week to discuss the details of the plan with Beth Kornbrekke the Budget Director and staff from her department. We asked them a number of questions and a report has been written from the staff with that I would like Mr. Vetter here to give us a summary of."

Executive Director Vetter: "Thank you, Mr. Chairman. Very briefly at this point and we have had significant input to really indicating that I think if there is an overall characterization to the report with response to the County's currently proposed revised four-year plan, probably the most appropriate word would be "premature." It appears that at this point there is an Administration that has been working for the last four plus months and has brought some new ideas to County Administration yet in terms of determining a dollar value related to those items, it is extremely difficult at best because, in four months, particularly in government, there isn't a lot of history and there isn't a lot of information and data because this Administration is looking to do things in a data-driven way which is an appropriate thing to do. There really doesn't appear to be data to provide reasonable assurance to the Stability Authority that initiatives and items contained within the proposal will actually occur and achieve the level of savings. I guess I would qualify that, if an item is rejected in terms of dollar value, that doesn't mean that it is a recommendation that that item be taken off the table. There are certainly items that are good to pursue, but at this time, it is the considered opinion of the staff and Board members who have reviewed the submission that the substantiation just isn't there and just very briefly on the items that are there."

"There is submission of $11 million plus in savings using efficiency grants; at this point there is no delineation of specific programs that would save those dollars and there is a basic assumption that there is approximately $5 million more than the Authority has to back those kinds of programs."

"There is also a listing of revenues in the amount of $5.5 million as a result of a Seneca Casino compact for which there is no documentation. Comments from the legislative delegation at the State level have indicated that there appears to be no support at this time for the County achieving those kinds of dollars."

"There are a number of items in their report that relate back to what the previous Administration had done and those items are commented on in the document that is in front of you. There is an assumption that a few of these items will continue and are discounted appropriately but at this point, if I could reiterate, if there is an overall theme, and there are a good collection of thoughts and there appear to be some excellent and interesting ideas for savings, but in terms of history and structures for many of these items they are premature and the comment in talking to members of the Board individually and the staff would be that, if there were another three to six months for more data to be achieved, for more successes to be used as examples, that this report may be different. So at this time and based on the submission and the items for which there appear to be significant doubt will achieve the dollar savings that the staff has indicated that there are significant deficiencies in the report and recommend at this point that the revisions be rejected by this committee and that really as a result of the revisions or as a result of the adjustments it appears that the County financial plan remains out of balance for the period of the plan through 2011."

Chairman Goodell: "Thank you Mr. Vetter. Director Johnson or Director Kruly do you have any questions?"

Director Kruly: "I would just like to ask Mr. McNamara a question."

David McNamara: "Director Kruly?"

Director Kruly: "Thank you Mr. McNamara. The transmittal letter that we receive on May 13th from the Erie County Budget Director raises the question of a presentation of an alternative plan by the ECFSA. We have discussed this before but I would like to go over it one more time what this board's responsibilities are if we turn down the plan today."

David McNamara: "The Board is in a control period and the statute provides that, during a control period, the Authority shall approve or disapprove a financial plan and the financial plan modifications of the County. They will be actioning on the plan today and shall formulate and adopt its own modifications to the financial plan as necessary. If in the exercise of the reasonable discretion of this Board you are to conclude that adopting a four-year financial plan is not necessary for any rational reasons that you might conclude including that it would not be an act of any consequence do to lack of will to adopt any provisions that you might suggest would be an act of futility, would unreasonably invade the policy determinations that should be made by elected officials. You are not legally obligated to propose or adopt a four-year financial plan. You may do so, you may also elect in your judgment to not do so."

Director Kruly: "Thank you, Mr. McNamara."

Director Johnson: "Yes, I have one question about the plan, and that is on the conversion or need for 200 additional positions to reach the $8 million savings for the life of the plan. Are these positions currently filled?"

Executive Director Vetter: "I am sorry Director Johnson; that is with regard to the use of RPT employees?"

Director Johnson: "Yes."

Executive Director Vetter: "Yes, this would be the assumption submitted in the back-up to the plan indicating that 200 positions per year would be converted from full time to regular part time in the County. So in year one it would be 200, then 400, 600 and then 800 which really the comments in their report indicates that with the County's turn-over rate, that virtually every single position that turns over in a year, because the turn-over rate tends to be between 4% and 5% in any given year with approximately 4,000 positions in the general fund budget, virtually every position that turns over would have to become RPT and the analysis indicates that given the number of initiatives and the potential for cross-over, that having the synergy savings at this point would not appear to be reasonable and that we are assuming an average of 380-400 vacancies already, these additional positions would put a tremendous strain on the County's operations and there is no designation of positions that would be deleted as a result of additional hours from RPT employees."

Director Johnson: "Thank you."

Chairman Goodell: "Any other questions?"

Executive Director Vetter: "Mr. Chairman if I could suggest because we have done individual review of the report but if the committee deems it appropriate, staff would suggest a motion to accept the report that is in front of you at this point."

Chairman Goodell: “That is to accept the staff’s recommendation and that is that the four-year plan does not fill the objectives; it is not a workable four-year plan, is that correct?”

Executive Director Vetter: “That is correct, that the plan does not achieve the outcomes that lead to a balanced four-year period of the plan.”

Chairman Goodell: “Thank you. Do I hear a motion to that affect?”

Director Kruly moved, Director Johnson seconded and the Directors voted unanimously to approve the staff recommendation to reject the revised four-year plan.

Chairman Goodell: “The four-year plan does not fulfill the objectives of being balanced.”

“Are there any other items that the committee would like to bring to the floor? With that I will entertain a motion to adjourn.”

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

Respectfully submitted,

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Stanley J. Keysa
June 27, 2008