Erie County Fiscal Stability Authority
Minutes of the January 4, 2008 Directors' Meeting

Present: Anthony J. Baynes, Chairman, Stanley Keysa, Secretary, Director John Johnson, Director Kenneth Kruly, Director Joseph Goodell, Executive Director Kenneth Vetter

Absent: Robert M. Glaser, Vice Chairman

Chairman Baynes: "Before we get started I would like to introduce the New County Executive and my friend Chris County Executive Collins. He is going to come up and introduce his staff. Congratulations."

County Executive Collins: "Thank you Mr. Chairman Baynes and control board staff. Throughout my campaign I talked about how we were going to work hand in hand with the control board to makes sure that we deliver to the taxpayers the savings and efficiencies that we are going to bring the business world to County governments. That work started officially two days ago but I am actually almost 60 day in. I am most pleased that we put together most of our top appointees and I have a couple of people here with me today that I want to introduce. They will be working very closely with the control Board, helping me with efficiencies and delivering the type of services that we promised throughout the campaign. So with no further ado, I would like to begin with my Deputy County Executive Mark Davis. Do you want to come up for just a second? Mr. Davis is the ex Chief Operating Officer of the Talking Phone Book who is coming on Board to be the COO of Erie County and run most of the departments that are delivering services from Social Services to Public Works and Parks. These Commissioners will be reporting to Mr. Davis and one change we have already made is in purchasing which goes directly to Mr. Davis. It crosses all County government so we are going to fill that out under DISS."

Deputy CE Mark Davis: "Glad to be here today. I met a few of you gentlemen yesterday and really looking forward to working with you guys and moving this thing aboard."

County Executive Collins: "Next is Beth Kornbrekke; Ms. Kornbrekke will be the Director of Budget. She has been on board for about two days and meeting her staff. She is coming out of the private sector but has a number of really good public sector employees that are going to be working with her so that will sure up her background coming out of the private sector."

Beth Kornbrekke: "I would like thank you for the opportunity and look forward to working with all of you through the budget process for the next several years."

County Executive Collins: "Last is Al Hammonds who will also be making a presentation. Mr. Hammonds has been to chosen to be my Director of Six Sigma Implementation and driving this process through County government to bring more efficient processes. It is a bottom up approach and will require training the County workers to learn how to map out a process and deliver services more efficiently. There are a couple of cases in government Fairfax County, Virginia and Port Wayne, Indiana. Port Wayne has received many many awards for its implementation of a lean six sigma with tremendous savings and tremendous results with things as simple as the length of time it takes to repair a pothole. I think they shrunk it down from 14 days to four hours. Again, it is mapping out processes. Personally I have implemented Six Sigma in at least one of my companies and the amount of savings that comes from empowering the workers to understand the process to bring efficiencies is just incredible. With the approval of the control board, ultimately Mr. Hammonds will be working on this implementation. We are putting through an efficiency grant request. So we are here today somewhat preliminarily but we have certainly had discussions and Mr. Hammonds will maybe speak briefly on what he wants to do with Six Sigma and actually could take a couple of questions."

Al Hammonds: "Good afternoon, glad to be here. Briefly if I could, Six Sigma to explain it in a nut shell it is efficiency in quality improvements based process; it is a disciplined methodology that is statistically driven to basically deep dive individual processes and functions of county government and get people engaged and involved and own the process and it is extremely data driven. There is a lot more to it with a five phase approach. In a nut shell that is what it is all about. We will be focused on the customer both internal customers and the tax payers as customers in driving higher customer satisfaction, better quality of services, better customer services, improving the response time of customer services and really good data driven accountability within the different processes in the County. In a nut shell that is what it is all about."

Chairman Baynes: "Does anyone have any questions for Mr. Hammonds?"

"Mr. Hammonds I assure we will have, if you don't mind, our next meeting in February to come and talk to us about Six Sigma."

Al Hammonds: "I have a hand out that I can hand out or that you may already have. It is an excerpt from the paper we put together. It is a high level synopsis of what we are planning on doing."

Chairman Baynes: "Perfect we look forward to working with you and Mr. Collins, this is a refreshing start."

County Executive Collins: "My team is going to stay here, I would stay but I have got a meeting with Robert Gioia and Jim Cassidy to get updated on the ECMC/Kalieda merger. So I have to leave, it is not because I don't want to stay, I just have a subsequent meeting but they will stay for the meeting and we appreciate the opportunity."

Chairman Baynes: "We look forward to working with you in the new year that will be fun."

"I'd like to call this meeting of the Erie County Fiscal Stability Authority to order. I welcome my fellow Board members, public officials, interested members of the public and press and media in attendance. Thank you for coming."

"I am happy to be presiding over this meeting, this is my first meeting since I have been hospitalized. I would like to thank in particular our staff who has covered me for the last 4-5 months. Mr. Johnson who has not only been a great friend but a very close confidant. Mr. Goodell who has gone above and beyond who also has become a very close friend. Mr. Vetter who sits next to me has kept everything in order. Secretary Keysa who has gone through his one personal battle who has stuck by us and made us look good and last but not least Director Kruly has helped bring this Board together and I can't thank you enough; I can't thank everybody enough. There are notes and cards that I have received from hundreds of people that I didn't even know. I truly appreciate that. Thank you."

"The first order of regular business is to approve the minutes of the meeting of December 17, 2007. They have been submitted by Secretary Keysa, and were circulated to the members in their briefing books prior to this meeting. Could I have a motion to approve?"

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

Resolution No. 08-01

APPROVING MINUTES AND RESOLUTIONS FROM
DECEMBER 17, 2007 MEETING

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its December 17, 2007 meeting and ratifies and affirms fourteen resolutions numbered 07-117, 07-118, 07-119, 07-120, 07-121, 07-122, 07-123, 07-124, 07-125, 07-126, 07-127, 07-128, 07-129 and 07-130 that were approved on December 17, 2007.

This resolution shall take effect immediately.

Chairman Baynes: "Our next order of business is contracts. Erie County has forwarded a number of contracts for approval. I would ask Mr. Vetter to cover those proposed agreements?"

Executive Director Vetter: Yes Mr. Chairman if I could there are probably five or six different groups now. There are a number of contracts with questionst that need to be addressed and those that Board has deemed oakay.

Contract 1-1 regarding duplicating copier consultants, this was an item that was on the agenda last time and tabled. Subsequent information that we have received indicates that this amount is really for overage on the County copiers that id currently outstanding. This is a liability of the

County that the usage of the medium and large size copiers of the County has been greater than anticipated and this is what these contracts are for. I would suggest a motion to remove this from the table"

Secretary Keysa moves to remove from table and Director Goodell seconds and the directors vote unanimously.

Executive Director Vetter: "I would suggest that given that the liability is already there that , I would suggest at this point a motion to approve at this point."

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

Resolution No. 08-02

APPROVING CERTAIN CONTRACT SUBMITTED BY THE ERIE COUNTY DIVISION OF INFORMATION & 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, 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 Division of Information & Support Services for copier rental/lease with Duplicating Consultants, Inc. as listed on the attached document.

Department	Description	Amount
Division of Information and Support Services	Duplicating Consultants, Inc.– Increase to existing purchase order for rental lease of low-to-medium volume copier	$126,275-all local share

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Chairman if I could with regard to contracts 1-2 and 1-3 these are Stop DWI contracts that are fully funded through DWI funding revenues. One of them had come to us previously put only for one year County grant. In order for the County to enter into a full grant, year two had to be approved as well. So I would suggest for for contracts 1-2 and 1-3 that a motion be made to approve."

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

Resolution No. 08-03

APPROVING CERTAIN CONTRACT SUBMITTED BY THE
ERIE COUNTY STOP-DWI 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 contracts listed on the attached document; and

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

NOW, THEREFORE, BE IT RESOLVED that the ECFSA approves the contracts submitted by the Erie County Division of Information & Support Services for alcohol traffic safety law enforcement as listed on the attached document.

Department	Description	Amount
EC Stop DWI	Service Contract – City of Tonawanda – Alcohol Traffic Safety Law Enforcement	$71,627.50 – all local share (from DWI fine revenue)
EC Stop DWI	Service Contract – City of Buffalo – Alcohol Traffic Safety Law Enforcement	$125,956.77 – all local share (from DWI fine revenue)

*EC- Erie County

This resolution shall take effect immediately.

Director Johnson: My question is in relation to the dollars from Stop DWI. Are those dollars coming from the state government; State criminal Justice services? I didn't find the information in the application ?

Vetter: Actually there are DWI fines and a portion of those revenues goes to Counties and this is Erie Counties portion. It si like when the Sheriff's consificaate properoty some of that is spent on their programs.

Director Johnsons: "As in the past, there is one thing I would be concerned. When dollars come that way from the Federal government and state government, I would be concerned about the maintenance of effort. Accepting these contract on a two year with no local share basis usually there is a maintenance of effort tagged on to it. We might as well position our selves to meet that maintenance of efforts and if that is to be in the future therefore I would still hold the motion to approve but asking sure that the Administration reports back to the Board on the maintenance of effort."

Director Goodell: We have seen a number of these kinds of contracts that are kind of covered by fines, confiscation of automobiles and we tend to pass right over them and say well there is money from somewhere covering them but we should concerned to that our cutting we should be attentive to reducing costs on most project simply to enhance the difference between the revenue and the costs. So I would ask in the future we get some sort of a measurement that reflects what revenues these costs are producing not simply say "Well they are covered;" I would like to know if they are covered by 20% or 200% that would lead to more of a focus on the costs of derivings those revenues."

Executive Director Vetter: “”Certainly Mr. Goodell, I will sit down with the coordinator of the DWI program and make sure that they have that information. My initial understanding is that these items that Counties liability is capped but I will get more information from the Director of the Program.”

Chairman Baynes: “Mr. Vetter, MR. Kruly and I met with the new County Executive and he promised it wouldn’t be business as usual and that he will give us all the information, reports and contracts we request in advance.”

Secretary Keysa: “Just on this oone going back to my days as Supervisor, my recollection is that this is that local municipalities used this money for a variety of thing in including officers who give instruction in the schools, in some cases there salaries for those police officers dedicated to DWI and in other cases it is the equipment they are using.”

Director Kruly: “Check points as well.”

Chairman Baynes: “Any other comments? All in favor? Motion is passed.”

Executive Director Vetter: “Mr. Chairman moving along, two other contracts from the Department of Emergency Services, items 1-4 and 2-1 for which no one had questions. I would suggest a motion to approve. They have been reviewed by staff and Board members had no particular questions on these items.”

Chairman Baynes: “May I have a motion to approve items 1-4 and 2-1?”

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

Resolution No. 08-04

APPROVING CERTAIN CONTRACTS SUBMITTED BY THE
ERIE COUNTY DIVISION OF EMERGENCY 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 contracts listed on the attached document; and

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

NOW, THEREFORE, BE IT RESOLVED that the ECFSA approves the contracts submitted by the Erie County Division of Emergency Services for the purchase of cots and the Buffalo Fire Department as listed on the attached document.

Department	Description	Amount
EC Emergency Services	Purchase Contract - Healinologies – 3000 cots for Emergency Services Department	$98,040 – no local share
EC Emergency Services	Purchase Contract – Software House International – Buffalo Fire Dept. 28 Stations configuration, training & first year maintenance	$289,712 – no local share

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Chairman, items 2-2 through 3-5 are Department of Health contracts and there were questions related on a significant number of them to the dates of service and some grants. It appeared from the documentation provided that a number of the contracts have either already begun or have already ended and that was a significant question of the contracts. Before consideration I would suggest a presentation and I believe Mr. Robert Trometer is here from the Department of Health is here to discuss that situation, if you could step up to the microphone?"

Chairman Baynes: "Good afternoon Mr. Trometer."

Robert Trometer: "Do you have a specific question?"

Executive Director Vetter: "Yes, I believe that we had a number of grants for instance there are training organizations to integrate HIV prevention for which the dates listed on that contract submission of that grant of $112,500 are 07/2005 through 3/31/2007 and there are a number of grants like that. There is also one for network of breast and cervical cancer screening providers and there is Alliance to provide public health preparation regarding bioterrorism. Items that the time period of the grant appears from the documentation provided to already have passed or already ended or end in the very near future and the question for this Board is are these items that should have come to this Board at an earlier date and why approve contracts for a period that has already ended?"

Robert Trometer: "Okay, regarding the Western Region training grant for $112,500 the grant was discontinued and consequently they did not receive funding for the 07/2006 through 07/2007 grant. Although the state approved the remaining funds be spent so they redid the grant and made it an entitlement from 07/2005 through 3/31/2007 which was really and extension of the 7/2005 grant. There are $23,000 remaining in that grant which were spent and I believe we spent approximately $12,000 more than that grant. So it really was an extension of that original grant going back to a prior entitlement period."

Chairman Baynes: "So there is $23,000 left in that grant?"

Robert Trometer: "Approximately, we spent $10,000 so there is approximately $13,000 that is remaining."

Chairman Baynes: "How about item 2-5, the alliance between Erie and 7 other counties that shows that it expires on August 30, 2007?"

Executive Director Vetter: "That is a reference from the documentation provided. It is for an alliance with Erie and seven other counties to provide a regional base for public health preparation and response to bioterrorism in the amount of $170,382. The documentation provided indicated a grant period of 08/31/2006 through 08/31/2007 and apparently that is a grant period in which the money should have been spent already. I guess the question is, why would a contract come for approval before this body where the grant period has ended and the grant money has in theory already been spent."

Robert Trometer: "This is part of a bioterrorism grant that we had with the State for federal funds. This here really was done after the fact. I don't really have an answer. I don't have a response to your question. When we received the grants in the accounting office that is when they were fully executed so the time framing between the administration executing the contracts is really out of the realm of the accounting office."

Chairman Baynes: "Mr. Trometer, the question is and obviously this is a new administration, that in past, let's just say the last Administration, there was probably a million dollars that wasn't spent and that is what our concern is. Going forward I assume this is going to be addressed and fixed. Thank you, any questions?'

"Do I have a motion for items 3-2 to 3-5?"

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

Resolution No. 08-05

APPROVING CERTAIN CONTRACTS SUBMITTED BY THE
ERIE COUNTY DEPARTMENT OF HEALTH

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 listed on the attached document; and

WHEREAS, the ECFSA Executive Director, after consultation with the ECFSA Staff, has recommended approval of said contracts 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 Health listed on the attached document.

Department	Description	Amount
EC Department of Health	Receipt of Grant Funds – New York State DOH – Training for organizations to integrate HIV prevention activities into an overall health effort	$112,500 – no local share
EC Department of Health	Receipt of Grant Funds – New York State DOH – Grant purpose is to support a network of breast and cervical cancer screening providers for low income, asymptomatic and under-insured individuals	$597,600 – no local share
EC Department of Health	Service Contract – American Cancer Society – Contract to coordinate the day-to-day operations of the "Partners for Prevention" Cancer Screening Services	$171,334 – no local share
EC Department of Health	Intergovernmental Agreement – Counties of Allegany, Catt. Chaut., Genesee, Niagara, Orleans & Wyoming – Alliance between Erie & 7 other NYS counties to provide a regional base for public health preparation and response to bioterrorism	$170,382 – no local share
EC Department of Health	Receipt of Grant Funds – New York State DOH – Grant purpose is to reduce morbidity, mortality and disability associated with sexually transmitted diseases	$82,000 – no local share
EC Department of	Receipt of Grant Funds – New York State DOH – Grant purpose is to identify	$620,505 – no local share

Health	children under the age of 6, with excessive lead exposure and then to ensure medical follow-up and eliminate the lead source	
EC Department of Health	Receipt of Grant Funds – New York State DOH – Grant purpose is to support a network of breast and cervical cancer screening providers for low income, asymptomatic and under-insured individuals	$480,591 – no local share
EC Department of Health	Receipt of Grant Funds – Bureau of STD Control – Grant purpose is to prevent and control STD's among residents of NY State – through field epidemiology, case interviews, partner notification, counseling and referral services	$104,542 – no local share
EC Department of Health	Purchase Contract – global Protection Acquisition – Purchase of an additional 935 cases of K-C Isolation Masks	$72,571.60 - $26,126 local share

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Chairman continuing with the list there is item 4-1 regarding a design contract for the 211 system. There was a question regarding who was paying the cost of the 211 system. The question was answered and there is no County cost there. It is paid between the United Way and other agencies in the community. Therefore the staff would recommend that item 4-1 be moved for approval."

Chairman Baynes: "May I have a motion for item 4-1?"

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

Resolution No. 08-06

APPROVING CERTAIN CONTRACT SUBMITTED BY THE
ERIE COUNTY DEPARTMENT OF PUBLIC WORKS

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 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 Public Works for architectural and engineering related services for the Public Safety Building as listed on the attached document.

Department	Description	Amount
EC Public Works	Service Contract – Cannon Design – Additional architectural and MEP engineering in connection with the Public Safety building to accommodate installation and operation of the county's new 211 system	$26,959 – no local share

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Chairman very quickly, item 4-2 is simply a correction on a vendor. In the past EMC was actually the vendor that should have been approved for services that the Division of Information and Support Services was receiving put the documentation provided back in May indicated that Synergy Corporation and this was just caught at the County level just a few weeks ago."

Chairman Baynes: "So it is not Synergy?"

Executive Director Vetter: "It is not Synergy, it is the EMC Corporation."

Chairman Baynes: "May I have a motion to for 4-2 please?"

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

Resolution No. 08-07

APPROVING CERTAIN CONTRACT SUBMITTED BY THE
ERIE COUNTY DIVISION OF INFORMATION & 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, 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 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 Division of Information & Support Services as listed on the attached document.

Department	Description	Amount
EC Division of Information & Support Services	Service Contract - EMC – Correct error on previous approved vendor on 5/18, incorrectly listed as Synergy	$190,000-All local share

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman on to Environment and Planning items 4-3 and 4-5. Item 4-4 I would ask not to be considered or voted on at this point. Subsequent conversation with County representatives have indicated that there is no dollar value to this contract therefore this is one that does not meet the $50,000 threshold that is required by this Board.”

Chairman Baynes: “This is the item regarding the Town of Hamburg?”

Executive Director Vetter: “Yes, subsequent information that we received indicated that it does not meet our threshold and therefore does not need to be considered by the Board at this point. I would suggest that items 4-3 and 4-5 be considered for approval and would suggest a motion."

Chairman Baynes: "Could I have a motion for 4-3 and 4-5 please?"

Secretary Keysa: "Could we have an explanation of 4-3 before we vote on that?"

Executive Director Vetter: "I think that Mr. Quinn is here from the Erie County Sewer District."

Michael Quinn: "Good afternoon, I believe the one you are questioning is the Town of Hamburg?"

Director Goodell: "No, it for the Frank Lloyd Wright boathouse."

Michael Quinn: "Okay, what that is and I think you are aware of the Frank Lloyd Wright boat hose that was constructed on the river. This was constructed on County property and leased to the Frank Lloyd Wright Corporation."

Secretary Keysa: "In the City of Buffalo?"

Michael Quinn: "That is correct. What this is because the County owns the property they need to own the infrastructure there as well. In this case it includes a small grinder pumping system and a forseme that services that facility. It was constructed for in excess of $90,000. They have offered to sell that asset back to the county for $85,000 and that will allow us to maintain that asset on County property it will be funded through Erie County Sewer District #1. They will be the ones handling the operations and maintenance of that facility as well."

Secretary Keysa: "It is not physically connected?"

Michael Quinn: "No it's not. It is actually connected to the Buffalo Sewer Authority but it is on a piece of County property so the County wants to own and maintain the infrastructure associated with that site."

Secretary Keysa: "So then these costs, they will be County costs?"

Michael Quinn: "That is correct.'

Chairman Baynes: "Any further questions for Mr. Quinn?"

Director Kruly: "This is connected to Sewer District 1."

Michael Quinn: "It is not connected to it."

Director Kruly: "I know but is it going to be part of the administration."

Michael Quinn: "That is correct.'

Director Kruly: "Is that Lackawanna? What district is that?"

Michael Quinn:	"District one is West Seneca and Cheektowaga."
Director Kruly:	"The residents of that Sewer District are not going to pay anything for this?"
Michael Quinn:	"It is coming out of the fund balance for that budget. That is correct."
Director Kruly:	"And there will be some strictly accounting charge that will not be subjected to the people in the district."
Michael Quinn:	"It is funded through the district but I believe there is a revenue associated with it."
Secretary Keysa:	"That is what I want to make sure of. That there is a revenue associated so that people in those districts are not being charged to do this. There is a revenue that is going to pay for this."
Michael Quinn:	'I believe that is the case, yes."
Chairman Baynes:	"Any further questions? Thank you very much Mr. Quinn."

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

Resolution No. 08-08

APPROVING CERTAIN CONTRACTS 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, 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 listed on the attached document; and

WHEREAS, the ECFSA Executive Director, after consultation with the ECFSA Staff, has recommended approval of said contracts 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 Environment and Planning as listed on the attached document.

Department	Description	Amount
EC Environment & Planning	Sewerage District Service Agreement – Frank Lloyd Wright Boathouse Corp.Provide sanitary sewer system	$85,000 – sewer district funds
EC Environment & Planning	Purchase contract – Nicholson & Hall – Incinerator casing replacement and refractory repairs	$88,927 – Capital budget

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman I would consider that 4-4 be stricken from consideration because upon subsequent information is does not meet the $50,000 threshold. Item 5-1 regarding parking at Sheehan. I believe Mr. Reuter is here from ECC and I believe Mr. Dudek.”

Director Goodell: “We are glad to have you back Mr. Reuter and Happy New Year to you.”

William Reuter: “You took the words right out of my mouth a Happy New Year to you too!”

Executive Director Vetter: “If you could go through thee contract itself, the benefits that are there and I believe Mr. Dudek is here because there has been some litigation regarding the parking situation at ECC and I believe Mr. Dudek is the representative from the County Attorney’s office who is working on the Counties piece of that litigation.”

William Reuter: “That is correct Mr. Vetter. If I could just give a little background, as you are aware we have been before this Board on several occasion on parking in City Campus. This Board approved two parking contracts on August 30 for city campus parking. Prior to the contracts approved for parking in August we started discussions with Sheehan Memorial hospital with former control board member Sheila Kee back, I think the meeting was back in March about the potential for the college to utilize the operating room at for a nursing program that we wanted to move forward downtown. At that time we started having discussions about the potential use of the Sheehan as additional parking for ECC. Based upon that initial meeting we had continued dialogue and continues to discuss the ability to pay whether it was Sheehan or the college to actually do their renovations to their front parking lot because it was in very rough shape. Through the negotiations we entered into a contract that was brought to the Board of Trustees at the October Board meeting for and leasing 108 parking spaces in the front part of Sheehan. Sheehan paid for the physical improvements and the lease was negotiated at $55 per parking spot. The parking availability is from 6am to 12 midnight, 7 days a week and the costs presently for a 12 month lease will be a $71,280 that rate compares to the $75 the college is presently paying another vendor downtown. With the opening of our 45 Oak Street building and the closeness of that parking lot to 45 Oak is right within the range of proximity to the downtown campus. As I had said, the Board of Trustees did approve this. It is a three year lease effective September 1, 2007 and as Mr. Vetter said there is some ongoing litigation that I believe is in front of Judge Michlak in the 10th of January involving whether or not parking actually falls within general municipal law and has to be bid. We entered into a direct lease agreement with Sheehan again starting with Sheila Kee and concluding with June Hoeflich."

Chairman Baynes: "Are there any questions?"

Director Johnson: "Mr. Reuter in as much as this contract is in place effective in November 2007. Who holds liability here?"

William Reuter: "As far as what?"

Director Johnson: "If you are going to be parking there and the property is owned by Sheehan Memorial hospital. Most of the folks that will be using that parking lot will be students and or faculty?"

William Reuter: "Students only. We do not provide any free parking for our staff downtown. It is strictly student parking."

Director Johnson: "Okay, is there full security?"

William Reuter: "Our security monitors the parking lot."

Director Johnson: "My question regarding liability is concern if something was to happen to the automobiles that are parked there, who holds liability is it ECC, Sheehan, Erie County, the control board?"

William Reuter: "Well I don't believe the control board is a part of that and don't believe they have any liability in that matter. Any kind of lease agreement we have has standard insurance requirements."

Director Johnson: "I ask that question because lawyers have long arms; they reach kind of deep and I just want to know that if we approve this if we will have any liability?"

Chairman Baynes: “Mr. Bucki could you come up and answer that question?”

Craig Bucki: “For the record Craig Bucki from Phillips Lytle, legal counsel for the control board. I have reviewed the terms of the lease agreement as has David McNamara from our office. We don’t see any provision that would assign liability to the ECFSA in the event of any personal injury, property damage that might take place on the premises to be leased.”

Chairman Baynes: “Thank you MR. Bucki. Any further questions for Mr. Reuter or Mr. Dudek?”

William Reuter: “Thank you very much. I am so glad to be back Mr. Goodell.”

Joseph Rena: ‘My name is Joseph Rena; I am not Greg Dudek, from the County Attorney’s office. I am handling the litigation aspect of this matter so if you have any questions I would be glad to answer them.”

Chairman Baynes: “Does anyone have any questions for Mr. Rena?”

Secretary Keysa: “You do have a lawsuit involving ECC regarding the parking right now is that correct?”

Joseph Rena: “There was an action commenced effecting ECC relationship with the parking owner by the name of Michael Karam. The litigation was to try to set aside that relationship with Mr. Karam. During the course of that litigation as an officer of the court I advices the court tat ECC was in negotiations with Sheehan and if those negotiations came to fruition and a lease was ended and it resulted in parking spaces provided than perhaps we would not need Mr. Karam’s parking spaces. The court decided the issue before it and that was a matter of the relationship with Mr. Karam. That ended that proceeding. The present proceeding is a claim now that the court in the Karam matter, when in ruled in the Karam matter relationship also ruled on the Sheehan matter. That we are vigorously disputing. There was no mention in the decision or the order involving Sheehan. The issue was Karam. The matter comes up before Judge Michalek light next Thursday January 10 and we are confident we will be successful.”

Chairman Baynes: “Terrific. Thank you very much. Do I have a motion for amendment 5-1?”

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

Resolution No. 08-09

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 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 Community College for student parking at Sheehan Memorial Hospital as listed on the attached document.

Department	Description	Amount
Erie Community College	Purchase Contract - Sheehan – Parking for ECC Students	$201,960 – all college funds

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Chairman if I could in finishing off the list there are various contract 5-2 through 6-1 for which either there are no questions. There was one question on the refuge temple contract which is non secured detention for residential services for youth in crisis there was a question as to why this was only a three month extension. One of the items related to this is that the County is rebidding based upon suggestions by the ECFSA; they are rebidding this contract among others that by suggestion of that Board so there appear to be no other questions on any of these contracts. I would suggest that items 5-2 through 6-1 be considered as a slate since there appear to be no other questions or that the individual questions have been responded to."

Chairman Baynes: "Could I have a motion to approve items 5-2 through 6-1?"

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

Resolution No. 08-10

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 Social Services	Service Contract - Refuge Temple – Extension of a 2007 contract for the first 3 months of 2008 for non-secure detention residential services to youth in crisis	$325,258 - $162,629 local share
EC Social Services	Service Contract – Various Approved Vendors – Preventive Service Cost of Living allowances for 06-07 and 07-08 NYS budgets	$347,888 – no local share
EC Law Department	Settlement of Legal Claim - Bennett v County of Erie – 2002 death at Erie County Holding Center	$1,000,000 – all local share
EC Mental Health	Service Contract – Various Approved Vendors – Correction I amount of 11/27/07 approved request. Previous submission listed $12,141,082	$13,002,698 - $358,411 local share
EC Mental Health	Service Contract - Spectrum – Case management and community support for individuals to promote recovery from substance abuse, for those re-entering the community from the criminal justice system	$3,828,013 - $176,777 local share

*EC- Erie County

This resolution shall take effect immediately.

Chairman Baynes: “On to the four year plan. On December 21 the Authority received a revised financial plan from then County Executive Joel Giambra. Under that statute that created the control board we have 15 days to review and take action on that plan. The Board members and staff have been reviewing these documents and I would ask Mr. Vetter to begin the discussions on the submission.”

Executive Director Vetter: “Yes Mr. Chairman, the long and short, we received the plan on December 21st there were only two significant adjustments from the prior version that we had received. One was with regard to sales tax that given the robust increase in sales tax this year, about 5.5% over the previous year that sales tax income increased by about $19.1 million through the out years of the plan which was additional revenue in the base line to the county. Two that the road patrol initiative where the County was going to charge municipalities for road patrol services because 17 do not have there own police forces was deleted from the plan and because there appears to be no political will and/or operational ability to bring this to fruition. This meant the county lost $13 million in potential savings. Over the period of the plan, except for those two items there were no significant changes submitted to the Authority. The analysis was put together by the staff circulated to members of the Board indicating that the plan is still out of balance and the total out year amount is approximately $107 million and at this point based on the analysis and individual conversations with Board members that it is recommended that the Authority reject this plan because it is out of balance. I would ask Mr. Bucki to speak for a moment because there is a draft resolution regarding rejecting the plan that is in your packet.”

Chairman Baynes: “Mr. Bucki?”

Craig Bucki: “Again good afternoon. The resolution to which Mr. Vetter referred to is the one entitled “Disagreeing with Elements of Erie County’s Revised 2008-2011 Financial Plan and as was stated after the adoption of the Counties 2008 budget. On December 21 the County submitted that budget to the Authority along with the four year plan of 2008 - 2011 financial plan.”

"In section 3957 of the public authorities law, details what the Authority is to do with those documents. Mainly to determine whether they are based upon, as the language of the statute reads, projections of revenues and expenditure that are based on reasonable and appropriate assumptions and reasonable estimation. Upon deciding if the financial plan is based on such reasonable estimation than it is the job of the Authority to approve the financial plan and except it. Alternatively, if this authority finds that the financial plan is not based upon reasonable assumption to reject the financial plan. The draft resolution goes through those various issues that have been identified by the staff of the Authority. Issues to which the effect of which the staff has found that there is imbalance in the various years of the four year plan. With regard to overestimation of revenue sources, the resolution discusses that fact that in the estimation of the staff the growth in the real property values in the County has been overestimated in the four year plan. In addition that the four year plan fails to take into account intergovernmental transfer payment to ECMC and also that the plan unreasonable assumes income from the lease of space with regard to cell phone towers. With regard to underestimation of expenses, the resolution goes into those various areas as well. Just to give a few highlights the fact that the County has an obligation to make debt service payments to ECMC during the four years of the plan and there is no account for those payments. Again the intergovernmental transfer payments and also that the four year plan overestimates savings to be realized from the implementation of case management and when one puts together the overestimation of revenues and the underestimation of expenses it is staffs estimation that that amounts to a deficit in the four year plan in the out years of over $107 millions. The resolution than goes on to discuss the imbalance in the 2008 budget that has been passed. With regard to number one the need to borrow money, $3.6 million to subsidize the CHIP's, second the fact that the County road fund is operating at a deficit of almost $7 million, the failure again to account for the intergovernmental transfer payment and finally the fact that the budget fails to account for the arbitration award that was made in 2007 that provided a cost of living adjustment for various employees in the EC Sheriff's department. So when one puts all of those issues together as a consequence by adopting this resolution, you would resolve that the 2008 budget is out of balance that the 2008 – 2011 four year plan in the out years is out of balance and as a consequence the four year plan does not relay upon reasonable assumptions to come to the conclusion that it is balanced. Moreover it was the obligation of the County to provide cash flow projections along with the 208 budget and the four year plan when those were submitted on December 21 and the County failed to do so and for that reason the four year plan independently was incomplete aside from the fact that it was not balanced and for the reasons you have the ability, as the Authority to reject the four year plan and finally the resolution states that this resolution is going to be sent to various state officials whom the ECFSA act requires to receive notice of this determination and those would include the State Director of the Budget, the State Comptrollers office, the Chair of the Ways and Means Committee in the Assembly and the

Chair of the Senate and State Finance Committee. I am happy to answer any questions that you may have about the resolution."

Chairman Baynes: "Does anybody have any questions regarding the resolution for Mr. Bucki."

Secretary Keysa: "No, I think the point needs to be made that we are not saying that the estimations in these items are incorrect and can't occur but I think the concern was that there was note enough evidence that the County was seriously going after these and it could achieve the saving that they were predicting that they were going to happen. The hope we have is that the new administration will in fact look at those opportunities, they are opportunities and seriously go after them and recognize the savings potential that is there but until we see an effort to do that it is unrealistic to assume that these can be achieved."

Chairman Baynes: "Are there any further questions? Mr. Bucki thank you very much. May I have a motion to approve rejecting the amended County four year plan?"

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

Resolution No. 08-11

DISAGREEING WITH ELEMENTS OF ERIE COUNTY'S
REVISED 2008-2011 FINANCIAL PLAN

I. The Ability of the Erie County Fiscal Stability Authority to Review Erie County's 2008 Budget and the Revised 2008-2011 Financial Plan

WHEREAS, Chapter 182 of the New York Laws of 2005 (the "ECFSA Act"), as amended, 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, New York Public Authorities Law ("Public Authorities Law") section 3957(1) requires the Erie County Executive (the "County Executive") to "prepare and submit to the [ECFSA] a four-year financial plan and the county executive's proposed county budget, not later than the date required for submission of such budget to the [Erie County] legislature pursuant to the county charter;" and

WHEREAS, the four-year financial plan, as defined by Public Authorities Law section 3951(14), is a "financial plan of [Erie County] and [its] covered organizations;" and

WHEREAS, the County Executive duly submitted his proposed budget for Erie County (the "County") for fiscal year 2008, and a four-year financial plan ("Plan") for fiscal years 2008-2011, to the ECFSA on October 15, 2007; and

WHEREAS, upon enacting Resolution 07-108 on November 2, 2007, the ECFSA determined that the 2008-2011 Plan did not "contain actions sufficient to ensure with respect to the major operating funds for each fiscal year of the plan that annual aggregate operating expenses for such fiscal year shall not exceed annual aggregate operating revenues for each fiscal year," and thereby violated Public Authorities Law section 3957(1); and

WHEREAS, the County has adopted its fiscal year 2008 budget (the "2008 Budget"); and

WHEREAS, pursuant to Public Authorities Law section 3957(2)(c), the County submitted to the ECFSA its adopted 2008 Budget and a modified financial plan for fiscal years 2008-2011 (the "Revised 2008-2011 Plan") on December 21, 2007; and

WHEREAS, fiscal years 2009 through 2011 constitute the "Out Years" of the 2008-2011 Plan; and

WHEREAS, pursuant to Public Authorities Law section 3957(2)(b), "[n]ot . . . more than fifteen days after submission of a financial plan modification, the [ECFSA] shall determine whether the . . . financial plan modification is complete and complies with the provisions of [section 3957] and the other requirements of [the ECFSA Act] . . .;" and

WHEREAS, Public Authorities Law section 3957(2)(b) therefore instructs the ECFSA to determine whether the Revised 2008-2011 Plan complies with the provisions of section 3957 on or before January 5, 2008; and

WHEREAS, Public Authorities Law section 3957(2)(b) also necessarily instructs the ECFSA to review the 2008 Budget, which constitutes the first year of the Revised 2008-2011 Plan; and

WHEREAS, Public Authorities Law section 3957(2)(d) further instructs the ECFSA to "make a certification setting forth revenue estimates agreed to by the [ECFSA]," if it determines that the Revised 2008-2011 Plan "is complete and complies with the standards set forth in [section 3957(2)];" and

WHEREAS, Public Authorities Law section 3957(2)(e) alternatively instructs the ECFSA to provide notice of its disagreement with elements of the Revised 2008-2011 Plan "to the County, with copies to the [New York State] director of the budget, the state comptroller, the chair of the state assembly ways and means committee and the chair of the state senate finance committee if, in the judgment of the [ECFSA]," the Revised 2008-2011 Plan:

- (i) is incomplete;
- (ii) fails to contain projections of revenues and expenditures that are based on reasonable and appropriate assumptions and methods of estimations;
- (iii) fails to provide that operations of the county and the covered organizations will be conducted within the cash resources available; or
- (iv) fails to comply with the provisions of the ECFSA Act or other requirements of law;

II. Overestimated Revenue Sources in the Out Years of the Revised 2008-2011 Plan

WHEREAS, the Revised 2008-2011 Plan assumes that real property values in the County will grow at an annual rate of 4%; and

WHEREAS, the Office of the New York State Comptroller has noted a historical annual growth rate averaging only 2.5% for County real property values over a five-year period; and

WHEREAS, from 1998 through 2007, County real property values grew at an average annual rate of 2.36%; and

WHEREAS, assuming 2.5% annual growth in property values, the County would realize $17,818,808 less in property taxes than it has projected to collect during the Out Years; and

WHEREAS, the ECFSA consequently lacks reasonable assurance that the County will receive $17,818,808 in projected real property tax revenues during the Out Years; and

WHEREAS, the County has projected receiving $6 million in revenue during the Out Years from the lease of space on cellular phone towers situated on property owned by the County; and

WHEREAS, the County has failed to submit a marketing plan for generating such revenue; and

WHEREAS, in the absence of such a marketing plan, the ECFSA lacks reasonable assurance that the County will receive $6 million in revenue during the Out Years from the lease of space on cellular phone towers;

III. Underestimated Expenses in the Out Years of the Revised 2008-2011 Plan

WHEREAS, a Consent Decree issued by the New York State Supreme Court requires the County to make debt service payments on behalf of the Erie County Medical Center Corporation ("ECMC"); and

WHEREAS, the Revised 2008-2011 Plan does not provide for the County's continuation of these debt service payments during the Out Years; and

WHEREAS, the Revised 2008-2011 Plan would project such payments to equal a combined $35,155,000 during the Out Years; and

WHEREAS, the ECFSA consequently finds that the Revised 2008-2011 Plan fails to account for $35,155,000 in County expenditures for ECMC debt service payments during the Out Years; and

WHEREAS, the Revised 2008-2011 Plan also does not provide for intergovernmental transfer ("IGT") payments by the County to ECMC; and

WHEREAS, the County's May 2007 Budget Monitoring Report indicates that IGT payments to ECMC would equal $8,874,200 in 2008; and

WHEREAS, assuming annual 2% growth in the County's IGT payments to ECMC, they would equal $9,051,684 in 2009, $9,232,718 in 2010, and $9,417,372 in 2011, for a total of $27,701,774 during the Out Years; and

WHEREAS, a letter dated October 26, 2007, from the ECFSA Executive Director to the County Director of Budget, Management and Finance (the “October 26 letter”), requested a rationale for the County’s failure to account for IGT payments to ECMC in the Revised 2008-2011 Plan; and

WHEREAS, in response, the County cited its pursuit of litigation to terminate its obligation to make IGT payments to ECMC; and

WHEREAS, the ECFSA lacks reasonable assurance that such litigation would be pursued, or that it would achieve the projected savings; and

WHEREAS, the ECFSA consequently finds that the Revised 2008-2011 Plan fails to account for IGT payments amounting to $8,874,200 in 2008, and $27,701,774 during the Out Years; and

WHEREAS, the Revised 2008-2011 Plan has also estimated savings of $7,200,000 during the Out Years, due to implementation of integrated case management; and

WHEREAS, the October 26 letter requested the County to substantiate such projected savings; and

WHEREAS, the County has not provided any models by which other counties have achieved such savings due to integrated case management; and

WHEREAS, the ECFSA still lacks reasonable assurance that the County will achieve those savings; and

WHEREAS, the 2008-2011 Plan also projects the following savings for the County during the Out Years:

(a) $19,747,123, due to anticipated outcomes of collective bargaining;
(b) $8,760,000, due to implementation of alternatives to incarceration;
(c) $4,078,294, due to information technology reform; and
(d) $2,304,630, due to improvements in risk management; and

WHEREAS, the ECFSA regards these projections as speculative, and lacks reasonable assurance that the savings will materialize; and

WHEREAS, assuming a 50% discount of those speculative projections, the 2008-2011 Plan consequently underestimates expenditures by another $17,445,024 during the Out Years; and

WHEREAS, the overestimated revenues and underestimated expenses cited in sections II and III of this Resolution contribute to a deficit of over $107 million for the Out Years of the Revised 2008-2011 Plan;

IV. <u>Structural Imbalance in the 2008 Budget</u>

WHEREAS, structural imbalance in the 2008 Budget, which forms the basis for the first year of the Revised 2008-2011 Plan, contributes to deficits greater than the Revised 2008-2011 Plan expects in 2009, 2010, and 2011; and

WHEREAS, pursuant to the 2008 Budget, Erie County would borrow $3.6 million in order to subsidize the Consolidated Local Streets and Highway Improvement Program (“CHIPS”) fund, and to facilitate payment of operating expenses; and

WHEREAS, such borrowing renders the 2008 Budget structurally imbalanced, in that recurring CHIPS expenditures would exceed recurring CHIPS revenue; and

WHEREAS, the 2008 Budget also permits the County Road Fund to operate at a $6.9 million deficit; and

WHEREAS, the 2008 Budget also fails to account for IGT payments of $8,874,200 to ECMC; and

WHEREAS, in 2007, an arbitrator awarded certain County Sheriff's Department employees with a cost-of-living increase in their salaries, retroactive to 2005; and

WHEREAS, such cost-of-living increase raises the base pay for affected Sheriff's Department employees for future years; and

WHEREAS, the Out Years of the Revised 2008-2011 Plan account for such cost-of-living increase, but the 2008 Budget does not; and

WHEREAS, the 2008 Budget fails to account for cost-of-living increases amounting to $600,000 for Sheriff's Department employees;

WHEREAS, because of (i) borrowing to subsidize CHIPS, (ii) the deficit in the County Road Fund, and (iii) the failure to account for IGT payments to ECMC and cost-of-living increases for Sheriff's Department employees, the 2008 Budget contains a deficit of $13,596,812, despite its under-estimation of County sales tax revenues;

V. Additional Concerns Regarding the Revised 2008-2011 Plan

WHEREAS, the Revised 2008-2011 Plan also assumes continuation of an 8.75% sales tax rate in the County throughout the four-year period; and

WHEREAS, the overall 8.75% sales tax rate includes a 1% sales tax (the "extra 1% sales tax") levied by Erie County, and whose authorization shall expire on February 29, 2008;

WHEREAS, the County may continue to levy the extra 1% sales tax beyond February 29, 2008, only after:

(a) the New York State Legislature introduces a bill to reauthorize the extra 1% sales tax;
(b) the Erie County Legislature approves a home-rule message requesting the bill's enactment;
(c) the New York State Legislature votes in favor of the reauthorization bill already introduced; and
(d) ten (10) Erie County legislators subsequently vote to enact the extra 1% sales tax; and

WHEREAS, the legislative actions necessary to re-enact the extra 1% sales tax have not yet taken place; and

WHEREAS, failure to re-enact the extra 1% sales tax would create a deficit of over $426 million in the Out Years of the 2008-2011 Plan; and

WHEREAS, the County also has commissioned an actuarial report, which evaluated the cost of supplying medical and dental benefits for retired County employees; and

WHEREAS, that report estimated the present value of such benefits at over $981 million, as of December 31, 2006; and

WHEREAS, retroactive settlement of collective bargaining disputes with bargaining units representing County employees could create further expenditures that the County does not anticipate in the Revised 2008-2011 Plan;

VI. Resolutions

NOW, THEREFORE, BE IT RESOLVED that the ECFSA adopts the report and findings submitted by its Staff concerning the 2008 Budget and the Revised 2008-2011 Plan; and

BE IT FURTHER RESOLVED that the County has failed to adopt a balanced budget within the time frames prescribed by the County Charter; and

BE IT FURTHER RESOLVED that, for the following reasons, the Revised 2008-2011 Plan does not "contain actions sufficient to ensure with respect to the major operating funds for each fiscal year of the plan that annual aggregate operating expenses for such fiscal year shall not exceed annual aggregate operating revenues for such fiscal year:"

(1) The Revised 2008-2011 Plan does not reasonably assume a 4% annual increase in real property values in the County.

(2) The Revised 2008-2011 Plan does not reasonably assume the County's realization of revenue from the lease of space on cellular phone towers.

(3) The Revised 2008-2011 Plan does not reasonably assume that the County need not make debt service payments on behalf of ECMC.

(4) The Revised 2008-2011 Plan does not reasonably assume that the County need not make IGT payments to ECMC.

(5) The Revised 2008-2011 Plan does not provide sufficient fiscal data, trends, or other reasonable and appropriate assumptions based in documentary evidence to justify the savings that it projects to result from the implementation of integrated case management.

(6) Bonding to subsidize the CHIPS fund, the deficit in the County Road Fund, and the failure to account for IGT payments to ECMC and cost-of-living salary increases for certain Sheriff's Department employees contribute to a structural imbalance in the 2008 Budget and in the first year of the Revised 2008-2011 Plan.

BE IT FURTHER RESOLVED that the County's December 21, 2007, submission of its 2008 Budget and the Revised 2008-2011 Plan is incomplete, because it does not include the quarterly expenditure or revenue projections required by Public Authorities Law section 3957(2)(c), and because the County Executive has not certified that the 2008 Budget is consistent with the Revised 2008-2011 Plan; and

BE IT FURTHER RESOLVED that, the ECFSA recommends to the County that a four-year financial plan for fiscal years 2008-2011 that would comply with the ECFSA Act would not rely upon the unreasonable and inappropriate assumptions and methods of estimations that are identified herein; and

BE IT FURTHER RESOLVED that, the ECFSA Executive Director, on behalf of the ECFSA, is hereby authorized and directed to send, via first-class mail, a copy of this resolution, in accordance with Public Authorities Law section 3957(2)(e), to:

(a) the County,
(b) the New York State Director of the Budget,
(c) the Office of the New York State Comptroller,
(d) the Chair of the New York State Assembly Ways and Means Committee, and
(e) the Chair of the New York State Senate Finance Committee; and

BE IT FURTHER RESOLVED that, pursuant to Public Authorities Law section 3959(1)(a) and (1)(e), the ECFSA continues the control period upon the County; and

BE IT FURTHER RESOLVED that, on account of the findings herein, and pursuant to Public Authorities Law section 3959(2)(a), the ECFSA disapproves the Revised 2008-2011 Plan.

This resolution shall take effect immediately.

Chairman Baynes: "At a special session of the Erie County Legislature on New Years Eve, a resolution was passed that requested that the Stability Authority borrow on behalf of Erie County. Today we need to pass a companion resolution to allow the borrowing to happen. Number one I would like to thank the legislature for getting together on New Years Eve, I know that was an inconvenience but it was very important day for Erie County and I would also like to thank our staff and our Board. Everyone was working on New Years Eve, New Years Eve day, Christmas and we have been in constant communications with the Governors office and I spoke personally with the Governor several times on this matter and he was very committed in getting this done. I would like to thank him personally and his staff. I would ask Mr. Vetter to describe the borrowing."

Executive Director Vetter: "Thank you Mr. Chairman, at the advice of legal counsel there are three separate resolutions that are related to the borrowing that are in your Board packets. The first does authorize entering into the necessary agreements with necessary vendors, contractors, regarding doing the bonding. This is a mirror bond where the County sells bonds to us and the Authority goes to the market and resells those bonds and the potential savings is in the $600,000 range. So the initial resolution that is in front of you really authorizes the necessary steps to enter into those agreements and to the bonding on behalf of Erie County. In the absence of our Chairman I would ask if there are any questions for staff and/or any one else who has been working on this particular initiative?"

Secretary Keysa: "Did they give any estimated savings?"

Executive Director Vetter: "Yes, the estimated savings is approximately, versus what the County would have done, versus doing this by themselves. The estimated savings is approximately $600,000 for this particular issuance."

Director Goodell: "I do have one question, what savings would have accrued if the Authority had issued these bonds without any mirror bonds in place."

Executive Director Vetter: "I believe the initial estimates were in the $300,000 range over and above the current savings. I think this agreement was worked on very hard with members of the Authority, the Comptrollers office, the Legislature and the Governor's office to come to a position were everyone would have a degree of comfort and it is still something that derives significant savings for the taxpayers of Erie County without layoff, program cuts, etc."

"Mr. Chairman, at this point I believe we have concluded the discussion. I believe we need a motion to approve."

Chairman Baynes: "May I have a motion to approve the resolution authorizing capital borrowing?"

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

Resolution No. 08-12

AUTHORIZING THE SALE AND ISSUANCE OF
SERIES 2008A REVENUE BONDS

WHEREAS, Chapter 182 of the New York Laws of 2005 (the "ECFSA Act"), as amended, 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, on December 31, 2007, the Erie County Legislature adopted a resolution, pursuant to New York Public Authorities Law ("Public Authorities Law") section 3961(1), that authorized the ECFSA to issue an initial series of general obligation bonds ("Series 2008A Bonds"), to be secured by County sales tax revenues (the "December 31 Resolution"); and

WHEREAS, the proceeds of the Series 2008A Bonds would finance up to $51,930,000 in costs arising from the County's 2007 capital program; and

WHEREAS, the December 31 Resolution further authorized the County to "issue general obligation mirror bond debt in the same amount" to the ECFSA, upon issuance of the Series 2008A Bonds; and

WHEREAS, then-County Executive Joel A. Giambra also requested the ECFSA to undertake the financing of costs authorized by the December 31 Resolution; and

WHEREAS, pursuant to Public Authorities Law sections 3961 and 3962, the December 31 Resolution, subject to the County Executive's subsequent request that the ECFSA provide financing, enables the ECFSA to issue bonds to finance the County's 2007 capital program;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA shall plan to sell and issue $51,930,000 in Series 2008A Bonds, to be secured by County sales tax revenues, whereby the proceeds of such Bonds shall finance up to $51,930,000 in costs arising from the County's 2007 capital program; and

BE IT FURTHER RESOLVED that the ECFSA shall plan to issue the Series 2008A Bonds under the following circumstances:

(1) Pursuant to Public Authorities Law section 3961(2), the County Executive shall request that the ECFSA provide financing to the County, as authorized by the December 31 Resolution.

(2) On the same day that the ECFSA issues the Series 2008A Bonds, the County will also issue general obligation "mirror" bonds (the "Mirror Bonds") having substantially the same coupons, prices, and/or yields; payment dates; and maturity dates as the Series 2008A Bonds.

(3) The Mirror Bonds will not be pledged to the repayment of the Series 2008A Bonds.

(4) After their issuance, the Mirror Bonds shall be considered assets held by the ECFSA, unless and until the County receives notice that two (2) bond Rating Agencies have rated the County in any "A" category, including, but not limited to, "A3" or "A-." Receipt of such notice on or before February 1, 2028, shall constitute a "Benchmark Event." The "Rating Agencies" shall include Moody's, Fitch, Standard & Poors, and their successors and assigns, and, should one or more of these entities no longer exist, any other nationally recognized agency approved by the Insurer for the Series 2008A Bonds and the Mirror Bonds.

(5) If and only if a Benchmark Event occurs on or before February 1, 2028, the owners of interests in the Series 2008A Bonds will exchange their ownership interests in such Bonds for ownership interests in the Mirror Bonds, pursuant to the following procedure:

(a) Within five (5) days after the occurrence of the Benchmark Event, the County will notify the Trustee and the Insurer for the Series 2008A Bonds and the Mirror Bonds, so that they might commence the mandatory exchange process.

(b) Within ninety (90) days after receiving notice of the Benchmark Event, the Trustee will complete the exchange via the DTC Book-entry System.

(c) Upon such exchange, the Series 2008A Bonds shall be defeased.

(6) If the Benchmark Event does not occur on or before February 1, 2028, no exchange in ownership interests in the Series 2008A Bonds for ownership interests in the Mirror Bonds shall take place.

(7) A single Insurer will agree to issue a policy to insure (i) the Series 2008A Bonds until their maturity or retirement; and (ii) the Mirror Bonds, in the event that the Series 2008A Bonds are defeased upon the occurrence of the Benchmark Event, as discussed above. The Insurer will further agree not to charge any additional costs upon any transfer of insurance from the Series 2008A Bonds to the Mirror Bonds.

(8) The ECFSA will use County sales tax revenues to make debt service payments on the Series 2008A Bonds, once the ECFSA has used such revenues to pay its operating expenses.

(9) The County's paying agent will deposit debt service payments on the Mirror Bonds with the Trustee, pursuant to a schedule providing for regular payments that will take place three (3) or fewer days prior to each ECFSA debt service payment on the Series 2008A Bonds.

(10) If, on any day when the ECFSA receives County sales tax revenues, the Trustee has on deposit sufficient funds to satisfy fully the next debt service payment due on the Series 2008A Bonds, the ECFSA will not deposit any such sales tax revenues with the Trustee for the purpose of paying debt service. Rather, it will transfer to the County any sales tax revenues that remain after the ECFSA has used them to pay operating expenses.

BE IT FURTHER RESOLVED that the ECFSA shall enter with the County into any and all agreements necessary to effectuate the issuance of the Series 2008A Bonds and the Mirror Bonds, which agreements shall be in a form that is satisfactory to the ECFSA in its sole discretion; and its underwriter(s), and a continuing disclosure agreement.

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Chairman, the companion resolution related to this, there was a resolution passed by this Authority in September regarding tying bonding to the tax lien sale. Mr. Kruly and I met with the Legislature on New Years Eve regarding the particular issue and the legislature was concerned that the County might not be allowed to go through the tax lien sale unless there was a specific resolution related to it. So this resolution, given that the County has authorized the ECFSA to borrow does hereby authorize Erie County if it so chooses and this still is a management decision by the new County executive to enter into agreement with Plymouth Park/Xspand under the terms that were put forward in the September 28 consideration."

Chairman Baynes: "So that is solely up to consideration of the County Executive?"

Executive Director Vetter: “At this point all of the approvals outside of the final signature of the County Executive would have been gained with a positive vote of the Board. The legislature has authorized this and the County Exe3cutive would if he chooses would have the Authority to sign the agreement or not.”

Director Goodell: “Does that mean that if there is change of any kind in the Xspand contract that that has to come back to us for review?”

Executive Director Vetter: “My understanding and I will have legal counsel verify that this is authorizing the County to enter into the particular agreement that has been on the table for an extended period of time.”

Chairman Baynes: “Mr. Vetter that is the previous agreement that was past last August or July?”

Executive Director Vetter: “Yes, from last September. That agreement does change because of any changes in the environment or other negotiation that would constitute a material change in a potential agreement that would have to come before the Board once again.”

Chairman Baynes: “Mr. Bucki on the question that Mr. Goodell asked?”

Craig Bucki: “Yes, if you look at the resolution this is that draft resolution entitled “Authorizing the County to Enter into a Contract with Plymouth Park Tax Service LLC” and you go to the be it further resolved paragraph; the first paragraph says that he ECFSA authorizes the County to enter into a purchase and sale agreement with Plymouth Park Tax Services, LLC pursuant only to the particular terms presented to the ECFSA at it’s meeting on September 28, 2007 conditionally approved upon adoption of resolution 07-90. So if there would be any change in the terms of the Xspand deal the County would have to come back to this Authority to receive new approval and furthermore this is only an authorization for the County to enter into the Xspand deal. If political circumstances have since changed and the County decided that it does not want to enter into that deal it doesn’t have to. This is simply authorization to enter into the deal as it was presented to this board in September.”

Chairman Baynes: “Any further questions regarding this item.”

Director Johnson: “All of the concerns that we addressed at that September 28th meeting; all of those concerns were addressed and if this resolution passes we don’t have to look over our shoulders and say we missed one?”

Craig Bucki: “Resolution 07-90 details five conditions that have to be met. I had a discussion with Mr. Vetter I believe yesterday or the day before as to whether these conditions have been me and he presented to me that because the County had approved of the mirror bond financing arrangement that the conditions have been met and that the resolution has been satisfied.”

Director Johnson: "In as much as this resolution speaks only to authorization, have we collaborated with the new administration?"

Chairman Baynes: "I have."

Director Johnson: "Are we satisfied?"

Chairman Baynes: "I am very satisfied."

Director Kruly: "Just maybe a comment. The new County Executive expressed opposition for this during the campaign and since he would be the one executing the contract I wonder if we could get some kind of determination one way or another on this thing in the near future rather than to let it hang indefinitely if it is not going to go forward because at his reluctance or if he is going to approve it would be helpful for everyone to know that because it has budget consequences."

Chairman Baynes: "Mr. Davis is nodding in approval that we will get an approval one way or another."

Director Goodell: "Does the Plymouth Park Tax Services have a deadline in it that says that this must be accepted by?"

Craig Bucki: "That I do not know."

Executive Director Vetter: "My understanding is that there was no deadline in the contract at the previous meeting of the finance committee of the Legislature that Budget Director Hartman had testified that that agreement would be off the table as of October 30, 3007. Subsequent meetings with members of the Legislature indicated the deal is still on the table."

Secretary Keysa: "Mr. Chair, I would note that I previously detailed my concerns with the tax lien sale and my concerns remain."

Chairman Baynes: "Any further questions for Mr. Bucki? Thank you again Mr. Bucki for all of your help."

"May I have a motion to approve the resolution authorizing the County to enter into a contract Plymouth Park Tax Services, LLC?"

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

Resolution No. 08-13

AUTHORIZING THE COUNTY TO ENTER INTO A CONTRACT
WITH PLYMOUTH PARK TAX SERVICES, LLC

WHEREAS, Chapter 182 of the New York Laws of 2005 (the "ECFSA Act"), as amended, 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, upon adopting Resolution 07-90 on September 28, 2007, the ECFSA approved a purchase and sale agreement between Plymouth Park Tax Services, LLC, and the County, as submitted by the County Division of Budget, Management and Finance, contingent upon the County's satisfaction of enumerated conditions; and

WHEREAS, one such condition was "that the appropriate legislation be proposed by the County Executive and approved by the County Legislature requesting that the ECFSA perform the 2007 capital borrowing on behalf of Erie County;" and

WHEREAS, on December 31, 2007, the Erie County Legislature adopted a resolution, pursuant to New York Public Authorities Law ("Public Authorities Law") section 3961(1), that authorized the ECFSA to issue an initial series of general obligation bonds ("Series 2008A Bonds"), to be secured by County sales tax revenues (the "December 31 Resolution"); and

WHEREAS, the proceeds of the Series 2008A Bonds would finance up to $51,930,000 in costs arising from the County's 2007 capital program; and

WHEREAS, the December 31 Resolution further authorized the County to "issue general obligation mirror bond debt in the same amount" to the ECFSA, upon issuance of the Series 2008A Bonds; and

WHEREAS, then-County Executive Joel A. Giambra also requested the ECFSA to undertake the financing of costs authorized by the December 31 Resolution; and

WHEREAS, pursuant to Public Authorities Law sections 3961 and 3962, the December 31 Resolution, subject to the County Executive's subsequent request that the ECFSA provide financing, enables the ECFSA to issue bonds to finance the County's 2007 capital program;

WHEREAS, on January 4, 2008, the ECFSA adopted a resolution declaring that it "shall plan to sell and issue $51,930,000 in Series 2008A Bonds, to be secured by County sales tax revenues," to finance up to $51,930,000 in costs arising from the County's 2007 capital program;
NOW, THEREFORE, BE IT RESOLVED, the County Legislature's adoption of the December 31 Resolution satisfied the condition of Resolution 07-90, "that the appropriate legislation be proposed by the County Executive and approved by the County Legislature requesting that the ECFSA perform the 2007 capital borrowing on behalf of Erie County;" and

BE IT FURTHER RESOLVED that the ECFSA authorizes the County to enter into a purchase and sale agreement with Plymouth Park Tax Services, LLC, pursuant only to the particular terms presented to the ECFSA at its meeting on September 28, 2007, and conditionally approved upon adoption of Resolution 07-90.

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Chairman, at the advice of legal counsel that the bonding was separated into three discrete resolutions as opposed to one voluminous resolution. The third is with regard to designating an underwriter for the Authorities bonds and I would suggest at this point a motion to approve if there is no further discussion."

Chairman Baynes: "May I have a motion to approve?"

Director Kruly moved to approved, Director Goodell seconded. On the question:

Director Kruly: "Mr. Chairman on the question? There is one whereas here that talks about the Citigroup unique experience qualifying them for a waiver of competitive bidding frankly I would just assume strike that whereas there are others that have the same experience and in fact Roosevelt and Cross was willing to provide it at the same rate but it was at the insistence of the Comptroller that this was done. I think we are interested in getting this deal moving. We are going to move on this but Citigroup is certainly not the only one and considering problems that Citigroup has nationally and internationally now some of us would question maybe that. The important thing is to get this bond going and to move it along, so I will vote in favor of it but I don't agree with the comment about the uniqueness of Citigroup.'

Secretary Keysa: "Are you making a motion to amend?"

Director Kruly: "Yes I make a motion to strike the last whereas on the first page."

Chairman Baynes: "Whereas Citigroup unique expertise…"

Secretary Keysa: "I will second that motion to amend."

Chairman Baynes: "Okay we are going to amend this but Citigroup is still going to be the company that does the borrowing. Mr. Bucki."

Craig Bucki: 'I'm here to speak just to give a little background on why the resolution is necessary."

Chairman Baynes: "You prepared this correct?"

Craig Bucki: "Yes."

Chairman Baynes: "Did you include that particular paragraph?"

Craig Bucki: "What I was going to say was to first give background and then to talk about that particular paragraph. In the fall this Authority passed resolution 07-99 which prequalified various firms to serve as the underwriter for any future bonding and those firms were selected as the result of a competitive bidding process. The Public Authorites law requires that any public authority such as the ECFSA to go through a competitive bidding process in the course of procurement. However the same statue that requires competitive bidding process also requires that opportunities be set forth in a public authority's procurement guidelines for waiver of public bidding. In the spring of 2007 this Authority adopted procurement guidelines that allowed for such waiver and the if the whereas clause provides for those circumstances when a waiver is allowed in emergency or other extraordinary circumstances which make competition impracticable or inappropriate or and then there are several other circumstances. With regard to the whereas clause the Director Kruly mentioned, there would be no problem with striking Whereas (I) Citigroup's unique expertise in underwriting the Counties prior non issues as written however it should be included in the resolution a statement about the extraordinary circumstance of the need to fund the Counties 2007 capital program because competition can be waived only in certain circumstances and the resolution needs to declare the circumstance under which this authority finds that it is appropriate for this Authority to waive competition."

Chairman Baynes: "Mr. Bucki, you have no problem with he first I in that paragraph?"

Craig Bucki: "I have no problem deletion of the first I but because it begins with (I), (II) would have to stay."

Secretary Keysa: "For the writing of the document we will take (I) strike (I), strike the words that follow that, strike (II) and those will be the words that are struck and the paragraph will now read where as the extraordinary circumstance of the need."

Craig Bucki: "That is correct and with regard to be it resolved paragraphs."

Director Kruly: "Mr. Chairman, I will withdraw the original amendment."

Secretary Keysa: "You can just clarify it."

Chairman Baynes: "So as far as Citigroup's unique expertise in bond writing since we all no they are not just unique, this is struck."

Craig Bucki: "And then similarly with regard the be it further resolved paragraph it states again because of its unique expertise in underwriting the Counties prior bond issues so the paragraph starting with be it further resolved an appropriate amendment would have that paragraph read "Be it further resolved the ECFSA selects Citigroup as underwriter fro the issuance for the series 2008A bonds because of the extraordinary circumstance of the need to fund the counties 2007 capital program."

Chairman Baynes: "So expertise is removed from the second paragraph as well."

Craig Bucki: "From it's unique expertise in underwriting the Counties prior bond issue and that whole clause as well."

Chairman Baynes: "I think we got. Thank you again for your help Mr. Bucki. Could I have a vote on the amendment?"

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

Executive Director Vetter: "I think we need to vote on the original resolution, I believe there has been a motion and a second on the original resolution but we do need to vote on that item."

The Directors voted unanimously in favor of the following resolution:

Resolution No. 08-14

SELECTING AN UNDERWRITER FOR THE SALE AND ISSUANCE OF SERIES 2008A GENERAL OBLIGATION BONDS

WHEREAS, Chapter 182 of the New York Laws of 2005 (the "ECFSA Act"), as amended, 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, on January 4, 2008, the ECFSA adopted a resolution declaring that it "shall plan to sell and issue $51,930,000 in Series 2008A Bonds, to be secured by County sales tax revenues," to finance up to $51,930,000 in costs arising from the County's 2007 capital program;

WHEREAS, the ECFSA must select a firm to provide professional services to underwrite the issuance of the Series 2008A Bonds; and

WHEREAS, such selection must be made "on a competitive basis to the maximum extent possible," pursuant to section 401 of the ECFSA's Guidelines Regarding the Use, Awarding, Monitoring and Reporting of Procurement Contracts (the "Procurement Guidelines"); and

WHEREAS, section 404 of the Procurement Guidelines authorizes the ECFSA to waive the requirement of competitive bidding to precede selection of an underwriter when:

> (a) Emergency or other extraordinary circumstances exist which make competition impracticable or inappropriate; or
>
> […]
>
> (c) Specialized services are required for which a certain person/firm's expertise is unique or such person/firm has greatly superior qualifications to perform the services at a cost that is determined to be fair and reasonable; and

WHEREAS, the County Comptroller has requested that Citigroup Global Markets, Inc. ("Citigroup"), underwrite the ECFSA's issuance of revenue bonds to subsidize the County's 2007 capital program; and

WHEREAS, (i) the extraordinary circumstance of the need to fund the County's 2007 capital program justify waiver of a competitive process to precede the ECFSA's selection of Citigroup to underwrite revenue bonds to be issued for such purpose;

NOW, THEREFORE, BE IT RESOLVED that, pursuant to section 404 of its Procurement Guidelines, the ECFSA hereby waives the requirement of competitive bidding to precede selection of an underwriter for the Series 2008A Bonds; and

BE IT FURTHER RESOLVED that the ECFSA selects Citigroup as underwriter for the issuance of the Series 2008A Bonds, because of the extraordinary circumstance of the need to fund the County's 2007 capital program.

This resolution shall take effect immediately.

Chairman Baynes: "If there be no further business today I would entertain 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

February 7, 2008