

Minutes
Erie County Fiscal Stability Authority
March 7, 2008

(Note: the following is a draft copy of minutes of a meeting of the Erie County Fiscal Stability Authority ("ECFSA"), which was held March 7, 2008. These minutes will not become final until approved at a subsequent meeting of ECFSA directors, and may be amended before approval.)

The meeting was called to order by Chairman Baynes at 2:00 p.m. in the auditorium of the Buffalo & Erie County Main Library in downtown Buffalo. Present were Directors Anthony Baynes, Joseph Goodell, John Johnson, Stanley Keysa and Kenneth Kruly, along with Executive Director Kenneth Vetter.

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

Today's agenda includes a number of items including a number of technical items the Board needs to pass to ensure the ECFSA is in compliance with Public Authorities Law, a series of Erie County contracts and the ECFSA's audited financial statements. Our first order of business is to approve the February 7, 2008 minutes. They have been submitted by Secretary Keysa and were circulated to the members in their briefing book prior to this meeting. May I have a motion to approve?"

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

Resolution No. 08-27

**APPROVING MINUTES AND RESOLUTIONS FROM
FEBRUARY 7, 2008 MEETING**

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its February 7, 2008 meeting and ratifies and affirms fourteen resolutions numbered 08-15, 08-16, 08-17, 08-18, 08-19, 08-20, 08-21, 08-22, 08-23, 08-24, 08-25 and 08-26 that were approved on February 7, 2008.

This resolution shall take effect immediately.

Chairman Baynes: "On to our next order of business. We are going to go out of order here and move to the audit committee, chaired by Vice Chair Glaser, which met today to discuss the 2007 audited financials. I would ask our Vice Chair Glaser to report on the audited financial statements."

Vice Chair Glaser: “Thank you, Chairman Baynes. We met prior to this meeting and had some detailed discussions with our auditing firm, Joe Klimek of Toski and Schaffer. He went through the report and the guidelines that are required to deal with us relative to internal controls and management recommendations and their responsibilities. I am happy to say that the audit committee has recommended to the full board that we accept the audit report as presented by Mr. Klimek. Going on, a highlight of that report would show that, although we had a budget of approximately \$1.2 million, we only really spent \$535,000, which meant we returned approximately 40% of our allocated budget back to the County. So with that, the audit committee recommends that we accept everything and to vote in favor on behalf of the board.

Chairman Baynes: “May I have a motion to approve the audited financial statements Vice Chair Glaser just presented?”

Secretary Keysa moved to approved, Director Johnson seconded.

Chairman Baynes: “Any amendments or discussion? Other than the fact that the newspapers keep saying we spend \$2 million, so I was very excited about hearing only \$500,000 was spent. All in favor?”

The Directors then voted unanimously to approve the following resolution:

Resolution No. 08-33

APPROVING THE 2007 ANNUAL FINANCIAL AUDIT

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

WHEREAS, the ECFSA is a public authority of the State of New York and, as such, section 3971(1) of the New York Public Authorities Law (“Public Authorities Law”) requires the ECFSA to select an independent certified accountant to perform its annual financial audit; and

WHEREAS, in adopting Resolution 06-12 on May 3, 2006, the ECFSA selected Toski, Schaefer & Co., P.C., which the New York State Office of General Services has approved as a statewide vendor of auditing and accounting services, to perform its annual financial audit for fiscal years 2005 through 2007; and

WHEREAS, Toski, Schaefer & Co., P.C., has completed the ECFSA 2007 annual financial audit (the “2006 Audit”), and presented it to the Audit Committee during an open meeting on March 7, 2008; and

WHEREAS, section 2800(3) of the Public Authorities Law further requires the ECFSA to approve a financial audit for fiscal year 2007; and

WHEREAS, the Audit Committee has recommended approval of the 2007 Audit;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA hereby approves the 2007 Audit, a copy of which is attached to this resolution; and

BE IT FURTHER RESOLVED that the 2007 Audit be submitted to the Erie County Executive, the Presiding Officer of the Erie County Legislature, the Erie County Comptroller, the Governor, the State Comptroller, the Chair and Ranking Minority Member of the State Senate Finance Committee, and the Chair and Ranking Minority Member of the State Assembly Ways and Means Committee, as required by section 3971(1) of Public Authorities Law.

This resolution shall take effect immediately.

Chairman Baynes: “We have another order of business; a little housekeeping with some technical resolutions. Secretary Keysa has been working with the staff on policies we need to adopt or to readopt at this meeting to remain in compliance with public authority guidelines. I would ask Secretary Keysa to cover those policies.”

Secretary Keysa: “Essentially there are several resolutions before you; one to adopt the property disposal guidelines, one to adopt the procurement guidelines, another to designate an internal control officer, another for investment guidelines and the final for a prompt payment policy. All of those, with the exception of the internal control, we have done previously. There are very minor technical changes to them but for the most part they are as they were last year. The internal controls officer is intended to provide some separation and oversight. Frankly, until we have more personnel, it is very difficult with a three-member staff to do much in terms of internal control, but this anticipates that at some point shortly we will have a financial analyst. That person would eventually be the internal controls officer. With that, I would turn to Executive Director to make any other comments.”

Executive Director Vetter: “Thank you, Secretary Keysa. I guess that I would just suggest that these are policies that have been passed by the board at previous meetings and this is really a ministerial matter at this point to remain in compliance with the Public Authorities Law that I would suggest that the board consider each of these

resolution separately for consideration and for a vote and I would point on one of the resolutions regarding an internal control officer that there is a typo to be corrected in the final resolution. I believe the final resolution indicates that the internal control officer be the financial advisor. It should be financial analyst, not financial advisor. So at this point I would suggest that the first of the resolutions for property disposal that there be a motion by the board for approval and consideration?”

Chairman Baynes: “Executive Director Vetter, that is 08-29?”

Executive Director Vetter: “Yes, Chairman Baynes.”

Chairman Baynes: “May I have a motion to approve the resolution 08-29?”

Secretary Keysa: “I believe that is 08-30.”

Executive Director Vetter: “Oh, I am sorry.”

(Tysha Martin indicated that taking the agenda out of order had caused the pre-numbered resolution to be out of order)

Chairman Baynes: “Has the wording been changed?”

Executive Director Vetter: “No, I guess the numbers have been changed on these. Chairman Baynes, if we could go by title, we will make sure that we have proper numbering later.”

Chairman Baynes: “Okay, let’s start with resolution number 08-30 which is the designation of internal control officer. Do I have a motion to move resolution number 08-30?”

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

Resolution No. 08-30

DESIGNATING AN INTERNAL CONTROL OFFICER

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 has established and maintained guidelines for a system of internal controls to comply with Public Authorities Law and internal control standards;

WHEREAS, section 2931 of the New York Public Authorities Law (“Public Authorities Law”), requires the governing board of the ECFSA to designate an internal control officer, who shall report to the head of the Authority, to implement, maintain, communicate and review the internal control responsibilities established and maintained for the Authority; and

WHEREAS, through adoption of employee guidelines in Resolution 06-08 on February 23, 2006, the ECFSA Board had previously designated the Chief Financial Officer as the Authority’s Internal Control Officer; and

WHEREAS, the ECFSA Board finds it necessary to designate in name at this time the Authority’s Internal Control Officer; and

WHEREAS, section 2932 of Public Authorities Law, requires the governing board of the ECFSA or its designee to determine, and periodically review the determination of, whether an internal audit function within the Authority is required; and

NOW, THEREFORE, BE IT RESOLVED that Financial Analyst is hereby designated the Internal Control Officer responsible for implementation and review of the Authority’s internal control responsibilities until such time as his resignation, removal or death; and

BE IT FURTHER RESOLVED that the Authority’s designated Internal Control Officer is designated to determine, and periodically review the determination of, whether an internal audit function within the Authority is required and to report to this Board should the need arise.

This resolution shall take effect immediately.

Chairman Baynes: “On resolution approving investment guidelines number 08-31, may I have a motion to approve?”

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

Resolution No. 08 -31

APPROVING INVESTMENT GUIDELINES

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

WHEREAS, the ECFSA is a public authority of the State of New York and, as such, is governed by certain state laws that require the adoption of investment guidelines; and

WHEREAS, in order to comply with state law, it was necessary for the ECFSA to adopt investment guidelines, as required by sections 2925 and 3954 of the New York Public Authorities Law; and

WHEREAS, the ECFSA adopted such investment guidelines in Resolution 07-16 on March 2, 2007; and

WHEREAS, in order further to comply with state law, it is necessary for the ECFSA to review and approve its investment guidelines at least annually; and

WHEREAS, the Board of Directors of the ECFSA has reviewed the investment guidelines currently in effect; and

WHEREAS, upon review of those guidelines and the report on compliance, the ECFSA finds that the investment guidelines be amended consistent with a number of procedural changes;

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

This resolution shall take effect immediately.

Chairman Baynes: “Resolution number 08-32, adoption of prompt payment policy. May I have a motion to approve?”

Vice Chair Glaser moved to approved, Secretary Keysa seconded, and the Directors voted unanimously to approve the following resolution:

Resolution No. 08-32

ADOPTION OF PROMPT PAYMENT POLICY

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

WHEREAS, the ECFSA is a public authority of the State of New York and, as such, is governed by certain state laws that require the adoption of a prompt payment policy; and

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

WHEREAS, the ECFSA adopted by resolution 07-07 its prompt payment policy on March 7, 2007; and

WHEREAS, upon review of its current prompt payment policy finds that amendments are not needed at this time,

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

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

BE IT FURTHER RESOLVED, that the attached Prompt Payment Policy shall be deemed effective as of March 7, 2008.

This resolution shall take effect immediately.

Secretary Keysa: “The property disposal guidelines should be next. That is, resolution number 08-28.”

Secretary Keysa moved to approved, Vice Chairman Glaser seconded, and the Directors voted unanimously to approve the following resolution:

Resolution No. 08-28

ADOPTING PROPERTY DISPOSAL GUIDELINES

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, Section 2896 of the Public Authorities Law requires public authorities to adopt comprehensive guidelines which detail the authority’s operative policy on the disposal of personal property valued in excess of five thousand dollars; real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party; and

WHEREAS, the ECFSA has developed and implemented property disposal guidelines to comply with this requirement; and

NOW THEREFORE BE IT RESOLVED, that the Erie County Fiscal Stability Authority does hereby affirm the attached property disposal guidelines as required by Section 2896 of the Public Authorities Law; and

BE IT FURTHER RESOLVED, that the Office Manager be designated as the “contracting officer” who shall be responsible for the disposition of property is hereby affirmed.

This resolution shall take effect immediately.

Executive Director Vetter: “Then, Chairman Baynes, what is in your books listed as 08-29 is for approval of procurement guidelines.”

Vice Chair Glaser moved to approved, Secretary Keysa seconded, and the Directors voted unanimously to approve the following resolution:

Resolution No. 08- 29

APPROVING PROCUREMENT GUIDELINES FOR CERTAIN CONTRACTS

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

WHEREAS, the ECFSA requires professional assistance in performing its mission; and

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

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

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

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

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

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

This resolution shall take effect immediately.

Executive Director Vetter: “Chairman Baynes, I believe those are all the guidelines that we technically need to approve at this meeting.”

Chairman Baynes: “One quick question, Secretary Keysa? Exempting certain grants from the...?”

Secretary Keysa: “That comes later.”

Executive Director Vetter: “Chairman Baynes I would suggest at this point that we go through the contract matrix and a new provision where we have been requested by the County Executive to exempt some contracts from ECFSA approval because of some logistical issues internally at the County. With your permission, if I could go forward on the contract matrix.”

“If you look in your books, there is a standard contract matrix. What I would like to put forward as a recommendation to the board is in consideration of contract 1-1, which is a copier contract for ECC, that was tabled at the meeting. We had directed the college to go back and discuss collaboration and pricing with the County to determine if a lower cost could be achieved. My understanding is that has occurred. Staff would suggest at this point that that contract be taken off the table and a motion to remove it from the table and then a subsequent motion to reconsider. We have someone here from the college to go through this, I believe because of the suggestion, there have been some dollar savings in the last month. So Chairman Baynes, if I could suggest at this point that a motion be made to bring this contract back from the table.”

Vice Chair Glaser moved to approved, Secretary Keysa seconded, and the Directors voted unanimously to remove the ECC copier contract from the table.

Executive Director Vetter: “I believe Mr. Schott is here to discuss this. Oh I am sorry, Mr. Stuart. Yes, Mr. Stuart, at the last meeting we had tabled this agreement and my understanding is that subsequent to that being tabled there have been discussions with the Administration on a strategy for going forward and that there has been some kind of

resolution that will actually saving dollars right now on these copiers.”

Mr. Stuart: “\$25,000 annually.”

Executive Director Vetter: “So between last month and right now, those discussion resulted in a \$25,000 annual contract savings; so for a five-year contract, \$125,000 in savings?”

Mr. Stuart: “Yes.”

Chairman Baynes: “Good job, thank you.”

Vice Chair Glaser: “If we waited another month could we get another \$25,000?”

Chairman Baynes: “Was this contract rebid or did they just lower the price?”

Mr. Stuart: “No, what happened was, by entering into the new lease agreement, we stopped paying overage charges which are currently paying on the present contract. After some negotiation, they removed the overage charges which cost \$25,000 annually and we reviewed the lease agreement with Mark Davis, the Deputy County Executive, and he concurred that it was in our best interest to move forward. Also, we had the option at anytime to renegotiate based on any State contract price reduction and we obviously took advantage of that. So in the future, if there is a better agreement reached with Xerox or some other provider, we would arrange to make some renegotiations.”

Vice Chair Glaser: “I think the point is what we talked about earlier and that I would like to make is and I applaud you for this but there seems to be a little more cooperation between the entities in the County and the County Executive’s office, so it does helps to work through some of those things. Good job.”

Chairman Baynes: “Any further questions? Again thank you very much for your time. May I have a motion for contract #1-1?”

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

Resolution No. 08-34

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 as listed on the attached document.

Item	Description	Amount
Erie Community College – Xerox Copier	5 year lease agreement with Xerox	23,904.74 a month for a 5 year period

This resolution shall take effect immediately.

Executive Director Vetter: “Chairman Baynes, logistically the only other contracts that have a few questions on them are for the Division of Information and Support Services. I would suggest that we take those as a batch and then the rest can be considered as a total batch because there were no other questions on the others. So I would recommend that items 1-2 through 3-1 be considered as a slate. I believe Mr. Gervase is here. Primarily, the DISS items regarding the telephone services; Level Three Communications, Verizon and

how the County is coordinating those services and looking forward to streamlining technology costs.”

Joseph Gervase: “Good afternoon, I am Joe Gervase, Director of the Division of Information and Support Services. I have six items.”

Executive Director Vetter: “Yes there are a number of items here that there were a couple of questions regarding Level Three Communication; there are a couple of Verizon contracts and how in terms of telephone services and communication services, how those are coordinated and if they are being looked at in the future for further consolidation or streamlining.”

Joseph Gervase: “Well, just to give you some background, the Verizon service contract, the Level Three and the PAETEC contracts were all done off a bidding process, for all of our inbound and outbound mobile and long distance service contracts were bid out. What we did at the time, because we were not able to get the best price from the one vendor and one vendor couldn’t handle all of the volume, we negotiated with each vendor to get the best price on the varying circuits. So it is piecemeal here and it represents the best opportunity at that point in time. This is the last year of the contract and it will be bid out again, probably at the end of this year. That is for the Verizon Business Service, the Level Three and the PAETEC.

The Verizon Select contract is a little different. It is for the maintenance on our PDS switch and it also covers the newest plans and changes which includes technician support, on-site and the various supplies, the cards, the phones and the various things that go into a move or if we need to add a phone so on and so forth. That contract itself is for that component. I am not a telecommunications expert, but I do have a telecommunications manager here if you want to be more specific.”

Chairman Baynes: “Does anyone have any further questions for Mr. Gervase? Mr. Gervase, thank you very much. May I have a motion to move 1-2 through 3-1?”

Vice Chairman Glaser moved to approve, Director Kruly seconded, and the Directors voted unanimously to approve the following resolution:

Resolution No. 08-35

**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 Libraries – Purchase Contract – Hewlett Packard	Replace 256 public access computers	\$163,328 – All library funds
EC Central Police Services – Service Contract – Motorola c/o United Radio	61 - UHF mobile radios for Erie County Sheriff’s Dept.	\$158,901.89 – no local share
EC Central Police Services – Purchase Contract – Joe Basil	Purchase of 2 Chevy Tahoes for Homeland Security, using 100% Homeland Security \$’s	\$64,262 – no local share
EC Central Police Services – Purchase Contract - Motorola c/o United Radio	32 - UHF mobile radios for Erie County Sheriff’s Dept.	\$92,156.80 – no local share
EC Central Police Services – Service Contract – Comntix Inc.	RICI annual maintenance contract	\$60,000 – all local share from E-111 fund
EC Division of Information & Support	Inbound and outbound local and long-distance calling	\$160,000 – all local share

Services – Service Contract – Level 3 Communications	circuits.	
EC Division of Information & Support Services – Service Contract – Verizon Select Services	Moves, adds, changes for the Erie County voice network	\$304,000 – all local share
EC Division of Information & Support Services - Service Contract – PAETEC Communications	Inbound and outbound local and long distance calling circuits	\$133,000 – all local share
EC Division of Information & Support Services - Services Contract - Oracle USA Inc.	Oracle database software support & maintenance	\$171,250 – all local share
EC Division of Information & Support Services – Service Contract - IMS	Pre-sort mail service – second year of funding request	\$250,000 – all local share
EC Division of Information & Support Services – Service Contract – Verizon Business	Inbound & outbound local and long-distance calling and data circuits	\$400,000 - all local share

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman, in hopefully running the table on the rest of the agreements, we have been working back and forth with County department heads to answer any questions. They seem to have been adequately addressed by the County. Staff suggests at this point that items 3-2 through 7-3 which are the remaining contracts be approved or be considered for approval by the Board and suggest a motion at this point.”

Chairman Baynes: “Could I have a motion to move 3-2 through 7-3?”

Vice Chairman Glaser moved to approve, Director Kruly seconded, and the Directors voted unanimously to approve the following resolution:

Resolution No. 08-36

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 Environment & Planning – Service Contract – Stohl Environment	Lead-based testing services contract. Required by federal regulations on all houses through the county’s community development & HOME investment partnership programs.	\$55,000 – no local share
EC Environment & Planning – Sewerage District– Award of contract 34A – Visone Construction, Inc.	Installation of approx. 1,900 linear ft. of sedentary sewer pipe, manholes and appurtenances	\$1,110,429 – all sewer district funds
EC Environment & Planning – Sewerage District – Kemira Water Solutions, Inc.	Purchase of Ferric Chloride	\$134,587 – all sewer district funds
EC Environment & Planning - Grant funding - NYSDEC	Waste reduction and Recycling/Education grant to assist municipalities with compliance to NYS mandated Solid Waste Management Plans	\$359,354 - \$179,677 local share
EC Environment & Planning – Intermunicipal Agreement – City of Buffalo	City is part of the process for 3-5 above. This would allow the county to enter into associated NYSDEC agreement with the City of Buffalo	70,000 – No local share
EC Environment & Planning – Sewerage District – Purchase Contract - Allied Waste, Modern Disposal	Sewer Sludge Disposal	\$199,000 – Sewer district funds
EC Environment & Planning – Receipt of Grant Funds – USEPA, University at Buffalo	Assist in developing a protocol and training module for municipalities to detect, sample and track down sources of illicit discharges to their storm sewer systems	\$64,280 – No local share
EC Environment & Planning – Sewerage District – Award of Construction Contract – Milherst Construction	Installation of 1,630 ft. of sanitary sewer pipe to eliminate obsolete pumping station	\$109,144 – Sewer District funds

EC Environment & Planning – Sewerage District -Lease Agreement – Wanakah Sewer Commission/ Hamburg	Transferring the Wanakah District collection system to the county to own, operate and maintain	Undetermined value as of yet, in excess of \$50,000
EC Environment & Planning – Sewerage District – Award of Construction Contract – Kadney Co.	Rehab of 5,100 ft. of existing sanitary sewers and replacement of 6 existing manholes on Transit Rd. in Clarence due to deterioration	\$485,357 – Sewer district funds
EC Department of Health – Service Contract – Health Research Inc., Federal Centers for Disease Control	Upgrade local Health Dept. preparedness and response capacity to bioterrorism events	\$1,041,782 – No local share
EC Department of Health – Public Health Lab – Purchase Contract – BD Diagnostics Systems	Re-agents and supplies necessary to conduct routine molecular testing for gonorrhea and chlamydia	\$67,673 – All local share
EC Department of Health – Public Health Lab – Purchase Contract – Cardinal Health	Re-agents and supplies necessary to conduct routine viral hepatitis, syphilis and rubella diagnostic testing	\$87,359.32 – All local share
EC Department of Health – Service Contract – Health Research Inc., Federal Centers for Disease Control	Equip and staff bio safety level-3 laboratory at the Erie county Public health lab	\$179,719 – No local share
EC Department of Health – Receipt of Grant Funds – NYS Division of Criminal Justice Services	Will assist the Forensic Toxicology Lab in maintaining its NYS accreditation	\$306,249 – No local share
EC Department of Health – Receipt of Grant Funds – NYS Division of Criminal Justice Services	Assist the Forensic Toxicology Lab in maintaining its NYS accreditation	\$60,800 – No local share
EC Department of Mental Health – Service Contract – Mid-Erie Counseling and Treatment	Increase contract due to increase in NYS OASAS funding increase	\$1,585,284 - \$181,199 Local share
EC Department of Mental Health – Service Contract – Approved Vendors	Changes in SPOA grant expenditures that are 100% reimbursed to the county	\$10,779,404 - \$10,000 Local share
EC Department of Mental Health – Service Contract – Spectrum Human Services	Increase contract due to increase in NYS OASAS funding increase	\$4,026,345 - \$45,517 Local share
EC Public Works – Service Contract, Change Order – Boldt landscaping	Erie county stump removal program related to October 2006 storm	\$420,000 – No local share
EC Public Works – Purchase Contract – National Fuel Resources	Purchase of natural gas to fuel county owned facilities and to provide the county’s customer pool with low-cost natural gas for their operations	\$1,650,000 – Local share is \$221,000 + unreimbursed DSS portion
EC Public Works – Purchase Contract – NYS Office of Parks & Visone construction	Erie County Tow Path Phase II improvements	\$446,868 – 285,996 Local share
EC Social Services – Service Contract – Biel’s Information Technology Systems Corp.	Document imaging	\$450,000 - \$50,580 Local share
EC Law Dept. – Settlement of Legal Claim – Bristol Meyers Squibb	Settlement regarding company inflating the average wholesale price of certain drugs for which Medicaid reimbursement is based	\$379,957 – receipt of revenues for general fund

*EC- Erie County

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman, if I could, related to the contract there has been an issue that came to light eight days ago with regard to grants in the County. There is an issue in the County for many of its grants that do not receive a grant contract until well into the grant period or even after the grant period. We have gotten an indication from the County that the Comptroller’s office that sets up the accounts for people or be paid and bills to be paid within these grant is looking for authority approval prior to setting up those accounts. There are no contracts, therefore the Authority cannot approve them, there is nothing that can go before them. What we have worked out with our legal counsel to provide reasonable assurance that the County can still perform its grant services, is a system where the board has been asked to exempt certain contracts and they are listed on an exemption request matrix. Those are items 1-1 through 3-1 in your packet. These are either grants that are starting in the near term future or have started in the past that do not have contracts, that if they are not exempt from the Authority’s contract approval process right now, there is a potential for bills not being paid and staff not being paid for these grants.”

Chairman Baynes: “There are 11 of these? Do I have a motion to move the exemption request for items 1- 1 through 3-3?”

Director Johnson: “I will make that motion, but my one question is, are all of those exempt contracts we are speaking of, will they have 100% financial support from other units of government? Where will we get the information indicating if local tax dollars are involved?”

Executive Director Vetter: “Actually, in the matrix, that information is there.”

Chairman Baynes: “Mr. Bucki, could you come up and speak on this please?”

Craig Bucki: “Good afternoon, I am Craig Bucki, legal counsel to the Authority. The only point that I wanted to try and make is that before any contracts, grants from the exemption list, Mr. Vetter, that you mentioned before any of those are approved. The procedure for exemption of those grants is as prepared in the draft resolution that was forwarded to you earlier today. Those procedures should be approved first as a condition of precedence before any of the grants under exemption are approved.”

Executive Director Vetter: “Mr. Chairman, I would recommend that the procedure that is listed in the book that was prepared by Mr. Bucki, that there is a procedure exempting contracts, that a motion for approval be made

and then subsequent to that, the individual contracts for this contract list as a slate be approved.”

Chairman Baynes: “All right; we’ll call it 8-37; do I have a motion to move 8-37?”

Director Johnson moved to approve, Vice Chair Glaser seconded, and the Directors voted unanimously to approve the following resolution:

Resolution No. 08-37

**EXEMPTING CERTAIN GRANTS FROM
THE ECFSA CONTRACT APPROVAL PROCESS**

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

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

WHEREAS, this control period remains in effect, pursuant to Resolution 08-11, adopted by the ECFSA on January 4, 2008; and

WHEREAS, incident to and in furtherance of the imposition of the control period, the ECFSA adopted Resolution 07-10 on March 2, 2007; and

WHEREAS, Resolution 07-10 authorized a process for ECFSA approval of contracts, settlements, or other obligations binding or purporting to bind the County (“contract approval process”); and

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

WHEREAS, certain County officials have requested amendment of the contract approval process to exempt certain grants already awarded to the County, but for which the County has not yet received corresponding contractual terms quantifying such awards and conditioning their use and receipt; and

WHEREAS, such exemption would facilitate the County’s prudent expenditure of available grant moneys, and serve the best interests of County taxpayers;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA reaffirms, pursuant to Resolution 07-10, that the expenditure of any granted funds pursuant to any grant not valued at greater than \$50,000 does not require ECFSA approval; and

BE IT FURTHER RESOLVED that the ECFSA amends the contract approval process established by Resolution 07-10 as follows, with respect to grants valued at greater than \$50,000 (the "Grants"):

1. Requests to review such Grants must be submitted to the ECFSA in writing, and must consist of correspondence or other documentation providing reasonable assurance of the Grant award.
2. The County Executive or a "Responsible Official," as defined by Resolution 07-10, must sign any request by the County for ECFSA review of such Grant.
3. Within ten (10) days after submission of a completed request for approval of a Grant in compliance with paragraphs (1) and (2) above, the ECFSA Executive Director shall recommend, via written correspondence to each ECFSA Director, whether the ECFSA Board of Directors (the "Board") shall exempt it from the contract approval process established by Resolution 07-10.
4. Upon the ECFSA Executive Director's recommendation concerning a Grant, the Board shall consider whether to exempt it from the contract approval process at its next duly noticed meeting. A Grant shall be deemed exempt upon the affirmative vote of (4) ECFSA Directors at such a meeting. The County may expend any funds that it receives pursuant to a Grant duly exempted by the ECFSA.
5. Within ten (10) days after the County's agreement to terms quantifying an exempt Grant and conditioning its use and receipt by the County, the County Executive or a Responsible Official shall submit a copy of such terms to the ECFSA. Upon considering such terms, the Board, by a majority vote of four (4) Directors at a duly noticed meeting, reserves the right to lift the exemption of the underlying Grant from the contract approval process.
6. The Board, by a majority vote of four (4) Directors at a duly noticed meeting, shall approve any material change in terms conditioning the County's receipt or use of an already exempt Grant, before such change may take effect.

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

This resolution shall take effect immediately.

Executive Director Vetter: "I guess, to answer Director Johnson's question, these grant contracts are on the list; it indicates the local share of these grant contracts, so that some of them have no local share and on others there is no share for Erie County. These are contracts that we have received a note from the County Executive indicating there are

reasonable assurances that because there is a letter or an indication that the money will be coming or is forwarded. That the money would be coming from the State or other government; there is just no contract because, logistically, there is none prepared.”

Chairman Baynes: “Are you sure you got the note from the County Executive?”
“Could we move the exempt request submitted to our board from the County Executive for contracts 1-1 though 3-1?”

Secretary Keysa: “I will make the motion, but I have a question.”

“We do have a number of these and I am asking Mr. Vetter, on each of those, has there been assurance that funds are in the budget for the local share currently?”

Executive Director Vetter: “Yes in the internal procedures that we put together for this, the same paper work that comes to us for contract approval, has to come for these and since there is no contract, what we have substituted for a contract is an award letter or any other indication that the money is real and receivable and a copy of the budget pages that these are all in the budget indicating what the grant is, what the description is and the local share and where the revenues come. So in each one of the contract approval exemptions a copy of the relevant budget pages is attached.”

Secretary Keysa: “I would like to state for that record that the staff goes through that process as we would any other contract.”

Executive Director Vetter: “These are reviewed as are any other contract reviewed but there is no contract documentation. We go through all the language in the budget in any board letters or any other agreements that might be forthcoming from the State.”

Director Johnson seconded the motion and the Directors voted unanimously to approve the following resolution:

Resolution No. 08-38

**APPROVING THE ECFSA EXEMPTION OF CERTAIN GRANTS 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 exempts itself from certain grants listed on the attached document.

Department	Description	Amount
EC District Attorney’s Office – Receiving Grant Funds – NYS Division of Criminal Justice Services	Motor Vehicle theft & Insurance Fraud Prevention Grant Start date of April 1, 2008 – no contract in-hand.	\$162,520 – Local share \$46,283
EC District Attorney’s Office – Receiving Grant Funds – NYS Division of Criminal Justice Services	Aid to prosecution grant. Grant start date of April 1, 2008 – no contract in-hand	\$1,513,001 – Local share \$842,186
EC Department of Health – Receiving Grant Funds – NYS Dept. of Health	Support Erie County health Dept. efforts to reduce morbidity, mortality and disability associated with sexually transmitted diseases – April 1, 2008 start date – no contract in-hand	\$127,587 - \$45,587 Local share
EC Department of Health – Receiving Grant Funds – NYS Tobacco Enforcement Program	Local tobacco enforcement activities – October 2007 start date – no contract in-hand	\$321,000 – No local share
EC Department of Health – Receiving Grant Funds – NYS Bureau of STD Control	Reduce morbidity and mortality from STD’s. – January 2008 start date, no contract in-hand	\$110,083 – 6,268 Local share
EC Department of Health – Receipt of Grant Funds – NYS, US Government	Identify children under 6 years of age with excessive lead exposure – April 1, 2008 start date – no contract in-hand	\$681,555 – No local share
EC Senior Services – Receipt of Grant Funds – New York State	Community Services for the Elderly. Grant purpose is to identify elderly most in need of assistance and targeting services for the. April 1, 2008 start date – no contract in-hand	\$1,404,846 - \$187,500 local share

EC Senior Services – Receipt of Grant Funds – New York State	Expanded In-Home Services Grant (EISEP) to expand case management and non-medical, in-home services to frail elderly living in the community. April 1, 2008 start date – no contract in-hand	\$4,050,949 - \$845,800 local share
EC Senior Services – Receipt of Grant Funds – New York State Office for Aging	CSI Program - The purpose of this grant is to assist senior centers and other congregate services programs to increase the numbers of seniors participating. April 1, 2008 start date – no contract in-hand	\$68,753 - \$12,900 local share
EC Senior Services – Receipt of Grant Funds – New York State	SNAP Program - Provides nutritious meals to homebound ill and disabled older persons. April 1, 2008 start date – no contract in-hand	\$1,538,828 – No local share
EC Senior Services – Receipt of Grant Funds – NYS Office for the Aging	AAATRAN Program – Grant supports operational expenses for transportation services for older adults. April 1, 2008 start date – no contract in-hand	\$108,876 – No local share

This resolution shall take effect immediately.

Chairman Baynes: “Before we conclude today, I have been contacted by I think every news media with regard to the legislation passed yesterday with regard to ACFME and the one-time \$600 settlement payout to approximately 1,200 union members for 2005. I spoke to our legal counsel and we have been told that the ECFSA has approval authority over the potential County obligation. As of today, and I would like to be very clear to the media, we have not received the request from the County to consider this settlement or any detailed information on how it would work and more specifically who is going to pay for it. We look forward to getting some information on this proposal, so we can review it and consider it on its merits. I have been also asked if I was ready to approve it today. I spoke with several board members, I spoke to the County Executive, at this point again we have not enough information from the County and it is hard to comment on hypotheticals; we just don’t know what it is. We will also ask about using efficiency grant money to pay for these items by several reporters and again no one in the County has approached us on that. The way I understand our legislation regarding that request and they are here today to speak to you on the AFCSME 2005 \$600 request to use grant money. Our understanding that the money is used for efficiencies and at this point I don’t know how this is an efficiency. The last part I’d like to make, and I have been asked several times today, and I haven’t spoke yet to this; is do I believe they deserve a pay raise? My response is that the County workers should be paid a fair salary and again, that is to be determined by the County Executive and hopefully they agree on some kind of salary that works with the desired payment plan, but for us to comment on something today, and I am sure some members have some comments, but we don’t have anything in front of us. I have been clear to the newspaper,

TV and radios stations, we don't know exactly what was passed yesterday because we didn't have anything delivered to us at this time. Again I spoke to the County Executive and our attorneys. It will come in front of us and we will make a decision but until that day we are unable to make any comments. I am sure someone here, I know I spoke with Secretary Keysa today and I am sure he has a couple of comments."

Secretary Keysa: "I think you have already covered it. Basically, we are in the position to speculate on what these results were. We certainly agree that the County workers ought to be paid fairly. We know for a fact that it has been five years since they have had a pay raise which we certainly have to consider. On the other hand, we have to take into consideration how this is to be paid for. We need to see the specifics of that before we can make a determination as to whether this is an appropriate way to do it. My own feeling is this, it is not, from what I have seen in the newspaper, that this is not any type of re-engineering, which is one of the requirements for efficiency grant funds that are made available to us from the State for efficiency grants. It doesn't appear that this would qualify for those funds. Again we won't know that until we have the rest of the details."

Chairman Baynes: "Any further comments on this? There being no further business, I ask for a motion to adjourn."

Vice Chairman Glaser moved to adjourn, Director Johnson seconded, and the Directors voted unanimously to adjourn,

Respectfully submitted,

Stanley J. Keysa
Secretary
April 11, 2008