

ECFSA
Full Board Meeting
December 4, 2009

(Note: the following is a draft copy of minutes of a meeting of the Erie County Fiscal Stability Authority ("ECFSA"), which was held December 4, 2009 in the Auditorium of the Buffalo and Erie County Library. These minutes will not become final until approved at a subsequent meeting of the ECFSA, and may be amended before approval.)

Present: Vice Chairman Daniel Oliverio, Secretary Stanley Keysa, Director Kenneth Kruly, Director John Johnson, Director Louis Thomas

Chairman Glaser: "Welcome to the December 4th meeting of the ECFSA. We have a few items on our agenda. I don't think we have anything overly contentious on the agenda and as some of you know this will be my last meeting as Chairman of the control board; we will try to make it short and quick. We do have a fairly brief one today and we thank you all for coming out. Let me first turn to our corporate secretary, Mr. Keysa who will take us through the minutes."

Secretary Keysa: "Thank you Mr. Chairman, we have before us a hard copy the minutes of the October 16th full board meeting. If there are no additional suggested changes to those, they are ready for approval."

Director Johnson moves to approve, Director Kruly seconds and the Board votes unanimously to approve the following resolution:

Resolution No. 09-61

**APPROVING MINUTES AND RESOLUTIONS FROM
THE OCTOBER 16, 2009 MEETING**

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its October 16 meeting and ratifies and affirms seven resolutions numbered 09-59 and 09-60 that were approved on October 16, 2009.

This resolution shall take effect immediately.

Secretary Keysa: "We have before you a portion of the minutes from Monday's finance committee meeting. These are not for approval but in the process of being transcribed. Apparently the tape ran out before the meeting was completed. We will pull together the balance of that from a separate source. These were transmitted to you electronically last night. Hopefully you got a chance to read those and may give you some idea of what took place at the finance committee meeting especially with regard to the efficiency grants. Those do not need approval today."

Chairman Glaser: “Okay, that is great segway into Mr. Kruly’s presentation because we have a few efficiency grants that have gone through the finance committee meeting on Monday. Mr. Kruly if you can go through those, that would be great.”

Director Kruly: “Thank you Mr. Chairman. We have two efficiency grants application that were submitted to the committee and have been recommended for approval by the full board. One of those involves the settlement with counties contract with AFSME and the other involves the purchase of replacement vehicles. We did spend some extensive time on this on Monday. I think this is an appropriate time for members who are here to representing the two requests to make a brief summary; Mr. Murphy and Mr. Hammond’s? The college and the library are also involved in that contract and would like to hear from there representatives as well.”

Joseph Murphy: “Thank you, I will briefly go over points from Monday’s meeting. I would like to thank the committee for approving us to come in front of the full body. The money that we are asking for is to complete the AFSCME contract for approximately 1,700 union members. This is the blue collar union. They have employees as ECC, ECMC, the Library system and various county departments. There are over 1700 members. The agreement that is being proposed is a ten year deal; 4 of those years have already expired it so it is a 6 year deal going forward. This agreement that we are bringing before you has been approved by the AFSCME board, ratified by their members, it has been approved and signed by the County Executive and passed at the Erie County Legislature.

This 10 year deal is 4 years of zeros for the years that have already been settled. We are asking for money from the efficiency grant to pay for a bonus payment for people who have worked during those years. The money that we are asking for comes to \$2.6 million as has been amended now. The total cost of that is \$5 million with ECMC picking up their share of \$2.4 million. The agreement is very important to ECMC in that it puts the majority of their workforce between NYSNA and AFSCME under long term agreements which will help them tremendously and their efforts to merge with Great Lakes. The changes that are made to this contract going forward are 3% raises in each year. The union has stepped up to the table and made structural changes in their contract that include: eliminating two holidays, eliminating summer hours, eliminating comp time for missed lunches. People who currently get a one hour lunch, new hires taking those positions will get 30 minute lunches. There have been drastic changes to the health insurance costs going forward both for the current membership and for new membership as they are hired. As of Monday there were some concerns and questions that you has asked us to come back.”

“Some of the concerns that came from Monday’s meeting are as follows. There was a concern about the cost of this deal and what will happen in 2016 when the union comes back to the table because there will be more money added to this. I think we need to look at each contract as a separate entity. We are discussing this contract at this point in time. In 2016 we can be certain that the AFSCME president, whoever it may be at that time, will come through and ask for a string of raises. I am certain that at that point in time, whoever is sitting on our side of the table will ask for increased contribution to insurance and less days off for working. That will be a give and take that takes place at that time and to hold us responsible for what may or may not happen in 2016, I don’t think is fair at this

time. There were several questions regarding the length of the contract. It is a ten year deal and four years have already expired. So it is in effect a 6 year contract going forward and that is not an unusual amount of time; we have many contract that are 4-5 years. As I explained on Monday, the reason for the extra year or two on the backside of this was to get enough money on the table to make it worthwhile for the union to make the necessary structural changes to their contract to allow them to ratify this.

“There were also a number of questions about what this will do to the other unions. The County negotiates with five unions for the county, there are several others but we have five unions. Last year at this time we ratified with NYSNA and you approved that contract at the beginning of this year. This would take care of the AFSCME union which would leave three unions that do not have long term contracts. One of those is PBA. PBA is binding arbitration. They are exercising that right now and we will not be back in front of this body at any time in the foreseeable future asking for funding for the PBA.”

“There is an offer on the table for the teamsters union. Your body has been apprised of what we have offered them. You know what the numbers are and your staff has been at the negotiating table with us. So that should come as no surprise. That leaves one union that we have left to negotiate with and that is CSEA. At this point in time CSEA is at a stand still with us. We are actually at impasse in mediation. They have been made aware of the fact at negotiations and you have had staff members there at the negotiations. We tell them every time that you spend some of your money they are fully aware that yes we will be asking money from them but they also know that that pot gets smaller daily. The other piece I can say about CSEA is that they don't have four years without a contract. These other unions all go back to 2004. They had contracts in 2005 and 2006 so it won't be asking for as long a period of time, so it is as big a number per individual but they have the largest number of individuals. CSEA is apprised of where we are at and they know as soon as this week that this money is disappearing and it could be off the table for them.”

“The last piece that you asked us to explain is how we are in compliance with what was referred to as “The Goodell Rule” and returning the money in a short period of time.

**** Mr. Murphy is handing out a report to the board.****

“What I have provided you here is all of the information that I have provided to you previously, I have just put it into a different format. The top copy is a summary of the AFSCME contract going forward for the next 40 years. If you look at the green line which is the last year of this contract and also the fifth year out. You were asking if this contract would save us money within 5 years. We are asking for \$2.5 million. As you can see in the cumulative savings column that because of changes that are made to this contract and going forward that in 2015 it is \$7.3 million in savings whether insurance contributions, additional hours of work, elimination of summer hours, elimination of holidays and we believe that by doing this contract there is \$7.3 million in savings and we will almost triple what we are asking you for. In the left hand column those are cumulative costs. These are for raises to the employees going forward for the very hard working

employees of the AFSCME unit; these are the folks that are up at 3:00am this morning out salting the roads so that we can get to work. These are the people that work for the hospital that transport the patients, these are the people that are nurses that take care of terminally ill patients, these are employees who have not had a raise in over 6 years and are well deserving of it. So Mr. Kruly, you asked us to say that these are raises. These are raises but because of the raises we are giving the county will see changes in the work force and the work contract that will show us savings in the future. ”

“On page two you will see the AFSCME pages for the next 20 years going back to 1996 and through the end of the contract that we are asking you to give use the money to finalize. You will see there are many zero’s in there. You will see that there are fours back when the economy was doing great and most recently we are having 3’s go forward. If you take the average rate over the past 20 years, it is 1.9%.”

“Pages three and four are what the effect of this next contract will have on a pay grade 3 contractor when he is hired as of January 2010. I used pay grade 3 as an example because 62% of the AFSCME unit is a pay grade 3 or below. So this is where most of their members are. You will see that if we do nothing today, at the end of that persons 30 career and they will have a 30 year career based on what the state passed for tier 5, that person will earn \$910,000. If we ratify this contract with the help of your funding, that person will earn \$1 million. They will make insurance contributions during that time of \$188,000. So at the end of their career, based on the changes that we are proposing today that person will actually net \$90,000 less. If we do nothing today, that person will make an additional \$90,000 net. That is not taking any credit back for the County in addition to the hours this person is going work and that is because of less holiday’s, less lunch hour and at the end of all that. After we have saved money, this person will have no retiree health insurance or pay 100% of it. That is not factored into this number. So I think you can see that the changes in this contract are significant. I know you have questions for folks that are here to speak on the libraries behalf, the college and the unions behalf if you have any questions for them.”

Chairman Glaser: “I do need just one clarification and that is you said this has been approved by the County Exec, Legislature and all three (ECMC, ECC and Library) have recommended this?”

Joseph Murphy: “ECMC’s board has recommended it. ECMC is also a signator on the contract. The County negotiates on behalf of the library and the college. They were both apprised of the negotiations, they both had the proposals that were on the table and at different times they actually sat at the table. So they did know what was going on at this point in time when we did finally settle the contract they asked that we help fund the back pay issue but they will be responsible going forward for back pay issues.”

Deputy County Executive Hammond: “I just want to say on behalf of the County Executive and our executive staff, we are very encouraged by this in what we feel is a very monumental and milestone agreement with the AFSCME bargaining unit. It is one of our top two bargaining units out of the five like Mr. Murphy mentioned.

It really set the pace and the landscape for where we need to go to be fiscally responsible. Thank you very much.”

Chairman Glaser: “Mr. Quinn could we ask you to come up? We have had some consternation relative to what came out of the finance committee meeting and whether or not we should extend these efficiency grants to the library, to the college and the County. I thought maybe you would like to comment on those. ”

President Quinn: “Absolutely Mr. Chairman and commenting on your last remarks, it is your last meeting. You noted that you would make it short but note to all of you folks out there to take all day if the outcome is a little more positive for us. Thank you for the opportunity to be here. I want to be very clear, the college and trustee and all our executive staff are 100% behind this. We did not come here to discuss our budget woes because we are looking at a specific amount for us of a little over \$400,000 but we in the past two years have seen no increase from the county who equates to almost a third in our formula. The budget plan shows four years going out with no more budget increase. Just on Wednesday, we all deal with what goes on at the State level here, we were cut mid year in our FTE’s that amount to over a million. So the college needs to fine \$1 million that we weren’t expecting and then in addition find ourselves in a more drastic situation when next year comes around. We can provide you with all of our budget information. Needless to say we are at a precarious position in probably one of the most pivotal time in college’s history. Think everybody has either read about or heard me talk about enrollment numbers. We have seen an over 8.5% increase, last year was 6%; all numbers tell us going forward that that number will increase dramatically. So this kind of an effect mid year has a spiraling effect to us. I would observe Mr. Chairman from some experience that I have had that we find ourselves at a rare point indeed when we have Mr. Orlando’s union backing a proposal, the Legislature backing a proposal and the County Executive backing a proposal. This doesn’t happen that often and you have to see this as one of those instances, and I have to tell you, Mr. Orlando represents a number of our employees out at the college. When you are talking about summer hours being changed, when you are talking about holidays being given back and lunch times being changes and in the future health care. This changes the whole discussion. Mr. Oliverio to you point that you were making on Monday, my lifelong friend Joe Goodell talked about the efficiency pay back financially. I would like to observe that we can give you those numbers but after what you have heard from Mr. Murphy, Mr. Hammonds and others, this opportunity with the institutional changes in the discussions with the union, it is going to outway, in my humble opinion a lot of money. So we are asking you to look at efficiency in almost the way that we talk to our students about efficiency; we want them to study more, etc. We think it is a great opportunity and finally when you talk about the other unions that are involved, we are currently negotiating with our faculty at ECC. That is over 1,000 members that we negotiate on our own. I have to associate myself with the remarks of Mr. Hammond that this will have an effect on all the people who are watching and listening. I am here to answer any questions.”

Chairman Glaser: “Thank you.”

Director Kruly: “We have representatives from the library and I think Mr. Orlando is here. If anyone would like to make a brief statement that would be great.”

Mary Jean Jakubowski: “Good morning, I am Mary Jean Jakubowski, Mrs. Quinn-Carey apologizes for not being able to make it today. She is out of town. I am a CFO here at the Erie County and Buffalo Public Library and as most of you know Ken Stone, our CFO we whole heartedly support this agreement. Again reflecting back on some of the words previously stated, the efficiencies are really truly the benefits that we will see in the library arena. Most of our AFSCME employees, albeit not that many, we have 78 ACFSME member and then we have our blue collar, non union laborers, they are not effected by this deal. However they will be effected from a budgetary sense of the annual increases because we do maintain that if they are same job title they do receive the same level of pay. Our truck drivers for example are a key reason the efficiencies are so important, as are these raises and the bonuses. They cover one thousand square miles on a daily basis, taking services throughout Erie County library system. They are extremely hard working. Our maintenance crew who maintains the Buffalo City branches as well as this building, were extremely effected in the 2005 – 2006 budget crisis. They really do a great job in keeping these buildings up and running. I cannot speak anything but positive about our security staff. Being that we are public buildings, I think you are all aware of the importance of such individuals. We relish them and they have been with out a raise for many years; they have been without what they perceive as support from the County and the County has truly negotiated in good faith. So we fully support this agreement as a whole,”

Chairman Glaser: “Thank you. Could we hear from Mr. Orlando? Thank you for attending and would you agree with everything that everyone has said?”

John Orlando: “Good morning, I think...well I have been doing this since 1978 and I can tell you right now, I don’t think I have ever signed a collective bargaining agreement that I like because I always want everything that I ask for. I also recognize that at the negotiating table that we’re there to compromise. We have been at this for over a year. We went to the plate once that died. We came up again did some more talking and a decision was made to let our membership make that decision. Our membership has fully spoken and because they have we fully support this. We all know there are some tough times coming and I think everyone understands that but I think everyone needs to understand the plight of the blue collar worker who has not had a dime in their pocket since 2003 and because of that you’ve seen what you have seen with the give backs and holidays. I am historically noted for adding pages to a collective bargaining agreement, not taking them away. So this is certainly different for me, however when you take a look at the times and the amount of people that are out of work and the number of people without health care, I think this is that best that we can do at this point in time for our members, so I fully support this contract.”

Chairman Glaser: “I have one more question for you. Assuming we move forward and approve this is there an extra payment that would be there before Christmas?”

John Orlando: “To tell you the truth I don’t know. To be honest we have not gotten that far yet.”

Director Kruly: “Mr. Chairman, I would like to compliment the Administration and the union for working together on this contract. They have come up with a fair settlement that

provides the first wage increase for AFSCME in a number of years. For the other part of it, the concessions that were made in health care and time off were certainly appropriate. It should not be misunderstood, this contract is not paying for itself and never will pay for itself; contracts never pay for themselves they are an extra expense of the employer. So we need to understand that there are good reasons for approving this proposal but it does not include that one. We need to amend the resolution that we have in front of us. I am wondering if we can turn it over to Mr. Keysa to amend the couple of items that need to be changed to bring this up to date.?"

Secretary Keysa: "These are the pre drafted resolutions provided by the Authority's counsel. You have that before you as 09-62. If you go to the 5th paragraph down, as it was drafted, it covered the Counties share. This should include the County, ECC and the Library's share/ The dollar amount is \$2,449,077. The following paragraph should have the same changes made there showing that the dollar amount is appropriated for the County, ECC and the Library."

Director Kruly: "We should note that the two things that are being excluded from the original request are the cost of the retirement system and FICA which add up to a little under \$.5 million or about 19% of the original request."

Director Thomas moves to approve. Discussion:

Director Thomas: I think it is relative that we take a look at this and that the two units; the library and ECC are both units that are comprised of AFSCME members. The AFSCME contract is one that covers all of those units and not just part of them. So this is a good discussion that we have had an opportunity for us to do the right thing.

Vice Chair Oliverio: "A couple of things Mr. Chairman. Going to Mr. Orlando's point, having been raised by a blue collar worker and put through college by one, it was distressing to see how long these workers have gone without significant pay increases. None of them are getting rich by any stretch and they do work very hard. So maybe I am a little biased but it is much easier for me to support this then perhaps otherwise because they certainly are deserving. I would reaffirm President Quinn's comments. I hope he is right because the presidential value of this; the ice breaking value could equate to dollars we don't even know about yet. I do hope that it serves as a template or at least an idea of informing future negotiations that occur in this county whether there is a control board or not. As a third matter and I will reaffirm what I stated at the Finance Committee meeting earlier this week, I think it was last week. I would hope that in the future, if the unions are going to come forward and ask this board for a couple of million dollars for a contract that we will be well informed along the way and perhaps have a larger seat at the table so that we can at least listen and prepare our thoughts. I don't want to be put in a position next time where the vote of this Board can crater a contract that has been approved and worked so hard at by both sides like here. I think this board wants to cooperate with the use of efficiency grants and I hope that in a situation like this we could work earlier together rather than at the end of this process. With that I certainly support the approval of this contract."

Vice Chair Oliverio seconds and the board votes unanimously to approve the following resolution:

Resolution No. 09-62

APPROVING AN EFFICIENCY GRANT FOR AFSCME RETROACTIVE BONUS PAYMENTS

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 3957(a) of New York State Public Authorities Law provides that, subject to appropriations during State fiscal years 2006-07 through 2010-11, the ECFSA shall provide grants to the County of Erie (the “County”) to support activities that achieve savings through innovations and reengineering; and

WHEREAS, the County Executive submitted an efficiency grant application for the purpose of funding retroactive bonus payments of up to \$4,000 per AFSCME member to achieve productivity, holiday and healthcare savings for the county; and

WHEREAS, the ECFSA Finance Committee met on November 30, 2009 to discuss the AFSCME efficiency grant application; and

WHEREAS, on November 30, 2009, the ECFSA Finance Committee voted unanimously to recommend to the ECFSA Board that efficiency grant funding be made available to the County to be used to fund the county, library and college share \$2,449,077 of the \$2,918,074 application.

NOW, THEREFORE, BE IT RESOLVED based on the recommendation of the ECFSA Finance Committee, the ECFSA hereby grants up to \$2,449,077 to Erie County, The Erie county Libraries and Erie Community College for bonus payments to AFSCME members required in final ratification of the negotiated labor contract; and

BE IT FURTHER RESOLVED that the ECFSA Executive Director send, via first-class mail, copies of this resolution to the County Executive; the County Comptroller; the Chair, the Majority Leader, the Minority Leader, and the Clerk of the County Legislature; and the Governor, the Comptroller, the Senate Majority Leader, and the Speaker of the Assembly of the State of New York.

This resolution shall take effect immediately.

Chairman Glaser: “I would like to commend Mr. Orlando, County Executive Collins, the Administration, the Legislature, President Quinn and the Library for moving forward and accomplishing something that is moving forward instead of back; so great job there.

“I think we have another efficiency grant?”

Director Kruly: “Yes Mr. Chairman, the other efficiency grant involves the purchase of some replacement vehicles. I believe Commissioner Sentz is here to come up and discuss briefly what we are dealing with here?”

Gerry Sentz: “Thank you very much; basically the efficiency grant that is being discussed here is for replacement vehicles. This would be a phased approach. We were looking for \$ 3.4 million over a four year period which equates to \$850,000 a year. The efficiencies that will come out for this immediately are really in three different categories; the first one being reduced fuel usage, the second being reduced maintenance cost and the third one being the surplusing of vehicles that will add to the proceeds from our auction.”

“The fuel usage savings; obviously newer vehicles will get much better gas mileage than the older vehicles that we have but in many cases when we get new vehicles we can replace it two for one. So we would be losing two vehicles and replaced by one. We will make sure that we right size the fleet. One example is that we have a large cargo van but that van is not filled to capacity, many times it is taking small boxes. They now make small vans, four cylinder that will serve the job fine but do not have to pay for the gas for the bigger van. So we are going to make sure that we right size the fleet and every time that we buy a new vehicle we are going to make sure that it is the right size vehicle.”

“We are of course reengineering. What we are looking at and I will use the small van again, is to buy that small van and put it in one department and then bring one van to another location and then to another and get rid of a vehicle that is in poor condition or that has very high gas mileage. So we would like to reengineer the fleet as much as we can so that we can put the right vehicles in the places that they need to be.”

“Then off course and lastly in this category is the use of green vehicles. We do have a CNG station that is available to us, there are hybrids out there now that get very good gas mileage, so by introducing those to the fleet we will certainly get very good gas mileage and see some additional economies in fuel usage.”

“From the maintenance standpoint of this, our records show that we are currently paying about \$0.29 per mile for maintenance which is extremely high. The AAA uses a number of \$0.056 per mile. So as we get into maintenance we sill see our numbers reduced because these old vehicles take a lot of maintenance.”

“We are also going to have warranties with new vehicles. Whether it is 3 years or 36,000 miles, etc. any repairs that need to be done on the new vehicle are going to be normal maintenance items, things like tires, brakes and oil changes as opposed to now where we are putting in new radiators, alternators and things like that. So our maintenance will be significantly reduced.”

“Finally because we are going to be surplusing so many vehicles, that will bring in some additional money to us because of the surplus and because of the auction. This is really important to us in order to really kick off our fleet; to bring in some new vehicles and allow us to make the changes that need to be made. This is just seed money that we need to continue on. We are trying to reengineer the fleet as best as we can but when you are dependent on old vehicles

it is hard to try and get the best out of it and continue to shuffle. We are hoping that this will introduce some new vehicles to us and be able to kick off a good effort to right size the fleet. ”

Director Kruly: “Mr. Chairman, I would recommend the resolution that we have here before us. I would recommend a four year program of \$850,000 a year. The discussion at the finance committee meeting was that we take them a year at a time as we have done with others. We did commit in the resolution to revisit this next summer so that the County will have the opportunity to factor in any decision in the 2011 budget. So with that I would move for approval of the resolution that is in front of us.”

Vice Chair Oliverio moves and Director Thomas seconds and the board votes unanimously to approve the following resolution:

Resolution No. 09-63

APPROVING AN EFFICIENCY GRANT FOR ERIE COUNTY VEHICLE REPLACEMENT

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 3957(a) of New York State Public Authorities Law provides that, subject to appropriations during State fiscal years 2006-07 through 2010-11, the ECFSA shall provide grants to the County of Erie (the “County”) to support activities that achieve savings through innovations and reengineering; and

WHEREAS, the County Executive submitted an efficiency grant application for the purpose of replacing a number of vehicles in its current fleet with more efficient and task appropriate vehicles to achieve recurring savings over the life of the vehicles; and

WHEREAS, the ECFSA Finance Committee met on November 30, 2009 to discuss the Vehicle replacement efficiency grant application; and

WHEREAS, on November 30, 2009, the ECFSA Finance Committee voted unanimously to recommend to the ECFSA Board that efficiency grant funding be made available to the County to be used to fund the first year of the 4-year phased-in \$3,400,000 application, in the amount of \$850,000.

NOW, THEREFORE, BE IT RESOLVED based on the recommendation of the ECFSA Finance Committee, the ECFSA hereby grants up to \$850,000 to Erie County for the 2010 purchase of more efficient and more task appropriate fleet vehicles to achieve recurring savings over the life of the vehicles; and

BE IT FURTHER RESOLVED that the ECFSA, within the next 9 months, will review the potential for additional grant funds for this purpose for 2011-2013; and

BE IT FURTHER RESOLVED that the ECFSA Executive Director send, via first-class mail, copies of this resolution to the County Executive; the County Comptroller; the Chair, the Majority Leader, the Minority Leader, and the Clerk of the County Legislature; and the Governor, the Comptroller, the Senate Majority Leader, and the Speaker of the Assembly of the State of New York.

This resolution shall take effect immediately.

Chairman Glaser: “Thank you very much Mr. Sentz and Mr. Kruly I think that concludes your presentation on efficiency grants. Although I would like at the next meeting an update on the computerization process of the efficiency grants. I think that is an important project and would be interested in hearing where we are with that.”

“We will now move into the ECFSA’s budget. We have had a recommendation and if I could throw it back to you Mr. Kruly or Mr. Vetter?”

Executive Director Vetter: “Mr. Chairman if I could in front of you is the budget that was put together for the ECFSA for 2010. The total is \$623,925, the 2010 budget is \$73,000 less than the 2009 budget; an 11% reduction. In terms of specific items, because we are trying to be as efficient as possible, benefits and payroll taxes are down by \$23,000. Our professional fees, specifically legal counsel fees are down because we have anticipated that our need for ongoing legal fees will be reduced significantly so those fees have been reduced by 33%. In terms of office supplies we have reduced our use in office supplies by 25%. This budget was reviewed by the finance committee on November 30th and I would ask Mr. Kruly to come forward with the conclusions of the committee.

Director Kruly: “Mr. Chairman, we have reviewed this in committee and we are comfortable that it is a good budget and reduces that size by 10% and would move for approval.”

Vice Chair Oliverio moves to approve, Director Thomas seconds and the board votes unanimously to approve the following resolution:

Resolution No. 09-64

APPROVING 2010-2013 ECFSA BUDGET AND FINANCIAL PLAN

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, Title 2, Part 203 of the New York Codes, Rules, and Regulations (NYCRR) requires public authorities to prepare an annual budget and financial plan in accordance with several provisions set forth within; and

WHEREAS, Title 2, Section 203.10 of the NYCRR identifies the ECFSA as a public authority for purposes of Part 203; and

WHEREAS, ECFSA staff prepared a proposed annual budget for the 2010 fiscal year and a financial plan for the 2011 through 2013 fiscal years; and

WHEREAS, Title 2, Part 203 of the NYCRR also requires that the annual budget and financial plan, and all amendments or modifications thereto, be approved by the Board of each public authority; and

WHEREAS, the Executive Director of the ECFSA has certified that, to the best of his knowledge and belief, the attached 2010-2013 budget and financial plan is, after reasonable inquiry, based on reasonable assumptions and methods of estimation with the applicable regulations being satisfied; and

WHEREAS, the approved budget and financial plan must be made available for public inspection, whenever practicable, not less than seven days before the commencement of the next fiscal year and must be submitted to the State Comptroller within seven days of approval by the Board in an electronic format prescribed by the State Comptroller; and

WHEREAS, the ECFSA Finance Committee met on November 30, 2009 to review and opine on the 2010 budget and 2011-2013 financial plan and recommended approval by the full board at its December 4th meeting.

NOW, THEREFORE, BE IT RESOLVED that the attached 2010-13 ECFSA budget and financial plan is hereby approved as recommended by the ECFSA Finance Committee at its November 30, 2009 meeting; and

BE IT FURTHER RESOLVED that this Board directs ECFSA staff to make the adopted 2010-13 budget and financial plan available for public inspection and to submit the document to the State Comptroller as directed in Title 2, Part 203 of the NYCRR.

This resolution shall take effect immediately.

Chairman Glaser: “I do have one other question, it is an open ended question but do you, Mr. Kruly, have any thought about the current bond market being where it is and thoughts on borrowing with the summer coming up and capital projects that need to get done? Is it time to start looking at long term financing versus the short term financing that has been done? I am just looking at the pure interest play and if we have not done that I was wondering if we should sit down with the County Executive and take a look at this. My reading of the markets is that the rates will go up, so if you are looking to borrow you may want to consider doing it long term.”

Secretary Keysa: “My impression in the only meeting I was involved in with the County Executive was that he was opposed to do a long term borrowing even though it is very advantageous to do so. My impression was that they were looking at doing a series of short term borrowings and felt that they would be better off I that fashion.”

Chairman Glaser: “I guess what I would like to say is that we should sit down and talk to them because if the answer is that it is not compelling then it doesn’t make a difference but if it is compelling and you know the markets can change quickly, nothing is forever but I think we really ought to take a look at that and see.”

Secretary Keysa: “Mr. Chairman, I think the number that I recall from Mr. Gach being here, is that if we were to do a long term borrowing it could potentially save \$65 million. To me when we are looking at a deficit of \$173 million in the three out years of the plan is to me an extraordinary amount of money and definitely something that they should take a look at.”

Chairman Glaser: “Well obviously I won’t be here for that but Mr. Hammonds if you would consider that. I really think that smart financial minds ought to get together and map that around even further. You need to look at all your decisions every year and if they are the right decisions based upon the current environment and I would say that and hope that the environment between the control board, the legislature and the administration has gotten little bit further along the lines so that we can do better.”

Secretary Keysa: “I would like to make a motion to adjourn but if I may do so I would like to adjourn with an expression of appreciation to you for the time and energy that you have spent, volunteering. It has taken the board into a new direction and with the exception of one pugilistic event, it has been one of greater cooperation with the County Executive and I think today’s results show that. I hope that that continues and I wish you the best in your professional efforts.”

Chairman Glaser: “I thank you for that and I have mixed emotions. My wife doesn’t but I do. This has been a great board and I have learned a lot. I hope we have helped the tax payers and the County too; I know we have and the board is on good shape and I leave it in good hands so I appreciate your comments Mr. Keysa.”

Vice Chairman Oliverio seconds and the Board votes unanimously to adjourn.

Respectfully submitted,

Stanley J. Keysa, Secretary

February 12, 2010