

**Minutes  
Erie County Fiscal Stability Authority  
February 4, 2009**

Present: Chairman Robert Glaser, Vice Chair Joseph Goodell, Director Kenneth Kruly, Secretary Stanley Keysa, Director Louis Thomas (via webcast), Executive Director Kenneth Vetter

Chairman Glaser: “Welcome everybody to the February 4<sup>th</sup> 2009 meeting of the Erie County Fiscal Stability Authority. We’ve got a fairly heavy agenda today so we will try to move through most of it. I do want to say in the beginning that to have a quorum we have Louis Thomas on from out of state. He will be with us today and allowed to vote and with that I’m going to ask Mr. Keysa to move approval of the prior meetings minutes.”

Secretary Keysa: “Yes Mr. Chairman the minutes of the meeting of December 15<sup>th</sup> have been circulated previously electronically and are before you in a hard copy. Unless there are any amendments to those, they are ready for a motion to approve.”

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

**Resolution No. 09-01**

**APPROVING MINUTES AND RESOLUTIONS FROM  
THE DECEMBER 15<sup>th</sup> 2008 MEETING**

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its December 15<sup>th</sup> 2008 meeting and ratifies and affirms seven resolutions numbered 08-103, 08-104, 08-105, 08-106, 08-107, 08-108, 08-109, 08-110, 08-112 and 08-113 that were approved on December 15<sup>th</sup> 2008

This resolution shall take effect immediately.

Chairman Glaser: “The next item of business is a report from the finance committee. I turn it over to Vice Chairman Goodell.”

Vice Chair Goodell: “The finance committee met on January 8<sup>th</sup> and reviewed five requests for efficiency grants. The first one, called case-load-explorer, was submitted by the Probation Office. We asked for additional data. Is Mr. Vito here? Could you come up and go through that justification once more for us? We received additional backup financial cost analysis so I think we just need you to give us a summary of the benefits and the costs.”

Peter Vito: “Sure, thank you gentleman. My name is Peter Vito; I am Commissioner of Central Police Services and also have the responsibility for the Probation Department. Caseload Explorer is used throughout the United State by progressive probation departments for case management and financial management of their systems. Currently, in the Erie County probation system, we are using a variety of programs dating back into the 1980’s, some of which are DOS based. Some of these programs, believe it or not, we have to make entries at least four times to have the same information propagated throughout the system. We’ve have all kinds of problems with the program because of its age and being able to support it thru DISS. We have spent a considerable amount of time and money trying to support this, quite frankly, antiquated system. Caseload Explorer will give us the ability to properly manage probation cases, ensuring public safety as well as the efficiency of the over 100 officers and support staff within the Probation Department. We are requesting a grant in the amount of \$143,000 to provide us with Caseload

Explorer. The benefits for Caseload Explore of a four-year return payback conservatively are \$201,000. That is the documentation that we had provided you previously.”

Chairman Glaser: “A question that I have and I believe this would be a good use. I would encourage you to find other types of things like this to bring us into the 21<sup>st</sup> century with our communications. I don’t know if it is part of a bigger plan. I do know we have been asked in the past to take a look at the whole computerized system that the County has in there. I think there is a lot of room there, so maybe you can get the powers that be to come up with a few more of these. This is a good one.”

Peter Vito: “Thank you.”

Vice Chair Goodell: “The finance committee recommends that the board approve the efficiency grant for Caseload Explorer.”

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

**Resolution No. 09-02**

**APPROVING AN EFFICIENCY GRANT FOR ERIE COUNTY CASELOAD EXPLORER SOFTWARE AND SUPPORT**

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 the 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 to use Caseload Explorer technology to purchase, install and optimally utilize Caseload Explorer, a probation caseload management system to reengineering workflow to save staffing and increase revenues; and

WHEREAS, the ECFSA Finance Committee met on January 8, 2009, to discuss the County’s efficiency grant application; and

WHEREAS, on January 8, 2009, the ECFSA Finance Committee voted to recommend to the ECFSA Board of Directors that efficiency grant funding be made available to the County to be used to fund up-front costs related to this Caseload Explorer initiative;

NOW, THEREFORE, BE IT RESOLVED that, based on the recommendation of the ECFSA Finance Committee, the ECFSA hereby grants to the County up to \$143,000 in efficiency grant funding to be used for the purpose of restructuring probation department workflow; and

BE IT FURTHER RESOLVED that the ECFSA Executive Director send, via first-class mail, certified copies of this resolution to the New York State Director of the Budget, the Chair of the New York State Senate Finance Committee, and the Chair of the New York State Assembly Ways and Means Committee.

This resolution shall take effect immediately.

Secretary Keysa: “Mr. Chairman, I would ask, seeing that I cannot see Mr. Thomas’s face on the screen, that we ask, after you have done that roll, that he specifically indicate a nay or yeah.”

Director Thomas indicated that he had voted “aye.”

Vice Chair Goodell: “The second efficiency grant request had to deal with the purchase of four Chevrolets in Probation Department. The plea was that it was cheaper for the Department to have these cars rather than employees use their own cars and be reimbursed with mileage. The committee did not feel that that trade-off was sufficiently explained and questioned whether the County could operate cars over a period of time cheaper than what the normal reimbursement is. We recognize that one of the items in that cost savings is that the County can buy gas online cheaper than a private individual and we still do not believe the justification was sufficient. So with that the finance committee would recommend to the board that the probation department cars efficient grant be rejected.”

Vice Chair Goodell moved to reject, Director Kruly seconded and the Directors voted unanimously to reject the purchase of four Chevrolets in Probation Department.

Vice Chair Goodell: “The third one was public safety enhancement, again from the Probation Department. This was a request to spend \$174,000 to purchase 192 bullet- proof vests, 65 portable radios and some 40 caliber pistols. The finance committee felt that there was no cost justification given to this except for the statement of increased productivity and community presence. We felt that such items should be the normal course of business for the Probation Department like paper clips and ball point pens are for an office and the result is that the recommends that the board reject this request for the vests, radios and guns.”

Vice Chair Goodell moved to reject, Director Kruly seconded and the Directors voted unanimously to reject the purchase of equipment for the Probation Department.

Chairman Glaser: “I’d like to make one clarification before we vote on this. We are not saying that we don’t think those are good expenditures or invalid. We are just saying that those should be out of your normal operating budget to take care of your people. We just want to be clear on that.”

Secretary Keysa: “This is not re-engineering.”

Vice Chair Goodell: “The next is an efficiency grant amounting to \$1.7 million for a library radio frequency identification system something called “smart checkout” which basically converts bar-coding into a little white chip, similar to the ones you find in clothes, books and what have you. We felt that the presentation by the library was excellent; we understood it and we applauded it. Unless there are some questions from the board here, the finance committee recommends approval of the library RFID system for \$1.78 million dollars.”

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

**Resolution No. 09-03**

**APPROVING AN EFFICIENCY GRANT FOR ERIE COUNTY LIBRARY RFID SYSTEM**

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 the 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 to use RFID technology to make material checkout and cataloging more efficient; and

WHEREAS, the ECFSA Finance Committee met on January 8, 2009, to discuss the County's efficiency grant application; and

WHEREAS, on January 8, 2009, the ECFSA Finance Committee voted to recommend to the ECFSA Board of Directors that efficiency grant funding be made available to the County to be used to fund up-front costs related to this RFID initiative;

NOW, THEREFORE, BE IT RESOLVED that, based on the recommendation of the ECFSA Finance Committee, the ECFSA hereby grants to the County up to \$1,718,343 in efficiency grant funding to be used for the purpose of restructuring material checkout and cataloging; and

BE IT FURTHER RESOLVED that the ECFSA Executive Director send, via first-class mail, certified copies of this resolution to the New York State Director of the Budget, the Chair of the New York State Senate Finance Committee, and the Chair of the New York State Assembly Ways and Means Committee.

This resolution shall take effect immediately.

Secretary Keysa: "Just a comment. I think the materials that come out of the library are by far above what we get from any other department in terms of the understandability."

Chairman Glaser: "I think you're quite right."

Vice Chair Goodell: "The fifth item is for the approval of the \$570,000 to facilitate the recently negotiated contract between the nurses union, Erie County and ECMC. As part of moving forward with this, I would like to ask Mr. Kruly to explain what our concerns are with this."

Executive Director Vetter: "To go through the efficiency grant and the contract itself, that will be considered at another point in the meeting. Mr. Murphy is here from the Personnel Department to talk about the highlights of the grant and what the contract is intended to do."

Chairman Glaser: "Welcome Mr. Murphy. Maybe you can give us a little background on this?"

Joe Murphy handed out paperwork

Joe Murphy: "This efficiency grant that we came before the finance committee was asking for the monies to effectuate the nurses NYSNA contract. We have been in negotiations for approximately five years. We finally, in December, came up with an agreement. What you have in front of you is what the cost will be to the County. This contract is an encompassing contract for 800 nurses; this is a breakdown of the 50 nurses that work in either the Department of Health, Senior Services or Social Services. The other 750 nurses work at ECMCC and they are on board with this but they are not asking for efficiency grant money. What we are asking for here is a \$200,000 one-time payment loan to the nurses for 2006 and \$200,000 for 2007. Those lump sum payments to agree to contract in the back years and also encompasses in 2005, which is a zero payment. For

2008 they will receive back pay, back to July 1<sup>st</sup> and we are asking for that revenue. We also asking for the money for 2009 and the wages it is going to cost us in 2010 to keep the four-year plan balanced. What I handed out before the meeting, that was handed out, is what we anticipate savings will be in future years. The nurses will be paying for 15% of the growth in health insurance. Any new nurse will pay 15% of the full cost of the premium. Any nurse coming in the future will go to half hour lunches versus one hour lunches. All nurses are giving up two holidays. All nurses are giving up summer hours which is the equivalent of 3 days. Most don't take the half hour early leave so they get 3 extra days off. We are increasing productivity with 5 days on with the current staff and 5 days plus an additional 120 hours on future hires because of their lunch. The biggest piece to this is what is going to happen to retirement. We have grandfathered in anyone that retires in the next 5 years will have free health insurance as their contracts states now. Anybody retiring after that point in time will pay 50% of the premium. The current premium right now per retiree is almost \$17,000 annually. So they will be picking up half of that. Any nurse hired in the future will pay 100% of insurance for retirement so they will not have a retiree health benefit. That is 25 years out before anyone retires with that. We will see an immediate decrease in our GASB 45 number as we hire each new nurse going forward. So I ask you for \$570,000 to cover the cost of the agreement for Erie County in 2008, 2009 and 2010."

- Vice Chair Goodell: "This piece of paper you handed to us says \$369,000, what is the other \$200,000?"
- Joe Murphy: "The additional \$200,000 is that when we met with your staff, they asked us to put this in to cover the lump sum payments."
- Executive Director Vetter: "Chairman Goodell, I think that when we discussed this initially, if we were looking at facilitating the entire contract, the initial contract didn't include the upfront cost so we worked that in to make sure that the County could work this arrangement and will save in the long term and will restructure this agreement to set an example for the future. That it would be beneficial to cover the entire cost not just a piece of the cost going forward."
- Vice Chair Goodell: "Mr. Murphy, is this a no-cost contract, or does it cost the County something; is this cost neutral?"
- Joe Murphy: "With the efficiency grant it will be cost-neutral for the first three years. In 2011 we will start to see significant savings for the new employees will be paying 15% of their health insurance, also will be working more hours and ultimately as more people will be working more hours we will be having less staff."
- Vice Chair Goodell: "Without the efficiency grant money it is not cost-neutral?"
- Joe Murphy: "For the first three years, correct."
- Chairman Glaser: "It take it that ECMC and the County Executive are recommending the approval of the contracts?"
- Joe Murphy: "This contract has been approved by the board of ECMCC, it has been approved by the County Executive, has been voted on by the Erie County Legislature and by the NYFA nurses."
- Chairman Glaser: "Are there any other questions?"
- Director Kruly: "I have a few comments. I want to give credit to Mr. Collins, his administration and the union for bringing this contract forward. One down, seven to go, I guess. I think it needs to be said here that Mr. Collins is not exactly accurate about the fiscal impact of this contract. I have asked for a cost-benefit analysis of this contract that the Administration

would have used to figure out if this was a good deal or not; any contract that I have seen in the past has always had that information accompanied with it. We received this piece of paper a little under 10 minutes ago telling us little or nothing about what the impact is going to be. I have to assume that because the impact is not suiting the purpose of the County Executive and what he is trying to say here. The fact is that what I have seen here and other summaries that we have been provided, the contract won't pay for itself. There is added costs that are substantial, some of which we are going to contribute. There is limited savings that will kick in the short term but the long-term savings are really where the potential might be but we are talking 5-10-15 years out. So in my mind, this is not a cost-neutral contract by any means."

"Despite that, I think there are some larger reasons why we need to move this forward. Primarily, because it give the community an opportunity to move forward with a potential merger and consolidation between ECMC and Kaleida. I think this puts the organizations more in sync with one another and I also think that this arrangement will encourage other contracts to be brought forward so that the County can get past the stage where they go years without contracts. I don't think this contract is cost-neutral and I don't think the ones in the future are going to be cost-neutral but I do think it is important that we be honest about this and present stuff that is correct and accurate to the public. So, I will support this thing today but my impression is that it is not as it is being sold to us and that is unfortunate because we need to have a more accurate presentation of facts in the future."

Director Thomas: "I have a comment as well. I think the nurses in Erie County need to be congratulated for coming up with an agreement that made both sides happy. I think moving forward on this is the right thing to do."

Vice Chair Goodell: "I want to echo what Director Kruly said and I want to point out strongly that we do not want this contract and the approval of it to be seen as a president. We were not asked to approve any of the upfront costs until after the contract has been negotiated and we are asked here to approve some of the cost increases that will be incurred in the next several years. We do not feel that the efficiency grants should cover those sorts of costs. We do feel that the efficiency grants can be used to cover up front costs that would facilitate a new contract, particularly one that was cost neutral or at a very strong bearing on the total picture. As I said in the finance committee meeting, we will not go forward with approving up front costs after contracts are negotiated. We expect to be brought into the picture by the County administration and shown in a broad way what direction is being taken and we will give some kind of assurances or a nod to that but we will not take up upfront costs after the fact. I too support this with some of the same reservations that Mr. Kruly had in addition to what I just said."

Chairman Glaser: "In addition, I guess before I make my last comment, would you agree with all the comments? Particularly the fact that the efficiency grants help make it cost-neutral for the next three years and this is important to the merger of the hospital as well as the parting ways of the County and the medical center?"

Joe Murphy: "The hospital came in at the very end of this; the CEO came in at the end and negotiated this settlement. It was very important to him not only for the merger but that they could not exist, the nurses at the hospital were so underpaid compared to the nurses at Kaleida that they were losing nurses on a daily basis. They were understaffed and needed to get competitive so this, really without this contract the hospital would not survive let alone merge."

Chairman Glaser: "Thank you and I would just like to add that the nature of the impact on the community is so large and this is a great use of our efficiency grant money. In moving forward, your recommendation Mr. Goodell?"

Vice Chair Goodell: “Our recommendation is that we approve this but recognize the concerns that Mr. Kruly and I have with this.”

Vice Chair Goodell moved to approve, Secretary Keysa seconded, Chairman Glaser recused himself and the Directors voted to approve the following resolution:

Secretary Keysa: “You are recusing on what basis, just for the record please?”

Chairman Glaser: “ECMC is an audit client of our firm.”

Secretary Keysa: “So noted; thank you.”

#### **Resolution No. 09-04**

#### **APPROVING AN EFFICIENCY GRANT FOR LABOR AGREEMENT RESTRUCTURING**

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 the 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 to restructure work hours, holidays and health benefits payments for certain employees represented by the New York State Nurses’ Association (“NYSNA”); and

WHEREAS, the ECFSA Finance Committee met on January 8, 2009, to discuss the County’s efficiency grant application; and

WHEREAS, the ECFSA Finance Committee recommends to the ECFSA Board of Directors that efficiency grant funding be made available to the County to be used to fund up-front costs related to restructuring work hours, holidays, and health benefits payments for certain employees represented by NYSNA;

NOW, THEREFORE, BE IT RESOLVED that, based on the recommendation of the ECFSA Finance Committee, the ECFSA hereby grants to the County up to \$570,000 in efficiency grant funding to be used for the purpose of such restructuring; and

BE IT FURTHER RESOLVED that the ECFSA Executive Director send, via first-class mail, certified copies of this resolution to the New York State Director of the Budget, the Chair of the New York State Senate Finance Committee, and the Chair of the New York State Assembly Ways and Means Committee.

This resolution shall take effect immediately.

Chairman Glaser: “Does that conclude the financial report, Mr. Goodell? All right, Mr. Vetter, could you take us through the contracts?”

Executive Director Vetter: “Yes, Mr. Chairman, let me go through the contract approval matrix. It is 8 pages. I suggest a number of them be cleared as a slate. Staff has reviewed them and the board as well. In terms of items that appear to have no questions or have had questions that have

been answered. Items 1-1 through 6-1 appear to regular County business. Item 6-1 originally had no contract, but we did get it, so we are all set with that. Items 1-1 through 6-1 staff would recommend that those be considered as a slate for approval.”

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

**Resolution No. 09-05**

**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.

<b>Department</b>	<b>Description</b>	<b>Amount</b>
EC Central Data Processing-Service Contract-Verizon/Nortel	Annual maintenance fee for Nortel phone system	\$160,000-all local share
EC Library – Subscription Reference Database – Reference USA	Subscription to business on-line database	\$66,744-all local share
EC Library-service contract-Fibertech Networks	Internet access service for 37 library locations	\$74,836-local share \$52,004 over three years
EC Library-Utility savings cost sharing	The Town of Orchard Park is taking on a number of capital improvements to the library and it will	\$187,072-all local share over 7-10 years

	improve user experience	
EC Environment & Planning-Purchase Contract-Penn Detroit Diesel	Clean school bus initiative Phase 2	\$65,140-no local share
EC Environment & Planning-Service Contract – Buffalo Urban Development Corp.	Union ship canal public open space	\$8,458,999-local share \$995,000
EC Environment & Planning - Purchase Contract - American Pipe Service	Mechanical sewer line cleaning	\$127,000 – all sewer funds
EC Environment & Planning-Service Contract – ECIDA, Lack. Comm.. Dev, City of Lack., S. Buffalo Railway, Tecumseh Redevelop., Gateway Trade Ctr., NYSDOT, and US & NYS agencies	Bethlehem steel rail relocation project	\$600,000-no local share
EC Environment & Planning - Grant Funds – NYS Dept. of Env. Conservation	Western New York storm water coalition	\$479,200 – in-kind local share only
Environ & Planning-Service Contract/Receipt of Grant Funds – US HUD & City of Tonawanda	Spaulding Fibre demolition	\$1,146,000 – no local share
EC Environment & Planning- Contract Award – Villager Construction	Sewer district No. 2-construct the sanitary sewer force mains for the Lake Street and Point Breeze pumping stations	\$2,236,000-all sewer funds
Erie Community College-Purchase Contract – SUNY Connect	SUNY connect	\$55,000 – all college funds
Erie Community College-service contract-Lovejoy Metals	Blanket purchase order for the repair, replace and installation of new duct work	\$150,000-all college funds
Erie Community College-Purchase Contract-Heritage Contract flooring	Blanket purchase order for carpet and carpet tile	\$150,000-all college funds
Erie Community College-Service Contract-Heritage Contract flooring	Blanket purchase order for installation of floor tile and carpet	\$150,000-all college funds
Erie Community College-Service Contract- Deaf Adult Services Inc	Increase of up to \$100,000 over previously approved ECFSA disabled student services	\$182,000
Erie Community College-Purchase Contract- Case Construction	Construction loader for the ECC south campus	\$124,791.36-all college funds
Erie Community College-Service Contract – Occhino	Blanket purchase order for construction and maintenance materials	\$150,000
Erie Community College-purchase contract-Image Now	Purchase of software for document management	\$150,000-all college funds
Erie Community College-purchase Contract-CDW Government Inc	Replace UPS for City and North Campus	\$80,000-all college funds
EC Health Department-grant from NYSDOH	Grant monies from NYSDOH to operate the child with special health care needs program from 10-1-08 to 9-30-09	\$69,062-no local share
Information and Support-Purchase Contract-Duplicating Consultants, Inc.	Rental Lease of low to medium volume copier	\$672,000-all local share
Information and Support-Service Contract – SAP Public Services, Inc.	SAP annual maintenance	\$260,226.64 – all local share
Public Works-Change Order-Grove Roofing Services	Emergency roof repairs	\$100,000-all local share
Public Works-Change Order-Cloverbank Construction	New Storage building	\$2,540-all local share

Public Works-Change Order-Occhino Corporation	Outdoor grass field replacement	\$11,207.96-all local share
Public Works-Change Order-Cloverbank Construction	New storage building	\$8,770-all local share
Senior Services-Service Contract – Legal Services for the Elderly, Disabled & Disadvantaged, Supportive Services Corporation Sr. Jobs Program, Catholic Charities Housing & Supportive Services & Congregate dining program	Legal services for the elderly	241,519-no local share
Senior Services-Service Contract – Legal Services for the Elderly, Disabled or Disadvantages of WNY, Inc.	Legal services for the elderly providing legal counseling services to persons 55 years of age and over, caring for or seeking custody or adoption of a child under age 19.	\$76,000-no local share
Senior Services- Service Contract – Supportive Services Corp.	Supportive services in employment and training for older adults	\$98,108-all local share
Senior Services- Service Contract – Catholic Charities	Catholic Charities providing housing and supportive services to low and moderate income seniors, age 60 and over.	\$195,917-no local share
Senior Services-Service Contract – Listed Municipalities and Agencies	Aggregate for Congregate dining at 36 municipalities and agencies	\$84,342-no local share
Sheriff – Service Contract – Crisis Services	Domestic Violence Services	\$55,785-local share 13,946.25

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman 6-2 and 6-3 there were some questions regarding bidding and contracts. I believe Mr. Koch from the Sheriff’s Office is here just to briefly go through these and to answer questions that were raised that we just recently have spoken about.”

Robert Koch: “Good Afternoon. I am Robert Koch, First Deputy Superintendent with the Erie County Sheriff’s Office. I would start with item 6-2. That would be an extension of a previously approved contract. We went over the \$50,000 and needed more money to finish last year’s contract with Cisco. They provide food for the inmates in the holding center and correctional facility. Penny Coin Laundry is the same, it is the contract vendor that we have. They clean the inmate’s laundry at the holding center and also out of the correctional facility. They happen to be the only vendor that we could find last year. We actually had two or three vendors last year, you may recall where we picked up a vendor, who couldn’t handle our business and sent us to a second vendor who then couldn’t handle our business. We have found Penney and signed onto a contract agreement with them. We are looking for this contract to be signed so that we can continue to have service for the inmate’s laundry at both facilities.”

Chairman Glaser: “The only point I would like to make is that in the future if you could have your staff try to get these to us ahead of time. It does help facilitate a smoother process.”

Robert Koch: “Certainly.”

Executive Director Vetter: “I would recommend that with the information that I received just prior to the meeting and from Mr. Koch’s statements that items 6-2 and 6-3 be approved as a slate.”

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

**Resolution No. 09-06**

**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
Sheriff- Purchase Contract-Sysco Foods	Food for the Holding Center and Corrections Facility	\$25,000-all local share
Sheriff- Purchase Contract – Tenney Coin Laundry	Laundry Services for Holding Center & Corrections Facility	\$18,500-all local share

This resolution shall take effect immediately.

Executive Director Vetter: ‘Mr. Chairman, to finish up on a couple of items. Items 6-4 though 7-6 there are no questions and worked these out prior to the printing of this document and staff would recommend that those be considered as a slate.’”

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

**Resolution No. 09-07**

**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.

<b>Department</b>	<b>Description</b>	<b>Amount</b>
Sheriff-Purchase Contract-Contract Pharmacy Services Inc	Inmate prescription and pharmacy services for Holding & Corrections Facility	\$750,000-all local share
Sheriff-Purchase Contract-Sysco Foods	Food for the Holding & Corrections Facility	\$875,000-all local share
Sheriff-Purchase Contract-Stroehmann Bakery	Bread for the Holding & Corrections Facility	\$275,000-all local share
Sheriff-Purchase Contract-Maple Leaf, Will Poultry, Somerset Ind, JH Wattles and Maplevale Farms	Groceries for the Holding & Corrections Facility	\$220,000-all local share
Sheriff-Purchase Contract-Will Poultry	Poultry for the Holding & Corrections Facility	\$125,000-all local share
Sheriff-Purchase Contract-Boulevard Produce	Fresh produce for the Holding & Corrections Facility	\$175,000-all local share
Sheriff-Purchase Contract-Upstate Farms & Byrne Dairy	Milk for the Holding & Corrections Facility	\$275,000-all local share
Sheriff-Purchase Contract-Chuddy, Corr, Dobmeir,	Paper products for the Holding & Corrections	\$95,000-all local

Harpur Paper and Bunzl	Facility	share
Sheriff-Purchase Contract-Tenney Coin Laundry	Laundry services for the Holding & Corrections Facility	\$160,000-all local share
Social Services- Service Contract – Hopevale, inc	Hopevale provides juvenile, non-secure detention services	\$2,100,000-local share \$1,050,000
Social Services-purchase contract-Aramark Correctional Service	Youth detention food service	\$130,031.50-local share \$65,015.75

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman, on item 7-7 regarding roof repairs at Ralph William Stadium, I think there were questions. I think Ms. Mazzone is here regarding the REAM department and its involvement with this particular item. The field house roof being repaired is not an issue or question.”

Michelle Mazzone: “Good afternoon.”

Executive Director Vetter: “The question that was raised was when this went to the board was on the involvement of the REAM department. One, if it is a department, and secondly, the involvement of the REAM department in a non-County facility.”

Michelle Mazzone: “REAM is not a department. There are some clerical errors in that letter. REAM is a division of DPW.”

Executive Director Vetter: “So this is a DPW request?”

Michelle Mazzone: “Yes.”

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

**Resolution No. 09-08**

**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 Department of Real Estate- Emergency Roof Repair – Seneca Steel Erectors	Emergency repairs at the Field house at Ralph Wilson Ralph Wilson Stadium Field house emergency roof repair	Not to exceed \$200,000 – all county share

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman, on the last page, Item 8-1, that is the NYSNA collective bargaining agreement for which the board voted, that is the corresponding contract. The staff would recommend it for approval.”

Vice Chair Goodell moved to approve, Director Kruly seconded, Chairman Glaser recused himself and the remaining Directors duly voted in the affirmative to approve the following resolution:

**Resolution No. 09-09**

**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
County of Erie-Employee collective bargaining agreement	ECMCC Nurses negotiated contract	\$371,782-local share \$141,525

This resolution shall take effect immediately.

Executive Director Vetter: “There is another item that is not on our list that came from our December 15<sup>th</sup> meeting. I was informed by legal counsel that it should be disposed off. That at the December 15<sup>th</sup> meeting there was a request from Erie County to authorize the County bonding in the amount of \$89 million. That was tabled at that point. I was informed by legal counsel that we should bring that off the table and vote yeah or nay on it.”

Chairman Glaser: “Do we need to do that here or can we do that in conjunction with the bonding?”

David McNamara: “Long walk for a short answer. It doesn’t matter. You can do it here or you can do it later.”

Chairman Glaser: “I think I would like to do it later to keep the congruity of the topic.”

Executive Director Vetter: “Then Mr. Chairman, there is an exemption list. As you know, there are grants for which the County gets a commitment yet there is no contract produced until a later date. There is an exemption request list of five pages. These all appear to be standard County grants, recurring grants that the County has been given reassurances that the County will be receiving the funding for those grants. Staff would recommend that items 1-1 through 5-1 be approved as a slate.”

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

**Resolution No. 09-10**

**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
Health Department- Receipt of Grant Funds - NYSODH	Women’s Health Services Grant 1/1/05-12/31/09 – 5 year retro renewal	\$629,909 – no local share
Probation Department – Receipt of Grant Funds – NYS Department of Probation & Correctional Alternatives (DPCA)	Intensive Supervision Program (ISP) Grant – 1/1/09 – 12/31/09 Provides funding for increased supervision efforts for high-risk felony offenders	\$278,000 – 38,920- local share
Probation Department – Receipt of Grant Funds – NYS Department of Probation & Correctional Alternatives (DPCA)	Community Service Sentencing Grant – 1/1/09 – 12/31/09 – Provides funding for a program which facilitates and monitors court-ordered community service work for sentenced offenders	\$53,400 - \$26,700 local share
Probation Department – Receipt of Grant Funds – NYS Department of Probation & Correctional Alternatives (DPCA)	Pre-Trial Services Grant – 1/1/09 – 12/31/09 – Provides funding for a program which increases the number of incarcerated individuals who are eligible to be released prior to their trial	\$126,300 - \$63,150 local share
Senior Services - Receipt of Grant Funds – NYS Office for the Aging	Areawide Agency on Aging – 1/1/09 – 12/31/09 – Plan and provide a comprehensive service delivery system for older persons	\$1,767,166 - \$221,000 local share
Senior Services - Receipt of Grant Funds – US Dept. of Agriculture	Nutrition – Cash-in-lieu of Commodities Food – 10/1/09 – 9/30/09 – this program earns cash in-lie of commodity reimbursements from the US Dept. of Agriculture	\$702,669 – no local share
Senior Services - Receipt of Grant Funds – NYS Office for the Aging	Community Services for the Elderly – 4/1/09 – 3/31/10 – Identify elderly persons most in need of assistance and to target services to them by coordinating services provided by community agencies	\$1,499,419 - \$187,500 local share
Senior Services - Receipt of Grant Funds – NYS Office of the Aging	Congregate Dining Nutrition Program – 1/1/09 – 12/31/09 – Provides a hot noon-day meal at 47 strategically located congregated meal sites throughout the county for approximately 4,000 elderly persons	\$2,298,806 - \$144,210 local share
Senior Services - Receipt of Grant Funds – NYS Office for the Aging	Congregate Services Initiative – 4/1/09 – 3/31/10 – The purpose of this grant is to assist senior centers and other congregated service programs to expand their capacities, thereby increasing the number of seniors participating in these activities.	\$67,742 - \$12,900 – local share

Senior Services - Receipt of Grant Funds – NYS Office for Aging	Disease Prevention & Health Promotion Grant – 1/1/09 – 12/31/09 – Supports wellness programs, nutrition counseling, general outreach and health education activities.	\$117,400 - \$11,740 local share
Senior Services - Receipt of Grant Funds – NYS Office for Aging	Elder Caregiver Support program – 1/1/09 – 12/31/09 – Supports information & assistance, education and training, counseling, case management and respite, among other services for caregivers dealing with the challenges of their responsibilities	\$809,242 - \$213,800 local share
Senior Services - Receipt of Grant Funds – NYS Office for Aging	Expanded in-home Services for the Elderly (EISEP) – 4/1/09 – 3/31/10 – Case management, personal emergency response systems, personal care and homemaker/housekeeper assistance	\$4,100,749 – 845,800 local share
Senior Services - Receipt of Grant Funds – NYS Office for Aging	Home Delivered Nutrition Program – 1/1/09 – 12/31/09 – Provides two meals per day, five days per week, to over 1,400 homebound elderly	\$1,323,584 – 57,420 local share
Senior Services - Receipt of Grant Funds – Corporation for National & Community Services	Retired Senior Volunteer Program (RSVP) – 7/1/09 – 6/30/10 – Grant is used to recruit and train volunteers in 75 affiliated volunteer stations, directed primarily toward health & nutrition needs	\$184,803 - \$91,630 local share
Senior Services - Receipt of Grant Funds – Senior Service America	Senior Aides Program – 7/1/09 – 6/30/10 – Grant is used to assess vocational needs and abilities, provide job counseling, job preparation and to place low-income persons in unsubsidized community service and private sector positions	\$1,113,841 - \$84,000 – local share
Senior Services - Receipt of Grant Funds – NYS Office of Aging	Senior Community Service Employment – 7/1/09 – 6/30/10 – Grant is used to assess client needs and abilities, provide job counseling, job preparation and place persons over the age of 55 in unsubsidized employment	\$310,445 - \$18,000 local share
Senior Services - Receipt of Grant Funds – NYS Office for Aging	New York State AAA Transportation (AAATRAN) – 4/1/09 – 3/31/10 – Grant is used to support operating expenses for transportation services	\$109,787 - \$2,000 local share
Senior Services - Receipt of Grant Funds – NYS Office for Aging	Supplemental Nutrition Assistance Program – 4/1/09 – 3/31/10 – Provide nutritious meals to homebound ill and disabled older persons	\$80,000-no local share
Senior Services - Receipt of Grant Funds – NYS Office for Aging	Weatherization Referral and Packaging Program – 4/1/09 – 3/31/10 – Provides weatherization and referral services to low-income elderly households	\$320,456 – no local share
Social Services - Receipt of Grant Funds – NYS Office of Children and Family Services	Day Care Registration Program – 1/1/09 – 12/31/09 – Ensure the provision of safe, quality child day care through registration and inspection of family day care providers	\$1,035,470 - no local share

This resolution shall take effect immediately.

Chairman Glaser: “I think we can move into the borrowing segment of the agenda. Mrs. Marinelli? While you are walking up I would like to say a few comments on the borrowing. We have quite a bit to go through and a few witnesses that we can talk to regarding this. The control board is still trying to put forward a solution to this impasse and with that, some meetings have been held; some more productive than others. In particular, relative to the request of the Legislature and the State Comptroller being asked to help us out, I did want to talk to you about that and get your feelings from the Legislative side of the equation as to the borrowing. Any comments?”

Chairwoman Marinelli: “I will make a few for the record. Thank you Mr. Glaser for the invitation. I would also like to recognize that Majority Leader Maria Whyte is in attendance as well as our Clerk of the Finance Committee John Davis, who will certainly be reporting back when we have session tomorrow and we will be with out colleagues at that time. Just a couple of notes for the record. Since January of 2007, the Erie County Legislature has taken action on over 50 item related to the borrowing both long and short term. In 2007 on February 1<sup>st</sup> we approved requests that was sponsored by myself and others that the administration of that year submit capital borrowing requests by a certain date so that we could begin public discussions, debates and deliberations. That has carried over and we found that to be a good methodology of asking that the capital budget get submitted early so there could be the discussion and then debate and approval of capital borrowing project items even thought the capital budget is part of the budget submission it does not get approved by extension of the operating budget, the items have to come over either packaged or individually.”

“In April of 2007 we approved a couple of communication items, I have the numbers but I won’t read them into the record, related to capital borrowing for ECC and general County projects from April through November 2007. We considered and voted on 13 communication related to borrowing.”

“On November 29, 2007 we considered Introduction 18-6, that I had sponsored, that had requested the ECFSA be authorized to do the borrowing for 2007. That item was defeated by a vote of 11-4.”

“On December 31, 2007 we approved authorization for the ECFSA to borrow on behalf of the County that was the mirror bond proposal which was done in a special session. I believe vote was 12 to 1; we were missing a couple of members at that meeting.”

“In 2008 from January to May, the Legislature considered and acted on 19 items related to borrowing and on May 29<sup>th</sup> approved Communication 8E-27 as amended which proposed \$51 million for 2008 projects, so combined in 2007 and 2008, \$89 million has been approved by the EC Legislature and since that time there has been, and I know our County Comptroller is here who provided the information, \$26 million has been cash advance for these projects. These projects, well the list is certainly there for the public record and has been before this Authority as well.”

“On September 11, 2008 we approved Communication 17E-49 and 17E-20 which related to the BAN and the RAN proposals agreed upon by the parties; the County and the ECFSA but that deal fell through and the Comptroller had to do a RAN with Bank of America.”

“Also in 2008 we had supported the WNY delegation’s home rule request and communication 12E-2 which sought to clarify the situation of borrowing by revising the ECFSA enabling statute, this item was approved by the Assembly and the Senate but was ultimately rejected by the Governor.”

“Just last session, on January 29<sup>th</sup> 2009, the Legislature voted 15-0 to request the NYS Comptroller to resolve the issue and to conduct a performance audit of this issue while the State Comptroller has issued a statement to the media, the EC Legislature has received no official response from Comptroller DiNapoli.”

“Several Legislators, it should be noted, are attending the NYSAC conference next week and the staff is working to get a meeting together with the State Comptroller while there is a good 4-6 of us that will be at the NYSAC Conference and hope that we could have further conversations with Comptroller DiNapoli.”

“In sum there are no actions currently in front of the Erie County Legislature. The Legislature remains extremely concerned that the 2007 and 2008 borrowings for capital projects have not been resolved and there is a bit of an impasse that has kept some of these projects from being able to get moving. We hear of reports from some of the projects where some dilemmas have occurred. I know Mr. Reuter is here from ECC and there are some examples of where they have had to put the money up front and also heard reports from the Convention Center that they had a contractor walk off the job. So we are concerned that the impasse on the capital projects is creating rippling effects as well with the community and certainly with so much of the road and bridge activity the county has we are concerned that we are probably losing state and federal funding that can be accessed for those projects. We are concerned about those areas that we are contractually, from the Botanical Gardens to Ralph Wilson stadium; our maintenance agreement from the lease agreement that is done there. In conclusion, we are further concerned that 2009 projects are part of the 2009 budget but here we are in February and we don't have the list yet from the Administration and frankly, with two years of backlogged projects, I'm not sure what that will mean on behalf of our Legislature for the 2009 capital projects. That is my report.”

Chairman Glaser: “How would you like to sum that up in ten words?”

Chairwoman Marinelli: “I even asked for ten words, I kept it to one page.”

Chairman Glaser: “I believe it safe to say the borrowing hasn't occurred yet. I believe the Legislature still has open the authorization to allow the control board to borrow the \$89 million?”

Chairwoman Marinelli: “Could you repeat that?”

Chairman Glaser: “There is still the authorization from the County Legislature for the control board to borrow the \$89 million? That is still open?”

Chairwoman Marinelli: “I believe that is from September or October. I am getting a nod from our Clerk of Finance and Management that when the Executive sent over the declaration of need resolution, that was approved by the Erie County Legislature and I know there were some qualifiers put on that and have been told by members of this body as well as the County Administration that there have been some discussions over some of the details of that financing agreement that stemmed from that declaration of need resolution.”

Chairman Glaser: “So there is no question in my mind that the borrowing needs to take place, these projects need to move forward as well as probably other future projects so we don't hurt our community. That said does anybody have any other further questions you would like to ask? Thank you very much.”

Chairwoman Marinelli: “Thank you very much for the invitation.”

Chairman Glaser: “With that back log, I think Mr. Vetter we would like to introduce a resolution for the County to allow us to borrow the \$89 million on a long term basis.”

Executive Director Vetter: “Mr. Chairman, there is a resolution in your packet requesting that Erie County request that the Erie County Fiscal Stability Authority borrow up to \$89 million in, not BANs or RANs, but long-term financing for Erie County capital projects based on market conditions and savings for Erie County.”

Chairman Glaser: “With that I would like a motion to put that on the table.”

Goodell moved to put resolution on the table and Director Kruly seconded.

Chairman Glaser: "I would like now to have some discussion now. Along for that discussion we have Mr. Neumeister with us and also Mr. Lawrence Seymour from Roosevelt & Cross. Would you gentlemen like to come forward?"

"I appreciate you coming forward. One of the things that I would like to do by bring you here today is to clarify what appears to be some confusion as to the ability of the control board to do the borrowing and the relative savings of certain borrowings and to jut kind of get this out in the open. So with that, Mr. Neumeister maybe you can comment relative to the potential saving and the ability to borrow?"

Michael Neumeister: "For sure. My name is Mike Neumeister; I am with Capital Markets and serve as financial advisor to the Authority. We did receive a request from Mr. Vetter the other day to look to whether or not the Authority would be able to sell \$89 million in bonds and to what extent the cost and at what price would it be sold in today's market. With that we looked to Roosevelt and Cross who has been our underwriter and providing underwriting assistance to the Authority for the past couple of years, to look as well, how they view it. As an Authority that would go to the market with AA2 rating versus the sale of county bonds in today's market which are more poorly rated at this point in time. Part of the analysis of course is the significant change in the market conditions since we last viewed what the market was like and ran a scale for the ECFSA. Certainly the credit spreads between AA versus BBB credits have widened considerably and certainly has made it even more advantageously sound for the Authority to issue obligations and it never went. To run the scale, we found that if an \$89 million issue was held today in the current market conditions that the ECFSA would sell at about a 4.52% interest cost. On a similar scale for Erie County alone in today's market, it would be about 6.15%. That amounts to an average, and these are assumptions because we don't have the details of any capital projects at this time, we are working with an assumption of \$89 million being financed over 20 years. This is s typical amortization period for significant sized projects and running on a level debt basis. The cost to the authority would be about \$6.8 million a year similarly the cost to the County to do a similar unenhanced borrowing on there own, it would be about \$7.8 million a year. Over 20 years, there is essentially a \$1 million dollar a year savings; it would cost an additional initial \$20 million for the County to do the issuance on their own in today's market."

Chairman Glaser: "So clearly \$20 million dollars worth of savings on a 20 year long term bond?"

Michael Neumeister: "Clearly."

Chairman Glaser: "Could Mr. Lawrence Seymour join you on stage? It might be easier doing in it like this. Good afternoon, Mr. Seymour.

A couple of questions that I have relative to that is the ability of the control board to come out with its ratings and borrow on Wall Street today with the economic environment versus the economic environment when we went out to borrow on that ill-fated week in October. Maybe you could share a few comments relative to that."

Lawrence Seymour: "First of all my name is Larry Seymour. I am the senior vice president and branch manager of Roosevelt & Cross in the Buffalo, NY office. We have been here since 1980. The answer to your question is that the environment in October of last year was when the melt-down of financial services industry was taking place. The first salvos of the credit quality in the commercial banking industry was being drawn in to question and as a result the County was closed out of the market as were every other community that I can name that we tried to deal with in those two weeks in October. We simply could not get into the market place at an effective cost. However, since that time we have had an election and a whole bunch of other things happen. We have had a TARP line and a whole bunch

of proposals in Congress and at the state level. The market place is a bit more normal. It is not the optimum that it could be at this time but what has happened, as Mr. Neumeister has alluded to, is quite a difference between triple A and double A quality and below mid A, to either Baa or in some cases below that. That gap is quite wide and the longer you go out on the yield scale from one year to 20 years, the wider that gap tends to be. In one to three or four years that gap maybe a quarter of a point or half a point and when you get out into the 20 year time frame that gap to the investor gets into the 100 basis point pretty easily. So in answer to your question, we have more normalcies and at this stage in time, the communities that come to the marketplace are not experiencing any difficulties fining acceptability. The price differential happens to be with regard to credit quality.”

Chairman Glaser: “Going back to late September, early October that two week period that we talked about, it was my recollection and I am not looking for a specific number but in my reading there was approximately \$8 billion worth of municipal offerings that didn’t get done in that timeframe. Is that a pretty good time frame?”

Lawrence Seymour: “That is a pretty good ballpark. The most notable one which probably got the most press was the State of California. They could not sell notes and ultimately ended up going privately. The cost to the State of California, which at that time I believe was a strong A1 was in the 4% range or higher but because of the increased yield that it cost them, they actually had more business than they wanted which was good for them but in answer to your question, there wasn’t a yield that we could sell ECFSA notes at to anyone because buyers simply were not buying.”

Chairman Glaser: “If appropriately authorized by the County Executive, the Legislature; the proper elected officials, if those things were in place, what is your estimate of how long would it take for us to get to market? I know we have had three false starts already even with the paperwork ready to go. What is your rough estimate of how long it will be from today to get those bonds sold and cash into this County?”

Lawrence Seymour: “With the approval of the regulatory bodies that you have alluded to, the official statement would have to be produced which is a period of some 5 - 8 business days. Beyond that the rating services would be able to give a review. In the market place it is no more than 5 additional days to promulgate that official statement, have the rating agencies review it and come to the market place. At the outside, three weeks tops, if it were done today, if not probably something between 10-15 days.”

Chairman Glaser: “By the end of the month is not at all unreasonable?”

Lawrence Seymour: “Not at all and the marketplace at the present time is, relatively speaking at the current time, experiencing a lack of supply. So I think it would be moderately favorable that it would be looked upon with proper credit quality as an issue that would be taken up by the marketplace.”

Chairman Glaser: “So you and Mr. Neumeister are confident that this can be sold in the market place?”

Lawrence Seymour: “Yes sir. Given the conditions as they are right now. Yes sir.”

Chairman Glaser: “So if we did this by the end of February, the County could have its cash, vendors that have been awaiting money can be paid, capital projects could move forward and future capital projects can be planned.”

Lawrence Seymour: “Yes sir, the normal settlement date from an issuance in today’s environment is less than 14 business days.”

Chairman Glaser: “And the additional benefit from what I heard earlier was that out of that amount of money, \$26 million would be put back into the County where they advanced it already for these projects?”

Lawrence Seymour: “That is true, that is what we have heard.”

Chairman Glaser: “Does anyone else have any questions?”

Secretary Keysa: “Mr. Chairman, yes. I have a question for Mr. Lawrence Seymour. I think that this board was terribly embarrassed when we went to market last fall and found that we could not go to market. That has been portrayed by a number of County officials as being a failure of the ability of this board to go to market and not a failure of the consultants to bring this to fruition. What you’re saying is that was not the case, but the particular melt-down that occurred on that day; both nationally in fact globally. We were the recipients, the consequences of that melt-down?”

Lawrence Seymour: “Absolutely correct. To have an efficient market, you need buyers and sellers. The buyers became a problem. At no price, whether it be 1%, 4% or 8%, could those notes be sold to the market place because of the lack of credit quality and the melt-down in the market place regarding the certainty as to the financial structure and the effect of the economy. That is what killed the deal. Within three days it could have been sold.”

Secretary Keysa: “In layman’s terms, a lack of confidence?”

Lawrence Seymour: “That’s correct.”

Secretary Keysa: “It is now, at least on the municipal side, has returned, even if it not fully there on the commercial side?”

Lawrence Seymour: “It is not as nice as we would like it, it will never be perfect, but in all honesty in the market place, it didn’t make any difference whether it was municipal or corporate and in some cases government. Nothing was trading at that time.”

Secretary Keysa: “So nothing was moving that day?”

Chairman Glaser: “Just an add-on to your statement. A triple A that we have and the lower rating that the County has. Could you comment relative to the market place for somebody at a lower rate, not the County in particular but the rating that the County has in particular’

Lawrence Seymour: “As I alluded to before, the shorter the average life is of a bond issue....”

Chairman Glaser: “No, I am talking about the credit quality...”

Lawrence Seymour: “The credit quality of the County general obligation is a BAA2 I believe. That credit quality in normal circumstances would be accepted by the market place. This credit would be accepted by the market place but the penalty relative to the buyers at that level right now is rather severe. It is a minimum of 50 basis points more yield and probably 75 in the longer end. With regard to the ECFSA you have what amounts to the additional enhancement as being created by the State of New York so that your credit quality recognized by the rating agencies, upgrades the quality to AA3. That is such a sever difference in the market place and as such the greater the quality, the less risk, the lower interest rate that you will receive.”

Chairman Glaser: “So that relates to the \$20 million.”

Lawrence Seymour: “It amounts to \$1 million a year.’

Secretary Keysa: “Mr. Chairman, I would just like to point out that this has not something that we did here. This is something that the State in its wisdom recognized from the start, an ability that they could give to Erie County to save it money in the future.”

Chairman Glaser: “It is one of the gifts that we did get from the State and they have also done it in NYC and Long Island. That is it unless Mr. Thomas, you had any questions?”

Director Thomas: “Yes, Mr. Chairman. I for one think that we need a solution to the borrowing problem. However, relative to this meeting, I was aware that there was going to be a presentation on the borrowing. I didn’t know that there was going to be a resolution, nor did I receive any written information relative to what is being discussed here and what our reasoning would be, so I’m not sure that I have enough information to be able to vote on the resolution.”

Chairman Glaser: “Okay, do you have any questions that you have developed as you are listening to this?”

Director Thomas: “I don’t think we can do that in the time that is allowed. I would have liked to have seen more written documentation so that I could familiarize myself with it more and could have voted on the resolution.”

Chairman Glaser: “Okay. Are there any other questions for our speakers up here? Thank you very much. I want to take a minute and go through some slides that we prepared about the fiscal condition.”  
“Just briefly, and we have copies of this in house if you can’t see the slides, we have but together a summary of where this control board stands in its history so far. We have brought back capital expenditures to about \$10 million. In terms of efficiency grants, we have \$14.9 million available and have funded efficiencies to the tune of \$5.9 million. I would like to point out, and this is good news, the \$14.9 million has been increased to almost \$25 million. The Governor, Senate and Assembly have restored more funding for efficiency grants and that will allow us to do more for the County.”  
  
“A hiring freeze has been placed on Erie County that has saved about \$3.1 million a year. Our contract review process has also helped save Erie County money as well as some budget suggestions that the County has followed. I know people talk about the costs of the control board but no body ever discusses the benefits, and they are important.”

***Erie County Fiscal Stability Authority***  
**Updated Executive Summary**

<u>Item</u>	<u>Taxpayer Benefit</u>
• Debt Diet – 2006	\$10.0 Million
• Efficiency Grants	\$14.9 Million
• Funded Efficiencies	\$5.9 Million
• Hiring	\$3.1 Million (Gross)
• Contract Review	\$817,000
• Budget Suggestions	\$16.5 Million

“The second one was put together to show the fiscal benefits of the ECFSA borrowing, \$89 million with a 20 year amortization. The difference between control board borrowing and the County borrowing with our rating equates to one million dollars a year.”

**SAVINGS ESTIMATE – 01/29/2009**

**Assumptions:**

**Amount of Bond** \$89,000,000

**Structure** 20 Year Amort, Level Debt, 10-Year Par Call

**Rating** Unenhanced

<b>Rating</b>	<b>ECFSA Aa2</b>	<b>ERIE COUNTY Baa2</b>
<b>Amount of Bond</b>	\$89,000,000	\$89,000,000
<b>Interest Rate</b>	4.5199%	6.1539%
<b>Total Repayment (Over 20 Years)</b>	\$137,040,550.00	\$157,161,362.50
<b>Average Annual Repayment</b>	\$6,852,027.50	\$7,858,068.13
<b>Average Annual Savings</b>	\$1,006,041	
<b>Savings Over 20 Years</b>	\$20,120,820	

“We, as the control board, do not believe that the County can afford to avoid the ECFSA savings that can be achieved in this current economic environment. We have discussed this with the Comptroller; there have been conversations with his Department with Mr. Kruly. Just last week, we have had conversations with the Governor, who has said the same thing; that this is crazy. We gave Erie County a control board to help save money and this million dollars a year could be used for so many different things for the County.”

“Very quickly, the current long term borrowing at \$89 million would save the taxpayers \$20 million; it could be a little more and could be a little less. The current long-term would be significant by anyone’s standards. It is as simple as someone who has a mortgage on a house and the bank offering a better interest rate than another.”

“Future long-term borrowing, assuming it is \$50 million that is borrowed for future projects; this could save \$11 million over the life of those.”

“If we went back to the RAN, it would save \$1.9 million a year. So there are benefits to this control board whether the board is hard or soft. These are the key benefits that are used in New York City as well as in Long Island, in terms of using their control board.”

“The last but not least chart is the future benefits. Like the continued four- year planning cycle, thoughtful budget review, and advice over the years including the County Executive who is trying to turn this County around but still has a ways to go. This is a process, an evolution not a revolution. There is the potential for long- and short-term borrowing savings. There is not a real question over the savings. From a financial stand point, there is no question that we can achieve savings and that is what we should be looking at. We are hoping to get to advisory status because that will show that the County is achieving financial health. That’s it and if anyone wants a little more detail, there is paperwork that will be made available.”

“With that, does anyone have any further comments or questions to make relative to what we are doing here?”

***Erie County Fiscal Stability Authority***  
***Future Benefits***  
***Control or Advisory***

- Continued 4-year Planning Cycle
- Thoughtful Budget Review and Comments
- Long and Short Term Borrowing Savings
- Foster Continued Efficiencies
- Advisory Status as a Signal of Financial Health

Director Kruly: “Mr. Chairman, just to confirm what you were just saying. I did have a conversation with one of Comptroller DiNapoli’s Deputy’s last week and the Comptroller believes we should try and work this out amongst ourselves. He explained that we have had many opportunities over the past couple of years to do that. I don’t think that the Comptroller is going to be refereeing this discussion. They agree that better bond rating produces savings to tax payers. They support that. They have recently determined that if there is a \$20 million opportunity for savings for the taxpayers over 20 years, they think as well as I, that this is an important thing that we should pursue.”

Chairman Glaser: “I would just like to add that this is one of the main reasons that the control board was established, for those types of things. I would like to reiterate again that we, as the control board, are ready to sit down with community leaders; the Legislature, the County Executive and the Comptroller in terms of trying to reach some resolution. I think we need to move forward with the capital borrowing; people need to be paid in this town; we need to move forward and let’s get this resolved. If there are no further comments, we have the resolution on the table to ask the County and the Legislature to ask us to borrow.”

Executive Director Vetter: “Director Thomas is asking that we read the resolution.”

“It is a three page resolution but is, in essence, it is indicating that the County is looking to fund capital expenditures totaling \$89 million and that, because of the relative differences in the rating for the Authority and the County, significant savings in the range of \$20 million can be achieved by Authority borrowing and the fact that under our legislation we can unilaterally borrow on the County’s behalf, but that the County would have to ask us to borrow on their behalf. This resolution is asking them to ask us to borrow \$89 million to save that \$20 million in costs.”

Director Thomas: “The resolution is simply asking the County to ask us to do the borrowing?”

Executive Director Vetter: “Yes.”

Director Thomas: “Do we need a resolution for that?”

Chairman Glaser: “Yes.”

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

**Resolution No. 09-11**

**CALLING UPON ERIE COUNTY TO REQUEST THE ECFSA TO ISSUE BONDS TO FUND THE COUNTY’S 2007 AND 2008 CAPITAL EXPENDITURES**

**A. The Need to Finance Erie County’s Capital Expenditures**

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 3961 of the New York Public Authorities Law (“Section 3961”) permits Erie County (the “County”), pursuant to a request made by and through the County Executive after approval by the County Legislature, to “undertake a financing of costs” through the ECFSA; and

WHEREAS, section 3962 of the Public Authorities Law empowers the ECFSA “to issue bonds, notes or other obligations . . . to pay any [such] financeable costs;” and

WHEREAS, financing of the County’s 2007 and 2008 capital expenditures (the “Capital Expenditures”) would cost a total of \$89,000,000; and

WHEREAS, the County Legislature has not yet approved, and the present County Executive has not yet issued, a current request for the ECFSA to finance such costs; and

WHEREAS, the County may issue bonds during a control period, but only upon advance review, comment, and approval by the ECFSA, pursuant to Public Authorities Law section 3959(2)(i);

**B. Erie County’s Dismal Bond Rating**

WHEREAS, Fitch Ratings (“Fitch”) and Moody’s Investors Service (“Moody’s”) have assigned the ECFSA bond ratings of AA and Aa2, respectively; and

WHEREAS, the bond ratings assigned by Fitch and Moody’s to the ECFSA are six grades higher than the bonds ratings assigned to Erie County; and

WHEREAS, on account of its significantly higher bond rating, the ECFSA can issue new debt at a lower cost and interest rate than the County can -- current estimates for the bond total \$20 million over the life of the bond -- and thereby reduce the County's cost of borrowing and save taxpayer dollars; and

WHEREAS, Public Authorities Law section 3952(3) ("Section 3952(3)") provides that the ECFSA "shall continue until its control, advisory or other responsibilities, and its liabilities have been met or otherwise discharged, which in no event shall be later than December thirty-first, two thousand thirty nine;" and

WHEREAS, only the New York State Legislature may act to amend Section 3952(3), and thereby to extend the life of the ECFSA beyond December 31, 2039; and

WHEREAS, notwithstanding Section 3952(3), some elected officials have argued that ECFSA bonding would guarantee the ECFSA's existence, potentially as a "hard" control board, for as long as such ECFSA bonds remain outstanding; and

WHEREAS, in reality, no provision in Title 3 of Article 10-D of the Public Authorities Law (the "ECFSA Act") requires such an outcome; and

WHEREAS, pursuant to Public Authorities Law section 3959(1), the ECFSA shall terminate the control period presently in effect over Erie County, "when it determines that none of the conditions which would permit the [ECFSA] to impose a control period exist;" and

WHEREAS, once the ECFSA makes such a determination, it must end the control period, even if bonds previously issued by the ECFSA have not yet been refunded, discharged, or otherwise defeased; and

WHEREAS, in previous public comments before the ECFSA, County Comptroller Mark Poloncarz has cited the continued existence of the New York City Municipal Assistance Corporation ("MAC") in an attempt to demonstrate how the ECFSA could exist beyond December 31, 2039, provided that ECFSA-issued bonds have not yet been refunded, discharged, or defeased as of that date; and

WHEREAS, Public Authorities Law section 3033(1) requires the MAC to "continue for a term ending the later of July first, two thousand eight or one year after all its liabilities have been fully paid and discharged" (emphasis added); and

WHEREAS, because the MAC has not yet fully paid and discharged its outstanding debt service obligations, the Public Authorities Law mandates that it continue to exist beyond July 1, 2008; and

WHEREAS, by contrast, the ECFSA Act contains no similar provision that would require the ECFSA's existence after payment and discharge of all its liabilities; and

WHEREAS, any concern that ECFSA bonding to finance the Capital Expenditures would necessitate the ECFSA's existence beyond December 31, 2039, is therefore unsubstantiated; and

WHEREAS, the County Comptroller has also contended that ECFSA bonding will require the ECFSA's expenditure of funds to retain professional services and to employ personnel to oversee the service of its debt; and

WHEREAS, if the County were to issue bonds to fund its capital projects, the County would incur such expenditure regardless; and

WHEREAS, by requesting the ECFSA to issue bonds to fund such projects instead, the County would still reap approximately \$20 million in savings for County taxpayers in connection with bonding for the Capital Expenditures, and additional savings could be achieved through the subsequent issuance of ECFSA bonds;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA again recommends that the County request the ECFSA, pursuant to Section 3961, to issue bonds to fund the Capital Expenditures; and

BE IT FURTHER RESOLVED that the ECFSA would consider approval of the County's issuance of bonds to finance the Capital Expenditures, provided the County Comptroller can provide reasonable assurance to the ECFSA that the County's All-In Total Interest Cost ("All-In TIC"), which includes the costs of issuance, the underwriter's discount, and bond insurance, associated with a bond issue to fund the Capital Expenditures would not exceed the ECFSA's All-In TIC; and

BE IT FURTHER RESOLVED that the ECFSA would be inclined to reject any proposed County bond issuance that would not satisfy this criterion; and

BE IT FURTHER RESOLVED that certified copies of this resolution be forwarded to the Governor, the Director of the State Division of the Budget, the New York State Comptroller, each member of the New York State Assembly and New York State Senate who represents a portion of the County, the County Executive, the County Comptroller and the County Legislature.

This resolution shall take effect immediately.

Chairman Glaser: "The next is to adopt another resolution authorizing the control board to do the borrowing when asked."

Executive Director Vetter: "Yes Mr. Chairman, this is really an updated resolution. Resolutions like this have been passed by the Board before but this one is to borrowing \$89 million in long term financing on behalf of Erie County assuming that the established procedures and protocols are in place."

Vice Chair Goodell moved to approve, Secretary Keysa seconded, Director Thomas recused himself and the remaining Directors voted affirmatively to duly approve the following resolution:

#### **Resolution No. 09-12**

#### **AUTHORIZING THE ISSUANCE OF BONDS AND/OR BOND ANTICIPATION NOTES TO FUND ERIE COUNTY'S 2007 AND 2008 CAPITAL PROJECTS**

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

WHEREAS, New York Public Authorities Law ("Public Authorities Law") section 3961 provides circumstances under which the ECFSA may finance Erie County's costs, including the costs of capital projects; and

WHEREAS, pursuant to Public Authorities Law section 3961(1), the ECFSA may commence such financing only upon a request "made by and through the county executive after approval by the [county] legislature;" and

WHEREAS, Public Authorities Law section 3959(2)(i) requires Erie County (the "County") not to pursue capital borrowing on its own, "unless first reviewed, commented upon and approved by the [ECFSA];" and

WHEREAS, the County cannot borrow for capital projects without the approval of the ECFSA, and the ECFSA cannot issue bonds to fund the County's capital projects absent a request from the County Executive after approval by the County Legislature;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA is hereby authorized to sell and issue up to \$89,000,000 in bonds, and/or notes in anticipation thereof, to fund the County's 2007 and 2008 Capital Programs, which bonds and/or bond anticipation notes may be secured by the County's sales tax revenues.

This resolution shall take effect immediately.

Chairman Glaser: "The final item is to bring back the prior item from Comptroller Poloncarz which was tabled at the last meeting."

Executive Director Vetter: "That was a resolution to either issue a BAN or to issue long term financing in the amount not to exceed \$89 million at the December 15<sup>th</sup> meeting. It was tabled by the ECFSA. Legal counsel has recommended that two actions occur. One that it be taken off the table, so a vote will need to occur for that. Once it is off the table, we would need to vote yay or nay."

Secretary Keysa moved to remove the resolution from the table, Director Goodell seconded and the Directors voted unanimously to put the resolution on the table.

Chairman Glaser: "Now that it is back on the table, could I get a motion to reject the resolution?"

Vice Chair Goodell moved to reject the resolution, Director Kruly seconded and the Directors voted unanimously to reject the resolution allowing the County to borrow.

Chairman Glaser: "With that I make one final plea, that the powers at the County allow this control board to borrow on a long-term basis. I think we all need to step back and assess what is good for the community relative to the financial savings that can inure to the County and the other opportunities the County would have with the extra money relative to the tight budget anyways and the other problems the County has had relative to the property tax increase, etc. I'm sure they could use the savings and find a good place for those."

Secretary Keysa: "On that point, I would just like to point out that various county officials keep citing a cost of the control board and the cost that they cite, really a third of that to 40% of that, is an allowance or reserve to fight off lawsuits that they bring to take us out of existence. If they would stop trying to take us out of existence and start utilizing the benefits that we can bring to them, we would save Erie County taxpayers an awful lot of money."

Chairman Glaser: "We were put here for that reason and have fought a lot of battles but I would call on them to understand the current economic environment and use this control board appropriately. With that said, if there nothing more, I'd accept a motion to adjourn."

Secretary Keysa moved to adjourn, Vice Chair Goodell seconded and the Board voted unanimously to adjourn.

Respectfully submitted:

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Stanley J. Keysa  
Secretary

March 25, 2009