

ECFSA Meeting

Erie County Library Auditorium

October 20, 2011

Present: Chairman Daniel Oliverio, Director Louis Thomas, Director Cathy Creighton, Director Mark Walling, Director Brian Lipke, Executive Director Kenneth Vetter

Guests: Budget Director Gregory Gach, Deputy Comptroller Lorne Steinhart

Chairman Oliverio: "Good afternoon welcome everyone we are here today for the October 20, 2011 meeting of the ECFSA. Today we are here too opine on the Counties four year financial plan and budget and also to consider a couple of other issues."

"Mr. Lipke and the finance committee met together on October 6th. I believe if we go in the right order, Mr. Gach will come up so that we can ask some questions. First Mr. Lipke would like to give a report of the finance committee."

"Before that we have to approve the minutes of the prior meeting. I think you have all received copies of those."

Director Thomas moves to approve the minutes, Director Creighton seconds and the Board votes unanimously to approve the following resolution:.

Resolution No. 11-14

APPROVING MINUTES AND RESOLUTIONS FROM

THE AUGUST 2, 2011 MEETING

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its August 2, 2011 meeting and ratifies and affirms four resolutions numbered 11-11, 11-12, and 11-13 that were approved on AUGUST 2, 2011.

This resolution shall take effect immediately.

Chairman Oliverio: "The minutes are approved. The third item on our agenda is the financial plan. I will turn that over to Mr. Lipke."

Director Lipke: "Thank you Mr. Chairman and thanks for the opportunity to speak before our Board today. At our last finance committee meeting, Mr. Gach was invited and he provided the finance committee a very comprehensive over view of the budget and four year plan put together by

the Budget Department and in addition to giving us an overview he provided us with answers to questions that had previously been sent to him and a number of questions that the members of the finance committee wanted to ask in addition to those questions. We talked to Mr. Gach on a number of items and asked him on any high level analysis were there any major items that were problematic. We talked about staffing levels and overtime issues which have gotten a lot of notoriety as of late. We talked about how staffing works with county grants and we talked about how the budget and plan accommodate audit and tax collection services. Following that there were some follow up questions and at the end of the meeting I was satisfied with the responses that we received along with previously having reviewed the plan in general. I am looking forward to voting on the plan that the County has presented to this Board today. That is my report Mr. Chairman.”

Chairman Oliverio: “Thank you Mr. Lipke. Are there any questions for Mr. Lipke? We have Mr. Gach with us today and we will start our questioning with Mr. Walling.”

Director Walling: “The Bills lease, there is nothing in the budget for the Bills lease. As you know the current lease ends in January 2013, can you explain why there is nothing in the budget to deal with the inevitable need for stadium improvements?”

Budget Director Gach: “Well it is our hope that...there have been discussions between the Bills organization and the County Executive on the lease and the overall plan as I understand roughly id a ten year lease to run concurrent with the collective bargaining agreement the NFL has signed with their union. There are, as you mentioned some capital improvements that are going to be needed. The numbers I have heard have been as low as \$40 million and as high as \$100 million. We don’t know what that is going to be yet. Our engineers as well as the State’s folks are going to get together to determine what they are going to need in terms of improvements and how they are going to be handled. My hope is that this deal will be very similar to last deal we struck with the Bill where the State pick up the initial capital investment which they did the last time. I believe that was somewhere in excess of \$60 million. The County then paid the game day’s expenses and a capital allotment every year of roughly \$3 million a year. That is our hope as to what we would like to happen, what is actually going to happen? I don’t know but I can say this, the County Executive discussed this at the debate this morning at St. Joes, the same question came up and his answer was that we anticipate the State to pick up the tab.”

“The State brings in roughly \$20 million in revenue every year of the Bills between sales tax and income tax so if they were to invest \$60 million into Ralph Wilson Stadium that would have a pay back in three years. If it was \$80 million, 4 years which I think anybody would say is a great pay back on it. The County is prepared to continue on with games day expenses and as I said the capital allotment. The hope is that it will be set up similar to that. If it would be the case that the County would have to pay for that large capital investment I can only assume that it would be phased in over a number of years. We would not do \$20, \$60 or \$80 million in one fell swoop ad as you said the lease ends in 2013 so we would not be looking at construction starting in 2014. If bonds were sold in 2014 to pay for initial phase of that, principal payments wouldn’t start until 2016 which is a year beyond the four year plan you have in front of you.”

Director Walling: "On overtime, our analysis shows that there is an overage of over \$3.7 million for the budget. Do you agree with that?"

Budget Director Gach: "We are going over budget on overtime; there is no question on that but exactly how much I can't say right now."

Director Walling: "Do you think that is a reasonable calculation for this year?"

Budget Director Gach: "With the fact that where the lockup is not going to be turned back over to the City until next year that is probably reasonable, probably somewhere in the range of what we had last year but maybe a little less."

Director Walling: "In terms of your response to our question on this issue, you did refer to turnover of the lock up next year but I think it is fair to say there is no set date on that?"

Budget Director Gach: "March 1st next year."

Director Walling: "That is the target date, right?"

Budget Director Gach: "Yes, The BFSa recently passed the capital program to convert the City Court basement into a lock up. My understanding is that Commissions of Corrections has approved that plan. So with the project being approved at the Authority level, I am not privy to their schedules but I'm assuming it is going to start on time but our deadline is March 1st."

Director Walling: "Did they have to do construction in order for that to happen? Is it realistic or them to think that it will be done by March 1st?"

Budget Director Gach: "Yes, I would think so."

"I don't really know specifically. All I do know is that COC has approved the construction plans; BFSa has approved the financing for the program. I would think 5 months is a decent amount of time for this construction and again we are working under the assumption that this will happen."

Director Walling: "So how much of the overtime will that be able to alleviate?"

Budget Director Gach: "We were estimating going into the 2011 budget, at that point we had an October 1st turn over date, we were anticipating savings from \$.5 million-\$1 million for the quarter. If you extrapolate for over four quarter we are looking at \$2 – 4 million in savings in overtime. There are a number of issue that are going on as I mentioned in my response to the Comptrollers review . We are going ahead with the revamping of the gymnasium at the Holding Center that as wells the mezzanine are and another area there into basically an intake area. It will be better organized than what it is now and allow the nurses and the mental health specialists, as well as the guards to process new inmates in there in a much more efficient manner. We are also coming to the end of our computerization of medical records at the facility. That is what contributed to higher overtime this year. What that will allow us to for the repeat visitors to acquire his records from

ones last visit and ask important questions like “Are you still a diabetic?” are you still taking medicine for high blood pressure?”, etc. That will cut down on the time to process inmates and more efficiently process them, this will help so that can process them more timely, more efficient and hopefully direct them to the right program; be that general observation, constant observation, etc. We are looking at a significant reduction in constant observation that is going on now. Mainly because we will not be getting the Buffalo prisoners as they have just been picked off the street; when they are coming off the street they may be coming off drugs or alcohol and need a drying out period. They may come back to the facility as awaiting trial or bail but we will get the inmate after the drying and processing period. We will be cutting back on overtime with that change.”

Director Walling: “The other question I have to ask you deals with the sewer element. Can you explain to me how the sewer is handled, my information is that this has just come out in the past couple of days?”

Budget Director Gach: “No, I am sorry. We are in the process of putting together a few resolutions for the construction work that Michelle Mazzone has been working with our consultants with as well as the some engineering firms to determine what exactly needs to be done at the gym and for the file system. We anticipate putting a resolution to the Legislature in late November/early December to fund it to get that going. As far as the other activates are concerned we are anticipating March 1st for turning over the lock up.”

Director Walling: “I don’t think my question was clear enough or you didn’t hear me. I am asking about the sewer element of the budget. I don’t claim to understand all of this but the sewers is what I was talking about.”

Budget Director Gach: “Oh, I’m sorry, it thought you said suing. There was an issue why we didn’t include this in Books A& B but we did include it as a supplement to the Legislature. If you didn’t receive this....”

Executive Director Vetter: “I did get a copy on the sewers. That has not been distributed really based on the fact that the sewers do not affected by the financial plan”

Director Walling: “Can you tell me why that does not affect the financial plan?”

Budget Director Gach: “The sewers are self balancing; they have their own levy, their own fees. They don’t affect the entire County only the areas that they provide sewage service too. There is no county share if you will on the sewer districts and does not affect the operating fund like the road fund does or E911 does. The reason why we did not include it because there were some legal questions that we are trying to determine how the sewer levy impacts the tax gap and whether or not it is part of the county tax gap stand alone. It took the lawyers quite a while to determine in conjunction with the State Comptroller’s office to determine how they would be handled in the tax gap calculation. Once we determined how it was going to be handled they would send over a separate sewer budget augmenting or in addition to the budget presentation. It was all done before October 15th.”

Director Walling: "I've yet to see it so I am at a distinct disadvantage, I can't take just on blind faith that it has no effect on the County budget so I want to see it and analysis it and make my own determination. I understand what you are saying but I can't just go on a verbal statement."

Budget Director Gach: "If I could just say, if you look at all the funds that are funded partially through the operating fund are in there; the Road fund, debt service fund, E911 fund as well as grants and if you look as long as we have never done this we have ever done this the sewers have never been a part of the operating fund to support its operation."

Director Lipke: "No questions but a few comments. The process that has been followed in putting this budget together and the time that this board has had to review the budget and then on the opportunities that we have had to question you specifically give me comfort that a good process was followed that a good budget was put together. During our questioning we focused on the major revenue areas and major expense areas of the budget. I know running a business very similar in size to yours that is the way budgeting is done. There is a great deal of work leading up to the final budgetary numbers that are put together and I am comfortable that the details are there to support all of these facts."

"The ability for us to understand the details of every element of this budget, I think far exceed our time and in my case at least a grasp of every issue that are imbedded in putting together a budget like this but I am comfortable that a good process was followed and that the major items in the budget have been reviewed thoroughly and carefully and that this is a budget that is attainable. I am also very comfortable with the fact that our staff has done a very thorough review and has highlighted in our review for us the areas that we need and you need to keep an eye on as the year unfolds and make sure that those areas are adhered to. If for some reason the revenues don't come in the way they are expected or the expenses exceed there projections that corrective actions are quickly noted upon and acted upon. So I think that from that perspective I am comfortable with what we have before us here today and look forward to voting on."

Director Creighton: "I have just a few questions, just to educate me. What did they say about how this sewer levy affects the tax cap?"

Budget Director Gach: "It is computed as part of the tax cap for Erie County. That was the question as to whether or not it was in or wasn't in. Once we determined that it was in, we released the budget."

Director Creighton: "The second question is on budget monitoring reports. You do those for each month and where can we see those? Are they put on line? How can we see those?"

Budget Director Gach: "They are put on line. The July/August one will be released soon. Actually the Comptroller just closed on September so I might be calling it a three month report. The big news that is in there was the fact that we assume that we are going to have a surplus or not use fund balance so from that stand point that information has been out there. As I said, we just closed September and just we got very good news for this month's cash expenditure; sales tax from our calculation was about 4.25% and I believe the Authorities staff uses 3.9% So it is very strong and those are the big issues out there."

Director Creighton: “Just another comment, we have not gotten a comptrollers report on the budget, there is someone here from the Comptroller’s office so maybe we can call him up here later to discuss when we will get a Comptroller’s report and what it might say?.”

Director Thomas: “Yes, the first comment I would like to make is if I had to make a list of all of things that I don’t understand in the budget we would be here for a long time. I think what I don’t understand what are the bottom line numbers and there are many projections that I don’t agree with and we have a chance to talk about this before. There are so many variables that can happen in this kind of economy but thing that bothers me the most is the overtime circumstance. When we talk about projections, the county missed that projections by a huge amount and if we look at that and say we are being responsible for the services that are rendered and if we carry that further and say that is the reason for the suicides in the jail because there just aren’t enough people and if we carry this down to folks the other departments that include not only the Sheriff’s but the department of Social Services, Probation department, Health division, medical examiners division, county parks where most of the overtime overages were. There are a number of departments that the overtime is lower than the projections were. In my mind I am carrying it forward to the next two years where another 500 jobs are going to be reduced. If job reduction is in direct relationship to performance in these areas, what other kinds of disaster will we see in this county with other departments? That is what creates a problem for me. It’s not so much the numbers because when you look at than numbers and say okay we missed it by \$2 million, when you look at the bottom line, it is amis but it doesn’t change the fact that excesses that are available to the County at this point and in this budget would outweigh that and it probably outweigh some minor misses and projections. Having said that, it a real concern for me. I am concerned about the services provided. I am concerned about missing the numbers so much on overtime that I think the County really need to get a handle on that. Having said that I don’t think that all of those things change the fact that it is a balanced budget in my opinion.”

Director Creighton: “I just wanted to comment on one thing, we have again had a four year plan with no wage increases in collective bargaining agreements. I am a union lawyer and think that in the long run this is not sustainable and I don’t understand the County Executives position that he will only agree to wage increases if there is a corresponding reduction in benefits? It is not a great cost of living inflation but I think to continuously set the precedent year after year: zero, zero, zero collective bargaining it is really kicking the can down the road and setting a dangerous precedent for a tidal wave in the future for someone else to handle. So I think if you can relate that back...?”

Budget Director Gach: “I will relate that back and all I can say is we continue to negotiate. Unfortunately we have not had agreements that were accepted by the rank and file. They were accepted by union membership leaders in one instance and not in the other. We are continuing to talk to them. I can point out that the four year plan does show excess money out in the future so if we finally do come to some settlements and we do have to wind up with a net cost initially, we assume that is going to happen. The Teamsters deal that was voted down, we expected to have initially some costs and did plan on including that but in the future what we are doing is attacking the legacy costs. The life time health insurance cost for retirees, getting buy in from union members to pay part of their health insurance, giving up things like summer hours, holidays and some

paying of health insurance, giving up things like summer hours which would then offset the cost. We all understand that, we all know sooner or later that this will happen. We are not trying to kick the can down the road believe me we do want agreements.”

Chairman Oliverio: “Mr. Gach, I echo what Mr. Thomas and Mrs. Creighton stated as well as Mr. Lipkes comments, especially Mr. Thomas’s comments on overtime I will be very interested to see what happens in the second and third quarter of next year and the lock up is around that time. I know what goes on at the ports, those prisoners are transported very intensely with respect to personal. That alone has to realize some savings but the overtime issue is troublesome to me as well. On union contract, I agree with both of my colleagues to my left, I think this has be something that the County Executive, whoever he is turns around and makes some changes. Some of them have done well and there are couple that need changes to and there is no reason why you can’t get aggressive with these because then it gives some certainty to what we have going forward and that is basically what Mrs. Creighton is saying. Certainty is good in budgets especially municipal budgets. Mr. Vetter you have looked at this as long as your staff is there anything that you think that you feel in the budget and four year plan that would trigger one of the criteria that would create this board to go from advisory to hard control board status?”

Executive Director Vetter: “No Mr. Chairman we have looked at this extensively. Like any organization that spends a billion plus a year, there are factors there are things to be looked at but none of them appear to be critical factor that could bring the County’s finances to bring into place nothing that would create a hard control board. Just a quick status of things that we reviewed that aren’t included in the report are; we looked at other authorities in the state that do have a stability authority and the county’s plan shows about a \$20 million surplus over the four year periods. Conversely the City of Buffalo shows balance budgets but no surplus, the use of fund balance like the County shows and the indebt plan was accepted by the Authority. Conversely, a County that is in deep trouble that is in a control status and will retain that for a long period of time is Nassau County. Just for the current year 2011, in their report they anticipated shortfalls that could reach \$143 million. Again there budget is about twice the size of Erie’s but again \$143 million and planned short falls approach \$.5 billion. Certainly that order of magnitude would trigger a control status but looking at the plan for Erie County not only by itself but in light of the other organizations, it looks pretty good.”

Chairman Oliverio: “Thank you, would anyone from the Comptroller’s office like to speak or would you like to respond in writing? How would you like to proceed? I don’t want to put you on the spot, if you have a report and would like to proceed that is fine or you can pass and talk in writing it is entirely up to you?”

Lorne Steinhart: “For those of you that don’t know me, I am Lorne Steinhart Deputy Comptroller. We are going over the final details of the comprehensive review report. We submitted a place holder yesterday to the Legislature yesterday and will have it submitted tomorrow. Due to a technical glitch we had held this up. We were originally going to submit this yesterday but something happened where one of my files became corrupt and we had to hold off until today to go through the Comptrollers final review today and tomorrow morning. We will submit this tomorrow.”

Director Creighton: "Are you at liberty to talk about it whether you are going to come in generally negative and if you are not at liberty to talk about it can you just give us an overview?"

Lorne Steinhardt: "It's okay. Overall we recognized that the budget is technically balanced. We are dotting some I's and crossing some T's to document whether it is structurally balanced. We are focusing on all areas but certainly the major revenue and expenditures. We are taking into account that FMAP funds are no longer; they concluded earlier this year effect June 30th. ECMC there are some considerations there concerning DHS payments that will be made next month that we anticipate will take us to net \$39 million less of \$15.1 million in the EOS credit. We are looking at about \$23.9 million in DSH payments for this year. We will break that out in the report that we submit. Other considerations are off course sales tax, use of fund balance, personnel cuts, cultural organizations, libraries and such. We will have a comprehensive report in amass of about 45 pages tomorrow."

Chairman Oliverio: "I know that once the Legislature approves as amended I assume this budget, you will be back in front of us and we have a 15 days' notice as you do, perhaps at that time after your report has been submitted you would like to address this board we would be happy we would be happy to have you. Thank you very much."

Director Walling: "I just would like to say one thing before you leave the stage now. One thing, you don't really need to explain it to me now but I really would like a very detailed explanation of where the County stands with regard to ECMC and Medicaid for the State of New York. I don't need that now but that is something that I would like to look closely at. I really think that is something I have huge question marks about in this budget and I don't have an answer that has been presented to me. I would really need that before I can vote to approve what has been presented here today. That is my only comment."

Lorne Steinhardt: "We do intend to emphasize that information and will address those points in the report."

Chairman Oliverio: "We look forward to getting your report and sorry to put you on the spot. In light of our discussions today, there is a resolution in your packet. The resolution proved that the County's 2012 -215 financial plan is complete and compliant with the law and continuing our advisory status. This resolution has been vetted by Mr. McNamara our legal counsel who is in the audience today and as basically identical or nearly identical to the ones that we have approved in the past prior meeting and in the past. "With that I would entertain a motion to approve this resolution to keep this Board in its advisory status."

Director Thomas moves to approve the resolution on the table, Director Lipke seconds and the Board discusses the motion:

Discussion

Director Walling: "My comment on this is that the resolution states that the plan is complete and compliant with NY Public Authority Law Section 3957. I definitely don't think this plan is complete for all the reasons that I stated today and to the rest of you previously. I think there are significant questions about overtime, the Bills lease, and the union contracts and also the Medicaid issues

with respect to ECMC and that is why I cannot vote yay on this. There are too many unanswered questions; I don't think the plan is complete."

Director Creighton: "I just want to make a comment Mr. Chairman. I understand what you are saying Mr. Walling but I think that what we are going to hearing tomorrow is that the 4 year plan is technically balanced. I don't think it needs to be structurally balanced as we have gone through time after time. These concerns are legitimate that you have raised and that if the financial situation changes of the County at some point then we can certainly reconvene and meet and at any time we can change our status. While I understand your concerns, I think that it does meet the standards under law, so that we can vote yes."

The following resolution approved:

Director Creighton	aye	Chairman Oliverio	aye
Director Lipke	aye	Director Walling	nay
Director Thomas	aye		

Resolution No. 11-15

FINDING THAT ERIE COUNTY'S 2012-2015 FINANCIAL PLAN IS COMPLETE AND COMPLIANT WITH NEW YORK PUBLIC AUTHORITIES LAW SECTION 3957, AND CONTINUING THE ADVISORY PERIOD UPON ERIE COUNTY

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

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

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

WHEREAS, County Executive Christopher Collins duly submitted his proposed budget for Erie County (the “County”) for fiscal year 2012 on September 30, 2011, and a four-year financial plan (“Plan”) for fiscal years 2012-2015, to the ECFSA on September 30, 2011 (the “2012-2015 Plan”); and

WHEREAS, fiscal years 2013 through 2015 constitute the “Out Years” of the 2012-2015 Plan; and

WHEREAS, Public Authorities Law section 3957(1) requires that the 2012-2015 Plan “contain actions sufficient to ensure with respect to the major operating funds for each fiscal year of the plan that annual aggregate operating expenses for such fiscal year shall not exceed annual aggregate operating revenues for such fiscal year;” and

WHEREAS, Public Authorities Law section 3957(2)(b) instructs the ECFSA to determine on or before October 20, 2011, whether the 2012-2015 Plan complies with the provisions of the ECFSA Act, including section 3957; and

WHEREAS, the members of the ECFSA Board of Directors have reviewed the 2012-2015 Plan; and

WHEREAS, the ECFSA has developed concerns regarding the reasonableness of the following assumptions underlying the Plan:

- (1) That overtime expenses will not exceed budget/plan amounts;
- (2) Sales tax growth will continue to grow at more recent trends, which are higher than the 10 year average; and
- (3) Property values will continue to rise at close to historical levels and not trend downward; and
- (4) That staffing reductions, current and planned, do not impinge on the count’s ability to provide mandated and necessary services, or result in excessive overtime spending; and
- (5) That the County will not need to budget for salary increases for labor unions that do not have contracts that are currently in effect; and

WHEREAS, the ECFSA has nonetheless determined that the 2012-2015 Plan contains actions sufficient to ensure with respect to the major operating funds for each fiscal year of the plan – including budget year 2012 and the Out Years – that annual aggregate operating expenses for such fiscal year shall not exceed annual aggregate operating revenues for such fiscal year; and

WHEREAS, the 2012-2015 Plan is complete and otherwise complies with the requirements of Public Authorities Law section 3957 (“Section 3957”) and the ECFSA Act; and

NOW, THEREFORE, BE IT RESOLVED that the ECFSA finds that the 2012-2015 Plan is complete and otherwise complies with the requirements of Section 3957 and the ECFSA Act; and

BE IT FURTHER RESOLVED that the ECFSA remains in advisory status, as described by Public Authorities Law section 3958; and

BE IT FURTHER RESOLVED that the ECFSA shall impose a control period upon the County whenever the ECFSA determines that any one of the five circumstances listed in Public Authorities Law section 3959(1)(a) through 3959(1)(e) shall have arisen.

This resolution shall take effect immediately.

Chairman Oliverio: "The next thing on our agenda today is the appointment of our auditors. I will turn this over to Mr. Vetter for a quick explanation."

Executive Director Vetter: "Yes Mr. Chairman, in your packet you have a report on this and the process we went through to get this accomplished. The process we went through to get this accomplished with an RFP for public accountants. This has been done on a three year basis. Our current public accountants, Toski and Schaffer were under contract through the 2010 audit. The finance committee reviewed the process and report and went through this with the committee in a detailed analysis. The evaluation process which was sent out with the RFP and really based upon that analysis the recommendation is that Freed Maxick and Battaglia be the auditors for the ECFSA for the next three years. Really the primary reasons is a plus one is a minus is that with our current auditors, the one who has been our designated partner for the last five years has to rotate away from the engagement so pretty much the firm understands us but the one who has been in charge of the engagement no longer can work on the engagement, so we lose that level of expertise that we have gained. The other piece that we look at with Freed Maxick, something they can bring to the table is the most t part of the process in terms of our audit has been the extensive reconciliation with bonding and sales tax with the County. Freed Maxick because they already do the medical center audit, already have a reconciliation process in place and the reconciliation process is they have with the medical center is more extensive than ours. So the most difficult part of the audit is something they have experience with and can facilitate for us."

Chairman Oliverio: "Thank you Mr. Vetter. Are there any questions for Mr. Vetter on this topic? Okay with that I would then entertain a motion to approve the three year contract with Freed Maxick and Battaglia. "

Director Lipke moved approval, Director Thomas seconded and the Directors voted unanimously to approve the following resolution:

Resolution No. 11-16

APPROVING ENGAGEMENT OF AUDITING SERVICE

WHEREAS, The Erie County Fiscal Stability Authority ("ECFSA") was created by Chapter 182 of the Laws of 2005, as amended, to be a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation to "oversee the 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 issued Requests for Proposals (RFPs) in August 2011 for Auditor to conduct an independent audit of the financial position of the ECFSA and the related statements of activities in conformity with Generally Accepted Accounting Principles as required by Chapter 182 of the Laws of 2005 for the fiscal years of 2011, 2012 and 2013 and

WHEREAS, the firm of Freed, Maxick, Battaglia, P.C., certified public accountants and an approved vendor for statewide auditing and accounting services by the New York State Office of General Services, responded to such RFP and reconfirmed its proposal to provide audit services to the ECFSA by letter.

THEREFORE, BE IT RESOLVED that the ECFSA approves the selection of the firm of Freed, Maxick, Battaglia, P.C., as a provider of such audit services to the ECFSA for the 2011, 2012 and 2013 fiscal years.

This resolution shall take effect immediately.

Chairman Oliverio: "With that our agenda for this meeting has been completed and would entertain a motion to adjourn."

"Thank you Mr. Gach and folks from the Comptroller's office as well."

Director Thomas moved to adjourns, Director Walling seconded and the Directors present voted unanimously to adjourn. The vote was as follows:

Director Creighton	aye	Director Lipke	aye	Chairman Oliverio	aye
Director Thomas	aye	Director Walling	aye		

Respectfully submitted,

Daniel Oliverio

October 20, 2010