

**Minutes of the  
Erie County Fiscal Stability Authority  
December 21, 2012**

Present: Chairman James Sampson, Director Brian Lipke, Director Louis Thomas, Director Catherine Creighton (via face time), Executive Director Kenneth Vetter

Chairman Sampson: “Welcome to the meeting of the Fiscal Stability Authority. We are here today to conduct a number of items of business. First on the agenda we will be looking at repurposing some efficiency grant money at the request of Erie County. Then we will address the ECFSA 2013 budget and then we will proceed to review and approve a number of requests for proposals responses dealing with financial advisors and legal counsel.”

“Before we move forward however, I would like to review them minutes from our previous meeting and I would entertain a motion to approve the minutes from our previous meeting.”

Director Lipke moves to approve the minutes, Director Thomas seconds and the Board votes unanimously to approve the minutes of the previous full board meeting.

**Resolution No. 12-16  
APPROVING MINUTES FROM  
THE OCTOBER 26, 2012 MEETING**

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its October 26, 2012 meeting and affirms three resolutions numbered 12-13, 12-14 and 12-15 that were approved on OCTOBER 26, 2012.

This resolution shall take effect immediately.

Chairman Sampson: “I’d also like to indicate Cathy Creighton is here virtually via face time- she is in NYC.”

Director Creighton: “I’m here.”

Chairman Sampson: “The next item of business has to do with grant funds. The county has asked the Erie County Fiscal Stability authority to repurpose \$1.2 million in previously approved efficiency grant money to help fund a labor agreement for jail management division of CSEA. We have a County representative here to speak to the agreement. I’d like to ask Dr. Callan or Mr. Keating to come forward.”

Tim Callan: “Good morning Directors, Good morning Cathy via remote access, good morning Mr. Thomas. I’m going to give a brief overview and then ask the Budget Director and Commissioner of Labor Relations to get into the nuts and bolts of the CSEA Correction Officer Unit contract. Before I get into the overview on the contract I’d first like to thank you Directors of the ECFSA and Chairman Sampson for working with the County on a proposal to do a refunding issue of debt in early of 2013 in conjunction with the 2013 issuance of 2013 new money for the County’s 2013 capital program. It’s not an item for discussion today we’ll be talking about this in probably January or February at one of your board meetings. On behalf of the County Executive we’d like to thank you very much for working with us on this initiative which will save the tax payers \$2.6 million and allow the county to very smoothly and easily move forward with its capital programs next year without the controversies or delays of years past. In advance to that, thank you very much for working with us, we look forward to talking with you about that proposal in probably February.”

“The County as you know from our previous testimony at previous board and committee meetings throughout 2012 has been working to try to arrange new collective bargaining agreements with the various unions of county government. As you know, in the summer we reached agreement with CSEA Local 815, the white collar unit, that contract agreement was overwhelmingly rejected by the membership. Earlier this fall we reached agreement with Erie County Sheriff Police Benevolent Association on a contract to represent the Sheriff road patrol deputies and the investigators in the Sheriff Division and again unfortunately in that instance the membership of the PBA rejected that agreement. We are pleased to be able to be in front of you today to announce two deals, only one of which we are requesting repurposing of efficiency grant money if you are willing to do so. We reached a deal with the TEAMSTERS unit representing deputy sheriff officers and other civilian positions in the Sheriffs division of Jail Management, specifically in the holding center. We also reached an agreement with CSEA Local 815 Corrections Officer unit, it’s a stand-alone unit, for the purposes of bargaining. It’s not part of the Local 815

and their contract process. The TEAMSTERS agreement is for about 540 individuals and the CSEA agreement is for about 230 individuals. I'm going to ask both Dave Palmer and Bob Keating to come up & get into the nitty-gritty details again of the CSEA offer which is before us today that contract. I will say the County Legislature yesterday unanimously approved, it was a 10-0 vote because Legislator Lynn Dixon was not present, but the Legislature approved both contracts. The Legislature approved the CSEA Corrections Officer Unit contract contingent on our successful ability to get approval of your honorable body to repurpose efficiency grant funds for the 2013 COLA and perhaps some of the 2014 cost of living adjustment for the corrections officers. So with that, I will stop talking and ask Mr. Keating & Mr. Palmer and to come up and they'll walk you through the high level financial issue and if you'd like we can talk about both contracts or keep it specifically on the CO's or the various concessions or changes built-into those contracts to talk about the criteria for efficiencies."

Dave Palmer:

"Good morning gentlemen thanks for the opportunity to speak to you about the agreement we reached. To give you a little bit of background, the sticking point so far in bargaining, since I came on board in January is the issue mainly of health insurance. As Tim Callan said, unfortunately we had two agreements that were tentative agreements on this year that did not ratify. It's important to understand that the two agreements that did ratify had the same type of concessions in there that we absolutely need for the long term survival of the county, in my view. It has to do with the cost of health insurance. Both premium share for active and premium share for retirees date certain. As well as no retiree healthcare for employees hired after ratifications of these agreements, no county paid healthcare. They can buy-in, use their sick time accruals to pay for it but there is not going to be an employer paid retiree healthcare going forward."

"The agreement in a nutshell is they gave up all back-pay from years 2007-2012, in return for that they were looking for a one grade upgrade, to put them in the same ballpark as the TEAMSTER organization, their wage scale is higher. Effective January 1, they will get a grade increase which equates to a 7.8. There is no base pay increase in 2013 its just moving up one grade from the existing scale and there will be 2% a cost of living increase going forward in 2014, 2015, 2016 & 2017. They have agreed to pay 15% of the core plan premium effective 1/1/13 and that is in stark

contrast to the premium share that was in the contracts for AFSME and NYSNA. Where the NYSNA nurses got 15% of future increases as well as AFSME 15% of future increases which has equated to maybe 2% now since they've been in place- so this is a huge step."

"I just want to mention I appreciate the work that the CSEA bargaining team did because it was a very difficult decision. They took it back to their membership and they did a very good job with the explanation based on the ratification. The ratification was overwhelming."

"So, there were a few more things they gave up to get to where we needed to be. One was summer hours. So, that's equivalent to about 3 days a year. In jail management it's not so much the time off, it's that everybody who takes a day off, those have to be filled in with overtime and that's what generates the big dollars over in jail management."

"We expect now with the approval of the release of the efficiency grant money, as the jail management hires new employees which they are required by the COC those employees can be hired and moved over into (it's up to the county, I guess it's the Sheriff's office how they want to do it,) they can either go into the CSEA unit out at the Penn in Alden or they can go into the Holding Center. Now the Penn makes a little more sense because their premium share is 15% in contrast the TEAMSTERS share is 10% starting in January 2014. This is an opportunity to get the most savings from this contract, it goes through 2017."

"When I first came on board it was a little difficult to understand how contracts could go so many years without any resolution. I'm happy to say it appears the relationship is such now that we'll be able to continue this. I'm only hope to get the big fish in here as we move forward with the large CSEA unit. You all have the documents that were sent over. Do you all have any questions I can answer?"

Chairman Sampson: "Any questions."

Director Thomas: "Nope, just to offer Congratulations on doing a good job. I know how difficult it is."

Director Lipke: "I'd second those Congratulations and well done. I'd have to say I can only imagine the difficulty these negotiations had to go through. This is not small stuff."

Dave Palmer: “No, I came from the private sector and the reality is we don’t go to the bargaining table from the union side and expect to go from 0-15% of health insurance in one contract. Again, I appreciate the accolades but I really believe it was the union that actually realized what we are dealing with and based their decision in reality and not just what they wanted.”

Director Thomas: “My congratulations went to both of you because it takes both parties.”

Director Lipke: “Mine too.”

Dave Palmer: “Absolutely, thank you very much.”

Tim Callan: “Just a little bit of additional information to the narrative. We see the CSEA Correction Officer Unit contract as well as the TEAMSTERS contract by CSEA agreeing to pay 15% of the cost of the CORE plan, not 15% of the increase like AFSME and NYSNA. 15% is putting them at the same levels as managerial confidential and elected officials, we currently pay 15%. CSEA has agreed to do that January 1, 2013, no delay. They will do that immediately. New hires that are hired after the ratification vote, which took place two weeks ago, any new hires in the correctional officers unit, will be put in the Value Plan health insurance. The county has the Enhanced plan, which is the most expensive to us, the CORE plan which is where the bulk of county employees are, and the Value plan. The Value plan includes more of the premium co-pay on the part of the employees. What the CO’s have also done is all new hires will go into the Value plan, if they want to go into the CORE plan they can do that but they’ve got to pay the difference themselves, no county expense on that. So, the new hires are paying 15% of the cost of the Value plan and current hires 15% of CORE, effective immediately, so there are tremendous efficiencies there.”

“CSEA CO’s agreed to give up Columbus Day & Election Day as paid county holidays. That was part of our CSEA main unit proper proposal which was rejected by the white collar unit. But the CO’s have agreed to eliminate those two days as paid holidays as in addition to as David said, summer hours which is equivalent to three days more that they are going to work, not three days off. Those are tremendous efficiencies.”

“Now the one thing that Bob and I want to point out, we can discuss it if you want, or we don’t need to, there is upfront costs as you see in the documents before you. There are always up-front costs unfortunately in union contracts. But we are going to be getting tremendous intermediate and long terms savings through this arrangement, through this deal,

through this contract. In a couple of years you're going to see those savings catching up and outpacing the COLA's as the contract proceeds forward. There are two other points I'd like to make about the CSEAS deal as well as the TEAMSTERS deal. As you know we are under requirement of the New York State Commission of Corrections to add 72 new sworn positions in Jail Management ; 15 were added in July, 30 were added in the 2013 budget and 17 positions we added in the 2014 budget to meet that state mandate. By getting these deals in place now, were able to get all the new hires, those are 30 new hires starting in January, the Sheriff is a going to run an academy class for corrections in January hasten it up- to get more people in- to hopefully help with the overtime problem. By getting these deals done now we are get the new hires to pay for health insurance and getting that immediate savings on the new hires right away."

"The other final point why it's important to us, both from an efficiencies as well as operational standpoint is, all you directors know about the problems we've had in correctional health in Jail Management over the past few years. We've had trouble recruiting nurses, both RN and licensed practical nurses and medical aids for correctional health. We've had to rely on contract nurses. The main sticking point there was the current pay scale of the TEAMSTERS, the nurse's fall under the TEAMSTER'S bargaining unit is out of wack with the private sector. Nurses could work at Catholic, Kaleida Health, or ECMC and make more money than in correctional health because of our pay scale. Our proposal earlier this year to get TEAMSTER nurses to start at a higher step, a higher longevity step also called variable minimum we sent that to the legislature and it was blocked at the Legislature because the TEAMSTERS opposed it. We are able now, aggressively, under Dave Marciniak, our new Director of Correctional Health, filling those nursing spots, were significantly reducing our contract expense with the end game being to no longer have contract nursing expenses because we're filling these nurses jobs. The contract nurses cost more than county nurses. By getting this contract in place with the TEAMSTERS all going up one job group starting in January and COLAs starting in 2014 our ability to recruit good quality nurses for correctional health has been severely improved. We'll get efficiencies, believe it or not by reducing the contract nursing expense and reducing for those nurses we do have on staff the massive amount of overtime. It's a win-win and now I'll turn it over to Bob..."

Director Thomas: “I have a question... on the cost of living increases. How are they paid? They are paid based on whatever the individual’s rate is at 2%. But is it put into their hourly rate or in a separate check?”

Tim Callan: “It’s part of the regular payroll and hourly rate.”

Director Thomas: “So, that’s once a year?”

Tim Callan: “No, it’s throughout all 26 pay cycles. So every two weeks when they are paid they will see that benefit every two weeks in their paycheck.”

Director Thomas: “And it will be a separate benefit? It’s added to their rate?”

Tim Callan: “They are going up one job group and they will get the COLA so that money is in their pocket and will be part of their payroll, it doesn’t appear as a separate line on their paystub it’s automatically adjusted into their baseline salary.”

Director Thomas: “Got it.”

Bob Keating: “One of the main things here, first of all I think it’s a very fair deal for both sides. A lot of compromise took place and I applaud both Dave and the union for getting together and working out a great deal. There certainly is short term cost to the County for this but yet the long term benefit is huge. The long term liability for health insurance is going to go down by \$150 million now it’s not all due to this contract but it’s a big part of it. That number would each year be skyrocketing, the long term liability, which again, it’s not a short term problem it’s a long term problem. We are trying to address the long term problems even though there is a short term cost. Like Tim mentioned, we are hiring for the COC, we’re hiring new employees next year and if we didn’t do the deal this year and hired under the old terms with free health insurance and we would lose that opportunity. I just feel it’s a great deal on both sides and urge you to approve the efficiency grant and I’ll take any questions.”

Chairman Sampson: “Any questions?”

“Thanks Mr. Keating.”

“With no further questions for folks from the County I draw your attention to a resolution contained in the packet... resolution 12-20 which addresses the issue of repurposing approximately \$ 1.2 million in efficiency grant money to help offset the cost of the union contract, the corrections officers

unit contract. Before we accept a motion to approve this resolution I ask you to go down to the 7<sup>th</sup> paragraph down (2<sup>nd</sup> from the bottom, 7<sup>th</sup> from the top), begins with be it further resolved that paragraph is to be deleted and replace with the wording sources to be negotiated between ECFSA and Erie County administrative staff. With that I'd accept a motion to approve the resolution.”

Director Thomas moves to approve the resolution, Director Lipke seconds...

Chairman Sampson: “Any further questions...discussions? Go ahead Mr. Lipke.”

Director Lipke: “In reviewing the contract I had asked Mr. Vetter to provide me with typically what we look at in the private sector is a return on investment and could you just update the rest of the board what you reported back to me?”

Executive Director Vetter: “Yes, Director Lipke again, just going through the numbers on the contract as Dr. Callan had indicated there is a short term cost to the contract and actually compared to previous agreements the ECFSA has funded, the benefit really doesn't happen because of the health insurance issue, probably the biggest part of this contract is those hired after the ratification no longer get county paid health insurance once they retire for the rest of their lives...that is a huge item. But the issue in terms of timing, that doesn't kick in until people hired now retire and that won't happen for about 20 years or so. So again, just looking at when this contract, when the savings will outpace the cost, an initial estimate is a good 23-24 years from now it will outpace the cost. Once it starts outpacing, it's wonderful- it just shoots through the roof.”

“So, I think again, as the Administration has indicated there are short term costs to this in wages, in some additional monies for health insurance turned down by county employees, but the long term benefits... I think this board in the past has looked at huge legacy costs. And the county in its financial statements, I don't have the exact figures here, but I think the county in its financial statements has approximately \$800,000 million in post employment benefit costs listed in their financials because of the long term health insurance. This will reduce that amount, and again, once people who are hired now start retiring that's really when the huge savings kick-in.”

Director Lipke: “Completely understand that. Just wanted make sure that it was clear to all board members that there are up-front costs but in the long run its clearly a positive step in the right direction. I also just want to add from my own personal perspective I think what the county and CSEA have ended up with is a set of contract conditions that are much more like what general taxpayers in Erie County might have provided by their employers and I think that’s is another important step in the right direction. Again, I applaud Mr. Palmer and CSEA for the bold steps they have taken here.”

Director Sampson: “I too would like to congratulate the county and union representatives who worked on this so hard, I’m assuming the resolution is going to pass, we are very pleased to be able to support your work in helping repurpose these efficiency grant dollars.”

“If there are no further questions, all those in favor of accepting the resolution as proposed.”

Director Thomas has made the motion to approve the resolution, seconded by Director Lipke and the board votes unanimously to approve the following resolution:

**Resolution No. 12-20**

**APPROVING AN EFFICIENCY GRANT FOR CSEA LOCAL 815  
CORRECTIONS OFFICERS UNIT CONTRACT SETTLEMENT**

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 (“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 application for an efficiency grant to fund part of the contract settlement of the CSEA Local 815 Correction Officers Unit intended to result in savings (the “Application”); and

NOW, THEREFORE, BE IT RESOLVED, that the ECFSA hereby grants up to \$ 1,200,000 to Erie County in accordance with the Application, with the following restrictions: that those funds be used to fund the County’s settlement of the lapsed contract with CSEA Local 815 Correction Officers Contract, pursuant to the Application; and

BE IT FURTHER RESOLVED that approval of this efficiency grant is contingent upon the County’s adherence to its legislative process of accepting the grant, within 60 days after ECFSA approval; and

BE IT FURTHER RESOLVED that ECFSA approval of this grant shall be deemed to be rescinded without further action or notice if the County’s legislative acceptance process is not completed within 60 days after adoption of this ECFSA resolution; and

BE IT FURTHER RESOLVED that the source of efficiency grant funding for this item is to derive from the previously approved, but not drawn down grant funds; sources to be negotiated between ECFSA and County Administration staff; and

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

This resolution shall take effect immediately.

Director Sampson: “Now I’d like to move on to the Erie County Fiscal Stability Authority 2013 budget. All the board members have received a

copy of this budget and I would ask Mr. Vetter to give a brief presentation and the highlights.”

Executive Director Vetter: “Thank you Mr. Chairman, the 2013 proposed budget is up by \$6,000 (its \$5,005) up by \$6,000 over last year about a 1.16% increase and really the increase is a result of the kinds of things the county has encountered as well. The 8% increase in health insurance, the increase in pension costs. Those have outstripped the increase in the ECFSA budget and reductions have been made in other lines because of good work by this board, because of situations that would allow us to be more efficient so that our legal and financial fees are down by \$10,000, our meeting expenses because our board is combining meetings which leads to a lower cost are down significantly. So Mr. Chairman, I believe this is a good budget, it has been reviewed by the board and I would ask that the board would consider this budget for approval.”

Chairman Sampson: “Any questions?”

“I would entertain a motion to accept the budget as presented.”

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

### **Resolution No.12-21**

#### **APPROVING ECFSA BUDGET**

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

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

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

WHEREAS, ECFSA staff prepared a proposed annual budget for the 2013 fiscal year and a financial plan for the 2014 through 2016 fiscal years; and

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the attached ECFSA budget is hereby approved as recommended by the ECFSA Board of Directors on its December 21, 2012 meeting; and

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

This resolution shall take effect immediately.

Chairman Sampson: “Next item has to do with responses for requests for proposals. In 2009 the Erie County Fiscal Stability Authority approved

agreements with vendors for financial advisory services, bond counsel and for legal counsel; those agreements have come to an end and the authority issued requests for proposals for vendors in each of these categories. A number of responses have been received and staff has put forward an analysis of these responses by category. Since there are three different categories with each requiring a board vote I will ask Mr. Vetter to cover each one individually and then we will call for a vote on each presentation. Begin with the financial advisor Mr. Vetter.”

Executive Director Vetter: “Thank you Mr. Chairman, our current financial advisors are Capital Markets Inc. they have done a very good job for us. We did send out all of the RFP’s at the same time- the only response we have is from Capital Markets and again, they have done a good job. The rates are very reasonable, actually they are asking for no increase in rate over what we have paid in the past. Staff has recommended to the board we continue with our current financial advisors and I would ask for consideration for that at this point.”

Chairman Sampson: “Any questions of Mr. Vetter? There is a resolution in the packet authorizing entering into the relationship for financial advisors. I would entertain a motion to accept that resolution.”

Chairman Sampson: “Any further questions or discussion?”

Director Lipke: “One quick question, just wanted to be sure while we received only one response to the RFP we did ask several others?”

Executive Director Vetter: “Yes, Director Lipke. What we do in terms of distribution, we do put ads in Business First, and we do take out ads in the State contract reporter which vendors from across the state and across the country. Actually for other categories we have gotten responses from out of state. We also contact local and regional business and to put a focus on minority and women- owned businesses we make an outreach to minority and women- owned businesses within the region to provide reasonable assurance that they know we’re looking and if they are looking to do business with the ECFSa we’re looking to do business with them.”

Director Lipke: “Thank you.”

Director Thomas moves to approve, Director Lipke seconds and the Board votes unanimously to approve the following resolution:

**Resolution No. 12-17**

**APPROVING ENGAGEMENT OF FINANCIAL ADVISOR**

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 3954(4) of New York Public Authorities Law grants the ECFSA the power to make and execute contracts or agreements necessary or convenient to carry out its purposes; and

WHEREAS, the ECFSA issued a request for proposals for financial advisory services in November 2012 and, received one (1) response to the request, a selection committee of ECFSA Directors and staff evaluated proposal received and selected Capital Markets Advisors, LLC as the most capable of providing financial advisory services to the ECFSA on an as-needed basis for a period of three years; and

WHEREAS, Capital Markets Advisors, LLC has performed their duties to the full satisfaction of the ECFSA throughout the duration of the current engagement; and

WHEREAS, upon receiving responses to the request, a selection committee of ECFSA Directors and staff evaluated proposals received and selected Capital Markets Advisors to provide financial advisory services to the ECFSA on an as-needed basis for a period of three years;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA engage Capital Markets Advisors to provide financial advisory services on an as-needed basis as requested by the Chairman for a period not to exceed three years from December 31, 2012; and

BE IT FURTHER RESOLVED that such services shall be undertaken for such amounts and on such terms as agreed upon by the Chairman, or the Executive Director; and

BE IT FURTHER RESOLVED that this resolution shall supersede any previous resolutions of the ECFSA with regard to contracting for financial advisory services.

This resolution shall take effect immediately.

Chairman Sampson: “Next we will address the issue of bond counsel...Mr. Vetter.”

Executive Director Vetter: “Thank you Mr. Chairman, very briefly we received six proposals back for bond counsel, from our current firm, other firms in the area and New York State and one headquartered in Atlanta that does have a presence in NYS but not a local presence. We did provide a staff report, a staff recommendation to the board to retain Phillips Lytle, LLP once again as our bond counsel. They have done a good job for us. Our borrowings are not easy, they are fairly complex issues and particularly last years that involved the ECFSA, the county and the Erie County Medical Center was pretty complex and there were a number of issues to be overcome and they were successfully overcome. They have done a good job for us, they do have a good local presence, they’ve been very responsive, and their rates are the same or lower than any other firm. Good price, good service, very responsive. Staff has recommended staying with the current firm and would ask the board for consideration for that.”

Chairman Sampson: “Any questions for Mr. Vetter? I’d like to entertain a motion to approve the resolution as presented.”

Director Lipke moves to approve, Director Thomas seconds and the Board votes unanimously to approve the following resolution:

### **Resolution No. 12-18**

#### **APPROVING ENGAGEMENT OF BOND COUNSEL**

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 3954(4) of New York Public Authorities Law grants the ECFSA the power to make and execute contracts or agreements necessary or convenient to carry out its purposes; and

WHEREAS, the ECFSA issued a request for proposals for bond counsel in November 2012 and, upon receiving six (6) responses to the request, a selection committee of ECFSA Directors and staff evaluated proposals received and selected Phillips Lytle, LLC as the most capable of providing bond counsel to the ECFSA on an as-needed basis for a period of three years; and

WHEREAS, Phillips Lytle, LLC has performed their duties to the full satisfaction of the ECFSA; and

WHEREAS, upon receiving responses to the request, a selection committee of ECFSA Directors and staff evaluated proposals received and has selected Phillips Lytle, LLC to provide financial advisory services to the ECFSA on an as-needed basis for a period of one year;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA engage Phillips Lytle, LLC to act as bond counsel on an as-needed basis as requested by the Chairman for a period not to exceed three years from the contract date of December 31, 2012; and

BE IT FURTHER RESOLVED that such services shall be undertaken for such amounts and on such terms as agreed upon by the Chairman, ECFSA Director or the Executive Director; and

BE IT FURTHER RESOLVED that this resolution shall supersede any previous resolutions of the ECFSA with regard to contracting for bond counsel.

This resolution shall take effect immediately.

Chairman Sampson: “Legal counsel...Mr. Vetter.”

Executive Director Vetter: “Thank you Mr. Chairman, we received three proposals for legal counsel. One from out of town, two were local, our current firm Phillips Lytle LLP had put forward a proposal to retain the business and we put forward a recommendation to this board based

upon their fees, their service, they successfully defended ECFSA in court, provided good legal advice, allowed us to do what is necessary in sometimes sensitive negotiations. Staff has recommended based on the service, immediate recall anytime assistance is required and based on the price. They are the second lowest bidder in terms of price but the price is minimal between them and the lowest bidder.”

Chairman Sampson: “Any questions for Mr. Vetter? I’d like to entertain a motion to approve the resolution as presented.”

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

### **Resolution No. 12-19**

#### **APPROVING ENGAGEMENT OF LEGAL COUNSEL**

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 3954(4) of New York Public Authorities Law grants the ECFSA the power to make and execute contracts or agreements necessary or convenient to carry out its purposes; and

WHEREAS, the ECFSA issued a request for proposals for legal services in November 2012 and, upon receiving responses to the request, a selection committee of ECFSA Directors and staff evaluated three (3) proposals received and selected Phillips Lytle LLP to provide legal services to the ECFSA on an as-needed basis for a period of three years;

NOW THEREFORE BE IT RESOLVED, that the ECFSA engage the firm Phillips Lytle LLP to provide such legal services on an as-needed basis as requested by the ECFSA for a period not to exceed three years from the signing of a letter of agreement. Such services

shall be undertaken for such amounts and on such terms as agreed upon by the Chairman, ECFSA Director or the Executive Director; and

BE IT FURTHER RESOLVED that this resolution shall supersede any previous resolutions of the ECFSA with regard to contracting for legal services.

This resolution shall take effect immediately.

Chairman Sampson: “ I’d like to acknowledge Dr Callans comments regarding the County Executive’s interest in working with the ECFSA in refunding certain bonds and other kind of borrowing next year and we too look forward to working on that come the first of the year and into February. Thanks for reaching out to us and helping shape what is going to be a good proposal and benefit the county in the short term and long term.”

Director Thomas moves to adjourn, Director Lipke seconds and the board votes unanimously to adjourn.

Respectfully submitted,

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James Sampson, Chairman

February 19, 2013