

**Minutes of the
Erie County Fiscal Stability Authority Meeting**

June 13, 2014

Present: Chairman James Sampson, Vice-Chairman Peter Marlette,
Director Brian Lipke, Director Lynn Stievater, Executive Director
Kenneth Vetter

Chairman Sampson: “Good morning, I’d like to call this meeting of the Erie County Fiscal Stability Authority to order. The first order of business is to approve minutes contained in the blue folder in front of everybody from the December 19, 2013 meeting.”

Director Lipke moved to approve the minutes, Director Stievater seconds and the Board votes unanimously to approve the minutes of the previous board meeting.

Resolution No. 14-01

APPROVING MINUTES FROM
THE DECEMBER 19, 2013 MEETING

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its DECEMBER 19, 2013 meeting and affirms three resolutions numbered 13-19

13-20 and 13-21 that were approved on DECEMBER 19, 2013.

This resolution shall take effect immediately.

Chairman Sampson: “The ECFSA Audit committee just met and I’d ask Executive Director Vetter to recap what we learned during the meeting.”

Executive Director Vetter: “Thank you Mr. Chairman, Laura Landers from Freed Maxick made the presentation prior to this meeting. The Audit Committee did approve a recommendation to the full board to accept and approve the 2013 audit. She highlighted that we got a clean financial bill of health from our public accountants that our financial statements fairly represent the financial position of the Authority; that there were no material issues with internal controls or other issues that would have given us a qualification on the financial statements. Looking at the MB& A section of the financial statements- our spending went down a bit from 2012-2013 highlighted by a 4.7% reduction in salaries, 16.7% reduction

in meeting expenses and a 33% reduction in authority meetings. I think the authority is making very good use of its resources in providing a service to the county. Mr. Chairman if there are any questions I'd be willing to answer them."

Chairman Sampson: "Any questions? Comments?"

"I'd entertain a motion to accept the 2013 Erie County Fiscal Stability Authority Audit."

Moved by Director Marlette, seconded by Director Stievater and the Board votes unanimously to approve the following resolution:

Resolution No. 14-02

APPROVING THE 2013 ANNUAL FINANCIAL AUDIT

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

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

WHEREAS, in adopting Resolution 11-16 on October 20, 2011, the ECFSA, approved 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, to provide audit services to the ECFSA for fiscal years 2011, 2012 and 2013; and

WHEREAS, Freed Maxick, Battaglia, P.C., has completed the ECFSA 2013 annual financial audit and has presented it to the ECFSA Board during an open meeting on June 6, 2014; and

WHEREAS, section 2800(3) of the Public Authorities Law further requires the ECFSA to approve a financial audit for fiscal year 2013; and

NOW, THEREFORE, BE IT RESOLVED that the ECFSA hereby approves the 2013 Audit, a copy of which is attached to this resolution; and

BE IT FURTHER RESOLVED that the 2013 Audit be submitted to the Erie County Executive, the Presiding Officer of the Erie County Legislature, the Erie County Comptroller, the Governor, the State Comptroller, the Chair and Ranking Minority Member of the State Senate Finance Committee, and the Chair and Ranking Minority Member of the State Assembly Ways and Means Committee, as required by section 3971(1) of Public Authorities Law.

This resolution shall take effect immediately.

Chairman Sampson: "Now we have to deal with some routine, yearly administrative items. Because we are a public authority we are required to reiterate certain policies and designations via a board vote each year. There are five resolutions in your packet that I will ask Mr. Vetter to cover them. We will vote on each one separately when he is done."

Executive Director Vetter: "Thank you Mr. Chairman, almost all of these are unchanged from last year. There is one new one- on lobbying guidelines that the state has come out with."

"The first is a resolution on investment guidelines. In essence, the Authority because it is a public entity has to invest in instruments that the principal is not in doubt in any way, shape or form. We do have significant monies invested that pay off the county's bonds that we have issued on their behalf. We do have those monies issued in funds that are tied to US Treasuries so there is zero risk and the financial institution has backed those treasuries so that there is no risk to the losing the principal on those items. Mr. Chairman, given that... I would ask that the board approve the unchanged investment guidelines."

Chairman Sampson: "Could I have a motion to approve the Guidelines resolution that's in your packet?"

Moved by Director Lipke, seconded by Director Marlette and the Board votes unanimously to approve the following resolution:

Resolution No. 14-03

APPROVING INVESTMENT GUIDELINES

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

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

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

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

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

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

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

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

This resolution shall take effect immediately.

Executive Director Vetter: “Thank you Mr. Chairman, the second one, again unchanged from last year, is the designation of Gordon Panek, our Financial Analyst as our Internal Control Office. Because we are a state authority we do have to designate an Internal Control Officer and we do have to do internal control reviews four-times per year. Those reviews are subject to review by our public accountants; again they have commented on our financial statements that we are in compliance and that there are no material weaknesses of our internal controls. So Mr. Chairman, I would ask that this unchanged resolution be approved by the board.”

Chairman Sampson: “Could I have a motion to approve the designation of the Internal Control Officer please?”

Moved by Director Stievater, seconded by Director Marlette and the Board votes unanimously to approve the following resolution:

Resolution No. 14-04

DESIGNATING AN INTERNAL CONTROL OFFICER

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

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

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

WHEREAS, through adoption of employee guidelines in Resolution 08-33 on March 7, 2008 the ECFSA Board had previously designated the Financial Advisor as the Authority’s Internal Control Officer; and

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

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

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

BE IT FURTHER RESOLVED that the Authority’s designated Internal Control Officer is designated to determine, and periodically review the determination of, whether an

internal audit function within the Authority is required and to report to this Board should the need arise.

This resolution shall take effect immediately.

Executive Director Vetter: “Thank you Mr. Chairman, next- the Procurement Guidelines again is unchanged from last year. Really keeping us in compliance with state mandates that we bid and issue RFP’s for expenses for the Authority to provide reasonable assurance we are getting the best price and best service that’s out there. Actually, one of our board members recently asked about our public accountants and the RFP issued for them was issued just about three years ago now. For this kind of major service for us we will be issuing a new RFP for public accounts in the next 60 for the next three years of public accounting services. Mr. Chairman I would ask consideration and approval for this item from the board.”

Chairman Sampson: “Could I have a motion to approve the Procurement Guidelines please?”

Moved by Director Lipke, seconded by Director Stievater and the Board votes unanimously to approve the following resolution:

Resolution No. 14-05

APPROVING PROCUREMENT GUIDELINES FOR CERTAIN CONTRACTS

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

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

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

WHEREAS, in order to comply with state law, it was necessary for the ECFSA to adopt Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

(the "Procurement Guidelines"), as required by sections 2879 and 3960 of the New York Public Authorities Law; and

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

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

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

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

This resolution shall take effect immediately.

Executive Director Vetter: "Mr. Chairman, the next is Prompt Payment Guidelines and unchanged from last year. As a state authority we are mandated to pay our bills within a reasonable period of time. It is generally defined as 30 days or less. That if we do not pay those bills we may have to incur and pay an interest charged to vendors that we have wait for payment. We have very few bills- we pay our bills when they come in. So, we've had no issues with this. Again, unchanged from last year- I ask consideration and approval from the board at this point."

Chairman Sampson: "Could I have a motion to approve the Prompt Payment Guidelines please?"

Moved by Director Marlette, seconded by Director Lipke and the Board votes unanimously to approve the following resolution:

Resolution No. 14-06

APPROVAL OF PROMPT PAYMENT POLICY

WHEREAS, Chapter 182 of the New York Laws of 2005 created the Erie County Fiscal Stability Authority ("ECFSA"), to serve as a corporate governmental agency and instrumentality of the State of New York, and as a public benefit corporation to "oversee [Erie] County's budget, financial and capital plans; to issue bonds, notes or other obligations to achieve

budgetary savings and to finance short-term cash flow or capital needs; and, if necessary, to develop financial plans on behalf of the County if the County is unwilling or unable to take the required steps toward fiscal stability;” and

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

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

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

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

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman, the second to last item is Property Disposal Guidelines. In essence, this is to provide reasonable assurances that property of value is not given away for any purpose that may benefit any individual or benefit the organization. In essence the organization has very little property at this point, any disposal we have done, because most of our furniture and equipment is state surplus we contact the state purchasing people for specific guidelines for what we should do and what they have told us is to just throw it out because its 15-20 years old and useless at this point. Mr. Chairman this is unchanged from last year. I would ask consideration and approval from the board at this point.”

Chairman Sampson: “Could I have a motion to approve the Property Disposal Guidelines please?”

Moved by Director Stievater, seconded by Director Marlette and the Board votes unanimously to approve the following resolution:

Executive Director Vetter: “Mr. Chairman the final item is the lobbying guidelines- these are new based upon a request from the state. In essence the Lobbying Guidelines do two things: 1). designates a staffer as the lead report and that is Bridget Corcoran as our head of Administration 2) mandate that any lobbying contacts made of the

board- if say a lobbying firm or individual member of a lobbying firm contacts any of the board member for a specific issue that this be reported to our lobbying officer and be reported to the state to be in compliance with the state requirement. Again, Mr. Chairman I would ask for consideration and approval.”

Moved by Director Lipke, seconded by Director Marlette and the Board votes unanimously to approve the following resolution:

Resolution No. 14-08

APPROVING LOBBYING CONTACT POLICY

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

WHEREAS, the ECFSA is subject to New York State Public Authorities Law; and

WHEREAS, therefore in accordance with Section 2987 of the New York State Public Authorities Law the ECFSA is required to establish a Lobbying Contact Policy; and

WHEREAS, the Lobbying Contact Policy requires the ECFSA to maintain a record of all contacts by lobbyists; and

WHEREAS, through the adoption of this policy, each director and employee of the ECFSA is hereby directed to provide accurate records of a contact by any lobbyist to include the following data: date and time of contact, identity of the lobbyist and general summary of the nature of the contact; and

WHEREAS, the Director of Administration shall hereby be designated the officer who shall maintain such records for not less than seven years in a filing system designed to organize records in such a manner so as to make such records useful to determine whether the decisions of the authority was influenced by lobbying contacts; and

THEREFORE, BE IT RESOLVED that the Board of Directors of the Authority has reviewed and hereby approves for use the Lobbying Contact Policy attached to this resolution

This resolution shall take effect immediately.

Director Lipke: “Mr. Chairman, I have one question relating back to the approval of the prompt payment policy of the state. Does anyone know the genesis of this?”

Executive Director Vetter: “I would suspect, that there have been, with agencies within the state itself there have been cash-flow issues that there have been times in which, and again the counties have encountered this in the past few years as well that the first thing that happens is that vendors get left out there for 45-days, 60-days, 90-days and that I would suspect that to guard against that, that the state has mandated that state agencies and the state itself pay its bills on a timely basis so that vendors who provided goods and services aren't hung out there to dry.”

Director Lipke: “I guess I understand that. Although, when I think about things from a corporate world perspective there is always a strong effort made to balance accounts receivables and payables and this seems to run counter to that which I would say is not good fiduciary management of tax payer funds. Just wanted to make that point on record.”

Executive Director Vetter: “I would agree...again we are putting this forward and the conversation I've had with a number of board members between meetings is that we are subject to the same issues that any other authority is; the Thruway Authority, the NFTA, or any authority that has thousands of employees, millions or hundreds of millions of dollars in spending, so these may not be particularly applicable to us. We probably cut nine checks a month. Again, there may be something that the state has seen that may not be very applicable to us that has been the genesis of this.”

Chairman Sampson: “Any other comments? Questions?”

“I believe that concludes our business. Can I have a motion to adjourn please?”

Director Lipke moves to adjourn Director Marlette seconds and the Board votes unanimously to adjourn

Respectfully submitted,

James Sampson
Chairman
August 12, 2014