

Minutes of the January 9, 2017

Erie County Fiscal Stability Authority Meeting

- Present: Chairman James Sampson, Vice Chairman Peter Marlette, Director Dr. Barry Weinstein, Director Catherine Creighton, Director Craig Speers, Executive Director Kenneth Vetter
- Chairman Sampson: “Welcomes guests to the meeting of the Erie County Fiscal Stability Authority Board Meeting. We are here today for some housekeeping items: A series of responses the ECFSA requests for proposals and the ECFSA’s own budget and financial plan.”
- Chairman Sampson: “Before I get into those items, I wanted to say a couple of things about an issue that’s received a lot of play lately. The Erie County Medical Center Corporation is in discussions with the county executive and the county legislature to borrow \$100 million to build and refurbish its existing emergency room at the hospital as well as doing certain kinds of capital improvements. ECMC is looking to the county to do their borrowing over a 30 year period thinking that the difference that would be saved by the county over that period of time vs the medical center doing the borrowing could be applied to a growing, yet uncertain Intergovernmental Transfer payment, affecting the county’s payment for indigent care, which will far exceed the current 16 million in the county’s budget and 4 year plan.”
- “They continue to have those discussions. I mention it because this issue will have an impact on the budget and four year plan. Hopefully, it will be resolved. The second issue has to do with \$45 million in refinancing the Stability Holds for the Erie County Medical Center Nursing Home. That’s eligible to be refinanced and that would be part of the discussion the county and that will be part of the discussion among the ECMC, the legislature and the Fiscal Stability Authority. The thinking is that if we refinance, there will be a savings and we are waiting to hear whether those savings can be applied to the Intergovernmental Transfers. As that evolves, I’d imagine we will have another meeting where we would deals with issues of refinancing, the revised budget for 2017 and also the four year plan. Also, there would be an update from Erie community College officials to report on their enrollment, finances and retention. Any questions?”
- Director Speers: “I would like to support the plan that was presented to us during our budget session by the county budget office. I think it’s a sound compromise on this issue and I believe the regional trauma center is very important. They are top notch. Anything they can do to update that center and improve the facilities would be a very wise move. Especially if we can get agreement on this indigent care aspect that’s looming over county government. It’s a good move. I hope it comes to fruition.”
- Chairman Sampson: “I’d also like to let everybody know our good friend and advisor, Tim Callan is leaving county service at the end of today. I’m sure he will be missed and we

don't know who the point person will be, but I expect to see more of Bob Keating."

"Before beginning the meeting, Chairman Sampson requests a motion to approve minutes from the previous meeting."

"Director Speers moves to approve, Director Creighton seconds and the board votes unanimously to approve the following resolution:"

Resolution No. 15-12

APPROVING MINUTES FROM

THE NOVEMBER 2, 2015 MEETING

BE IT RESOLVED that the Erie County Fiscal Stability Authority approves the minutes of its NOVEMBER 2, 2015 meeting and affirms three resolutions numbered 15-10 AND 15-11 that were approved on NOVEMBER 2, 2015.

This resolution shall take effect immediately.

Chairman Sampson: "At the end of October, the ECFSA went through an extensive review of the county's 2016 executive recommended budget and associated financial plan. On December 15th, the county submitted a revised plan, based on the 2016 adopted budget that the ECFSA has recently reviewed. I would ask Mr. Vetter to report on that submission and the associated analyses."

Chairman Sampson: "In Mid-November, the Erie County Fiscal Stability Authority issued Requests for Proposals for A/V Services, Financial Advisors, Legal Services and Bond Counsel. Staff have done an initial analysis on proposals received and I would ask Mr. Vetter to report on the items individually, so we can vote on them separately. I believe everybody's gotten copies."

Executive Director Vetter: "Mr. Chairman, as a State Authority we are mandated to go through a wide distribution to seek out vendors, particularly M/WBE's. In addition to advertising in Business First, and the NYS Contract Reporter, we distributed the RFP's to local firms, current vendors and firms on the NYS M/WBE list. Given that, there are two services in which we received a single proposal. A/V Services and Financial Advisors. The people who are recording the meeting now, who have done this for us for the last six years are the only respondents and they've done a good job for us. The proposal they put in was no increase in their price. Mr. Chairman, staff recommends that the ECFSA continue its contract

relationship with the current A/V provider for the next three years – A/V Advantage/Georgios.”

Chairman Sampson: “I would ask for a motion to approve the resolution that is in your packet to contract with our current A/V provider for the next three years.”

Moved: Director Creighton

Second: Director Speers

All in favor, say aye. Opposed – none

Approved: 5-0

Resolution No. 17-05

APPROVING ENGAGEMENT OF AUDIO/VISUAL SERVICES

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 audio/visual services in November 2016 and, received one (1) response to the request. Staff evaluated the proposal received and recommends Advantage Audio/Giorgios as capable of providing audio/visual services to the ECFSA on an as-needed basis for a period of three years; and

WHEREAS, Advantage Audio/Giorgios has performed their duties to the full satisfaction of the ECFSA throughout the duration of the current engagement; and

NOW, THEREFORE, BE IT RESOLVED that the ECFSA engage Advantage Audio/Georgios to provide audio/visual services on an as-needed basis for a period not to exceed three years from January 1, 2017; 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.

Executive Director Vetter: “As with A/V Services, only one firm responded through the RFP process – Capital Markets Advisors. They have offices throughout New York State, as well as a local office. They’ve done a good job for us. Even the State Comptroller’s Office has said we’ve gotten good pricing and done well in the market. Much of that success is attributable to our financial advisors.”

Chairman Sampson: “I would ask for a motion to approve the resolution that is in your packet to contract with Capital Markets Advisors for the next three years.”

Moved: Director Creighton

Second: Director Speers

All in favor, say aye. Opposed – none

Approved: 5-0

Resolution No. 17-02

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 2016 and, received one (1) response to the request. Staff evaluated the proposal received and recommends 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

NOW, THEREFORE, BE IT RESOLVED that the ECFSA engage Capital Markets Advisors to provide financial advisory services on an as-needed basis as requested for a period not to exceed three years from January 1, 2017; 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.

Executive Director Vetter: “Mr. Chairman, unlike the previous two RFP’s that garnered only a single proposal, the Legal Services RFP generated five proposals. We have never gotten more than three in the past, so I guess the ECFSA business must have some attraction to it, despite the Authority spending only \$5,300 in legal fees in 2016, with nothing spent in the previous year. This would not be considered a high-ticket dollar item for any legal firm.”

“We did do a basic analysis in support of a decision to be made by the board. The items we look at included, expertise, resources, MWBE status, location (with an advantage given to local firms) and cost, including hourly and total, and synergy. There seems to be synergy between legal and bond counsel so that we are not charged duplicate fees for any item that concerns both legal and bond counsel. Going through the assessment that was sent to board members, it seems that Phillips, current ECFSA attorneys, and Hodgson Russ are above the rest with their qualifications, pricing and expertise. Between the two, Philips has the advantage based upon their specific experience with the Authority and overall pricing resulting from the templates they’ve created over time that reduce the need for additional research and drafting. The staff recommendation is that the ECFSA retain Phillips Lytle as ECFSA Legal Counsel for the next three years.”

Chairman Sampson: “I would ask for a motion to approve the resolution that is in your packet to contract with Phillips Lytle for the next three years.”

Moved: Director Marlette

Second: Director Creighton

All in favor, say aye. Opposed – one

Approved: 4-1

Resolution No. 17-04

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 2016 and received five (5) responses to the request. Staff evaluated the proposals received and recommends 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, starting January 1, 2017. 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 legal services.

This resolution shall take effect immediately.

Executive Director Vetter: “Mr. Chairman, we used virtually the same criteria as for bond counsel. Phillips Lytle has been our bond counsel for a number of years and they have done a good job for us through a number of complex bond transactions. They have done the documents for a previous transaction with the county and the medical center and, assuming a future transaction with the same parties, that expertise could be very valuable. Like the legal proposals, Phillips Lytle and Hodgson Russ seem to be the leaders in this area, with

additional credit being given to Phillips Lytle because they've done this work for us before. They do this more cheaply. I did have our financial advisors go through a potential transaction with both firms for an ECMC refinancing. Phillips Lytle came in about 20% less in legal costs for the transaction. Based upon the criteria put forward, the staff recommends accepting the proposal from Phillips Lytle for the next three years."

Chairman Sampson: "I would ask for a motion to approve the resolution that is in your packet to contract with Phillips Lytle as bond counsel for the next three years."

Moved: Director Creighton

Second: Director Marlette

All in favor, say aye. Opposed – one

Approved: 4-1

Resolution No. 17-03

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 2016 and received four (4) responses to the request. Staff evaluated the proposals received and recommends 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

NOW, THEREFORE, BE IT RESOLVED that the ECFSA engage Phillips Lytle, LLC to act as bond counsel on an as-needed basis for a period not to exceed three years from the contract date of January 1, 2017; 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 bond counsel.

This resolution shall take effect immediately.

Chairman Sampson: “Staff have put together a proposed budget that has been distributed to the board for review and comment. Before voting on the proposal, I would ask Mr. Vetter to review it briefly for us.”

Executive Director Vetter: “The budget that has been put forward to you is compliant with the study that was done on the authority. The 2017 budget, going forward assumes a base of about \$83,000 less than previous budgets. It is looking at a reduction in staffing, slight increase in the health insurance rate, subsequent to a decrease in the coverage itself. Most other things including rent and other office items remain constant. Mr. Chairman, I would ask if there are any questions at this point and ask for consideration of the proposed budget.”

Chairman Sampson: “Thank you. Any questions for Mr. Vetter? Any thoughts or comments?” If not, I would entertain a motion to approve the resolution that’s in your packet to approve the 2017 ECFSA budget and plan as presented.”

Moved: Director Creighton

Second: Director Marlette

All those in favor, say aye. Opposed - none

Approved: 5-0

Chairman Sampson: “There being no further business, I would entertain a motion to adjourn.”

Moved: Director Creighton

Second: Director Marlette

All those in favor, say aye. Opposed - none

Approved: 5-0

Resolution No.17-06

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 purposed of Part 203; and

WHEREAS, ECFSA staff prepared a proposed annual budget for the 2017 fiscal year and a financial plan for the 2017 through 2020 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 January 9, 2017 meeting; and

BE IT FURTHER RESOLVED that this Board directs ECFA 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.

Respectfully submitted,

James Sampson, Chairman

January 9, 2017