

Erie County Fiscal Stability Authority
Resolution No. 06-18
Comment on Capital Borrowing

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, Section 3958, Subsection D of Chapter 182 of the Laws of 2005 requires this authority to “review and comment on the terms of any proposed borrowing” of the county; and

WHEREAS the County Legislature is currently reviewing recommendations of the County Executive for more than \$55 million in borrowings in 2006; and

WHEREAS the 2006 County Budget indicates that \$35,538,233 in formerly authorized debt will be retired through repayment in 2006; and

WHEREAS 2006 County Budget documents indicate that debt service on county borrowings has increased from \$32,121,771 in 2002 to \$59,693,770 in 2006, an increase of \$27,571,999 in just four years; and

WHEREAS this significant increase in debt service needs to be reduced as part of an overall program of cost reductions for the county;

THEREFORE, BE IT RESOLVED that the ECFSA does hereby request County Executive Joel Giambra and the Erie County Legislature to review current plans for new capital borrowings in 2006; and be it further

RESOLVED, that the ECFSA does hereby request County Executive Joel Giambra and the Erie County Legislature to reduce planned new debt for 2006 so that, in the aggregate, new debt will be less than \$35,538,233, that being the amount of previously authorized debt which the County of Erie will pay off in 2006.

RESOLVED, that the ECFSA does hereby request County Executive Joel Giambra to present at our next meeting to explain his plan to bring 2007 capital borrowings under the amount of debt to be retired in 2007.

This resolution shall take effect immediately.

Stanley J. Keysa
Secretary

Dated: May 17, 2006