

Erie County Fiscal Stability Authority

Resolution No. 07-68

COMMENTING ON AND APPROVING COUNTY BORROWING AND RELATED CONTRACT FOR SALE OF ERIE COUNTY BONDS TO THE NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION

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 first imposed a control period upon the County of Erie (the “County”) by adopting Resolution 06-49 on November 3, 2006; and

WHEREAS, incident to and in furtherance of the imposition of the control period, the ECFSA adopted Resolution 06-51, which authorized a process for approving contracts, settlements, or other obligations binding or purporting to bind the County (“contract approval process”), on November 3, 2006; and

WHEREAS, in adopting Resolution 07-04 on January 11, 2007, the ECFSA renewed and continued the contract approval process authorized by Resolution 06-51; and

WHEREAS, the ECFSA has adopted Resolution 07-10, which replaces and supersedes the contract approval process authorized by Resolution 06-51; and

WHEREAS, the ECFSA must review and approve any contract, settlement, or other obligation, valued at greater than \$50,000, that binds or purports to bind the County or a covered organization, before it takes effect; and

WHEREAS, the County Executive or a “Responsible Official,” as defined in Resolution 07-10, has duly submitted a request for review of the contract listed below; and

WHEREAS, the ECFSA Executive Director, after consultation with the ECFSA Staff, has recommended approval of said contract via written correspondence to each ECFSA Director; and

WHEREAS, Section 3959(2)(i) of New York Public Authorities Law requires that, during a control period, the ECFSA review the terms of each proposed issuance of bonds or notes, comment on the prudence of each issuance and indicate approval or disapproval of the proposed borrowing within thirty days after notification; and

WHEREAS, Section 3959(2)(i) of New York Public Authorities Law also requires that, during a control period, no such borrowing shall be made by the County unless first reviewed, commented upon and approved by the authority; and

WHEREAS, on July 20, 2007, the County Comptroller provided the ECFSA with the County's proposed terms for the sale of \$5,374,440 of bonds to the New York State Environmental Facilities Corporation ("NYS EFC") State Clean Water and Drinking Water Revolving Fund and requested that the ECFSA approve the borrowing and related contract at its July 26, 2007 Board meeting; and

WHEREAS, the ECFSA was first notified of this sale of bonds on July 19th despite the fact that the borrowing has been in process for at least 6 months prior, that proposed issuance terms had been available for some time and that the bonds were scheduled to close today; and

WHEREAS, borrowing through the NYS EFC fund provides a 50 percent interest rate subsidy to the County, allowing the County to achieve savings for County taxpayers that an ECFSA borrowing could not match; and

NOW, THEREFORE, BE IT RESOLVED that the ECFSA approves the County borrowing through sale of \$5,373,440 in County bonds to the NYS EFC and the related contract submitted by the Erie County Department of Environment and Planning as listed below, plus related interest costs.

Department	Description	Amount
EC Environment & Planning	Bond issuance – NYS Environmental Facilities Corporation - EFC revolving funds revenue bonds	\$5,374,440 plus related interest costs

*EC- Erie County

This resolution shall take effect immediately.

Stanley J. Keysa
Secretary

Date: July 26, 2007