

Erie County Fiscal Stability Authority

Resolution No. 07-82

CALLING UPON THE COUNTY TO REQUEST ECFSA ISSUANCE OF BONDS TO FINANCE COUNTY CAPITAL EXPENDITURES

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 3961 of the New York Public Authorities Law (“Public Authorities Law”) permits Erie County (the “County”), pursuant to a request made by and through the County Executive after approval by the County Legislature, to “undertake a financing of costs” through the ECFSA; and

WHEREAS, section 3962 of Public Authorities Law empowers the ECFSA “to issue bonds, notes or other obligations . . . to pay any [such] financeable costs;” and

WHEREAS, section 3962 of Public Authorities Law, the aggregate principal amounts of ECFSA obligations outstanding at any one time may not exceed \$700 million;

WHEREAS, the ECFSA has not issued debt on behalf of the County; and

WHEREAS, Fitch Ratings (“Fitch”) and Moody’s Investors Service (“Moody’s”) have assigned the ECFSA bond ratings of AA and Aa2, respectively; and

WHEREAS, in contrast, Fitch and Moody’s have respectively assigned the County bond ratings of BBB- and Baa3; and

WHEREAS, on account of its higher bond rating, the ECFSA can issue new debt at a lower cost and interest rate than the County can, thereby reducing the County’s cost of borrowing and saving taxpayer dollars; and

WHEREAS, the County is contemplating certain capital expenditures of \$50,935,000 (“Capital Expenditures”) and has stated its intention to fund Capital Expenditures with proceeds of a bond financing; and

WHEREAS, a request for “a financing of costs” through the ECFSA for Capital Expenditures, made by and through the County Executive after approval by the County Legislature, has not yet been made; and

WHEREAS, through various capital project resolutions the County Legislature has authorized the issuance of bonds to finance Capital Expenditures and has delegated the power to issue those bonds to the County Comptroller; and

WHEREAS, on July 19, 2007, the County Comptroller issued a Request for Proposals from qualified financial institutions authorized to do business in the State of New York that are interested in serving as underwriter for a \$50,935,000 general obligation bond issued by the County; and

WHEREAS, Section 3959(2)(i) of Public Authorities Law 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

NOW, THEREFORE, BE IT RESOLVED that the ECFSA again calls upon County officials to immediately request ECFSA financing of the County's authorized Capital Expenditures given the cost savings that will result for County taxpayers; and

BE IT FURTHER RESOLVED that certified copies of this resolution be forwarded to the Governor, the Director of the State Division of the Budget, the New York State Comptroller, each member of the New York State Assembly and New York State Senate who represents a portion of the County, the County Executive, the County Comptroller and the County Legislature.

This resolution shall take effect immediately.

Stanley J. Keysa
Secretary

Date: August 30, 2007