

Erie County Fiscal Stability Authority

Resolution No. 08-73

AUTHORIZING THE ISSUANCE OF BONDS AND/OR BOND ANTICIPATION NOTES TO FUND ERIE COUNTY'S 2007 AND 2008 CAPITAL PROJECTS

WHEREAS, Chapter 182 of the New York Laws of 2005 (the "ECFSA Act"), as amended, 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, New York Public Authorities Law ("Public Authorities Law") section 3961 provides circumstances under which the ECFSA may finance Erie County's costs, including the costs of capital projects; and

WHEREAS, pursuant to Public Authorities Law section 3961(1), the ECFSA may commence such financing only upon a request "made by and through the county executive after approval by the [county] legislature;" and

WHEREAS, Public Authorities Law section 3959(2)(i) requires Erie County (the "County") not to pursue capital borrowing on its own, "unless first reviewed, commented upon and approved by the [ECFSA];" and

WHEREAS, the County cannot borrow for capital projects without the approval of the ECFSA, while the ECFSA cannot issue bonds to fund the County's capital projects absent a request from the County Executive after approval by the County Legislature; and

WHEREAS, on January 4, 2008, the ECFSA adopted Resolution 08-12, which authorized a "mirror bonding" transaction that would allow capital borrowing for County projects to move forward; and

WHEREAS, the County withdrew its support for the mirror bonding transaction in April 2008; and

WHEREAS, representatives of the ECFSA and the County have discussed circumstances under which the ECFSA might issue bond anticipation notes (BANs) to fund the completion of \$27,438,450 in projects in the County's 2007 Capital Program, and \$35,766,550 in projects in the County's 2008 Capital Program, for a total of \$63,205,000 in capital projects;

NOW, THEREFORE, BE IT RESOLVED that the ECFSA is hereby authorized to sell and issue up to \$63,205,000 in bonds, and/or notes in anticipation thereof, to fund the County's 2007 and

2008 Capital Programs, which bonds and/or bond anticipation notes may be secured by the County's sales tax revenues.

This resolution shall take effect immediately.

Stanley J. Keysa
Secretary

Date: July 15, 2008