

Erie County Fiscal Stability Authority

Resolution No. 08-16

APPROVING AN EFFICIENCY GRANT FOR SIX-SIGMA IMPLEMENTATION STAFFING

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 3957-a of the New York Public Authorities Law (“Public Authorities Law”) provides that, subject to appropriations during New York State fiscal years 2006-07 through 2010-11, the ECFSA shall provide grants to the County of Erie (the “County”) to support activities that achieve savings through innovations and reengineering; and

WHEREAS, the County Executive has applied for an efficiency incentive grant (“efficiency grant”) to fund implementation of “Six Sigma” methodologies in County government; and

WHEREAS, in connection with this application, the County has identified Alfred Hammonds to serve as its Director of Six Sigma implementation (the “Six Sigma Director”); and

WHEREAS, the ECFSA Finance Committee (the “Finance Committee”) met on January 23, 2008, to discuss the County’s application for an efficiency grant to fund Six Sigma’s implementation; and

WHEREAS, on January 23, the Finance Committee directed County officials to provide benchmarks for the realization of savings pursuant to Six Sigma’s implementation; and

WHEREAS, the ECFSA received the requested benchmarks on February 1, 2008;

WHEREAS, on January 23, 2008, the Finance Committee voted unanimously to recommend to the ECFSA Board of Directors that \$200,000 in efficiency-grant funding be made available to the County to subsidize the Six Sigma Director’s salary and the purchase of Six Sigma computer software;

NOW, THEREFORE, BE IT RESOLVED that, pursuant to the recommendation of the Finance Committee, the ECFSA hereby allocates \$200,000 in efficiency-grant funding for the County to subsidize the Six Sigma Director’s salary and the purchase of Six Sigma computer software; and

BE IT FURTHER RESOLVED that, pursuant to this efficiency grant, the ECFSA expects the County to achieve the following benchmarks:

- On or before March 31, 2008:
 1. The highest ten percent (10%) of County employees, including management-level employees such as Commissioners, Deputy Commissioners, Managers, Budget Analysts, Supervisors, and Leads, will receive four hours of Six Sigma Overview Training from the Director.
 2. The County will establish an Executive Six Sigma Steering Committee, to consist of the County Executive, the Deputy County Executive, the County Budget Director, various Commissioners, leaders from unions that represent County employees, and one or more County Legislators. This Committee will meet monthly, beginning in March 2008.
 3. The County will establish an External Six Sigma Advisory Committee, to include consultants, academics, and representatives from industry. This Committee will first meet in March 2008, and will meet every six to eight weeks thereafter.
 4. The Executive Six Sigma Steering Committee will identify and select nine “Six Sigma Green Belts,” who will begin the requisite training in March 2008.
 5. The County will submit an application for an additional efficiency grant to fund training for the nine Six Sigma Green Belts, and any other necessary consulting support.

- On or before June 30, 2008,
 1. The Six Sigma Director will identify and begin two Lean Six Sigma projects within County departments.
 2. The County will update the ECFSA on the progress of projects commenced by the nine Six Sigma Green Belts, by providing statistical analysis based on the “Define,” “Measure,” and “Analyze” phases of implementation.
 3. The nine Six Sigma Green Belts will complete their first wave of training.
 4. The County will establish a Six Sigma website and communication system.
 5. The County Executive, County budget analysts, select Commissioners, leaders from unions representing County employees, and a County Legislator will travel to Fort Wayne, Indiana, and/or Fairfax County, Virginia, to evaluate implementation of Six Sigma methodologies in a government setting.
 6. All County Commissioners and Department Heads will complete Six Sigma Champion Training.

- On or before September 30, 2008,
 1. The County will produce outcomes and results derived from the two Lean Six Sigma projects previously identified on or before June 30, 2008. The County is projected to realize \$150,000 in savings from the completion of these projects.
 2. The County will produce outcomes and results derived from the projects previously begun by the nine Six Sigma Green Belts. The County is projected to realize \$175,000 in savings from the completion of these projects.
 3. The Six Sigma Director will identify and commence five new Lean Six Sigma projects within County departments.
 4. The Executive Six Sigma Steering Committee will identify and select a second wave of nine “Six Sigma Green Belts,” who will begin the requisite training.

- On or before December 31, 2008,
 1. The County will produce outcomes and results derived from the five new Lean Six Sigma projects previously identified on or before September 30, 2008. The County is projected to realize \$1,175,000 in savings from the completion of these projects.
 2. The County will update the ECFSA on the progress of projects commenced by the second wave of nine Six Sigma Green Belts, by providing statistical analysis based on the “Define,” “Measure,” and “Analyze” phases of implementation.

BE IT FURTHER RESOLVED that the ECFSA Executive Director shall send copies of this resolution, via first-class mail, to the County Executive; the County Comptroller; the Chair, the Majority Leader, the Minority Leader, and the Clerk of the County Legislature; and the Governor, the Comptroller, the Senate Majority Leader, and the Speaker of the Assembly of the State of New York.

This resolution shall take effect immediately.

Stanley J. Keysa
Secretary

Date: February 7, 2008