

## **Erie County Fiscal Stability Authority**

Resolution No. 09-56

### **COMMENTING ON AND APPROVING THE ISSUANCE OF REVENUE ANTICIPATION NOTES BY ERIE COUNTY FISCAL STABILITY AUTHORITY**

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, As a result of its high bond rating, the ECFSA can issue new debt at a lower cost than the County can;

WHEREAS, by issuing new debt through the ECFSA at lower interest rates, the County can reduce its cost of borrowing, and thereby save taxpayer dollars;

WHEREAS, By issuing new debt through the ECFSA, the County will not affect the longevity of the ECFSA, which shall periodically intercept a portion of County tax revenues and New York State aid through December 31, 2039, pursuant to Section 3964 of New York Public Authorities Law;

WHEREAS, the issuance of new debt by the County through the ECFSA will not predetermine the status of the ECFSA as an advisory board or as a control board;

WHEREAS, based on County cash flow projections, the County Comptroller’s Office identified a need for the County to issue \$65,000,000 in Revenue Anticipation Notes in early October, 2009;

WHEREAS, Pursuant to New York Local Finance Law, the County Legislature delegated to the County Comptroller the powers to authorize the issuance of and to prescribe the terms, form and contents for the sale and credit enhancement of such Revenue Anticipation Notes through approval of its Resolution, up to an amount of \$75 Million;

WHEREAS, it has become apparent after discussion with the County Comptroller, that the ECFSA can borrow \$65,000,000 of 2009 Revenue Anticipation Notes at an annual savings to County taxpayers of approximately 785,000;

WHEREAS, the County Executive plans to request County Legislature approval of an ECFSA borrowing on behalf of the County, as required by Section 3961 of New York Public Authorities Law, to enable the ECFSA to realize such savings for County taxpayers;

NOW, THEREFORE, BE IT RESOLVED, that, upon receipt of a request from the County Executive and approval by the County Legislature pursuant to Section 3961 of New York Public Authorities Law, the ECFSA does hereby approve and authorize the Erie County Fiscal Stability Authority issuance of Revenue Anticipation Notes, Series 2009, in an amount not to exceed \$75,000,000, in order to allow the County to meet its short-term obligations;

BE IT FURTHER RESOLVED, that the power to set the financial terms of such Revenue Anticipation Notes, as well as the bonds or notes approved in this resolution is hereby delegated to the Executive Director of the ECFSA;

BE IT FURTHER RESOLVED, that this approval is contingent upon appropriate approvals to be received from the Erie County legislature at its September 24<sup>th</sup> meeting, or thereafter;

BE IT FURTHER RESOLVED, that the Executive Director of the ECFSA be hereby authorized and directed to execute and deliver any agreements, certificates, documents, papers or other written instrument, to make any changes, modifications or amendments as may be necessary, to do all other things and to take all other actions necessary and appropriate to consummate the transactions contemplated by this resolution; and

BE IT FURTHER RESOLVED, that this resolution be provided to the County Executive, the County Comptroller, the County Legislature, the Director of the State Division of the Budget, the Chair of the State Senate Finance Committee, the Chair of the State Assembly Ways and Means Committee and the State Comptroller.

This resolution shall take effect immediately.

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Stanley J. Keysa  
Secretary

Date: September 21, 2009