

Erie County Fiscal Stability Authority

Resolution No. 12 – 2

FINDING THAT ERIE COUNTY’S REVISED 2012-2015 FINANCIAL PLAN IS COMPLETE AND COMPLIANT WITH NEW YORK PUBLIC AUTHORITIES LAW SECTION 3957, AND CONTINUING THE ADVISORY PERIOD UPON ERIE COUNTY

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, Public Authorities Law section 3957(1) requires the Erie County Executive to “prepare and submit to the [ECFSA] a four-year financial plan and the county executive’s proposed county budget, not later than the date required for submission of such budget to the [Erie County] legislature pursuant to the county charter;” and

WHEREAS, the four-year financial plan, as defined by Public Authorities Law section 3951(14), is a “financial plan of [Erie County] and [its] covered organizations”; and

WHEREAS, pursuant to Public Authorities Law section 3957(2)(b), “[n]ot more than twenty days after submission of a financial plan . . . , the [ECFSA] shall determine whether the financial plan . . . is complete and complies with the provisions of [section 3957];” and

WHEREAS, County Executive Mark C. Poloncarz duly submitted his four-year financial plan (“Plan”) for fiscal years 2012-2015, to the ECFSA on April 2, 2012 (the “2012-2015 Plan”); and

WHEREAS, fiscal years 2013 through 2015 constitute the “Out Years” of the 2012-2015 Plan; and

WHEREAS, Public Authorities Law section 3957(1) requires that the 2012-2015 Plan “contain actions sufficient to ensure with respect to the major operating funds for each fiscal year of the plan that annual aggregate operating expenses for such fiscal year shall not exceed annual aggregate operating revenues for such fiscal year;” and

WHEREAS, Public Authorities Law section 3957(2)(b) instructs the ECFSA to determine on or before October 20, 2011, whether the 2012-2015 Plan complies with the provisions of the ECFSA Act, including section 3957; and

WHEREAS, the members of the ECFSA Board of Directors have reviewed the 2012-2015 Plan; and

WHEREAS, the ECFSA has developed concerns regarding the reasonableness of the following assumptions underlying the Plan:

- (1) Sales tax growth will continue to grow at more recent trends, which are higher than the 10 year average; and

- (2) Property values will continue to rise at close to historical levels and not trend downward; and
- (3) That overtime allocations in the plan will meet actual overtime spending; and
- (4) Fringe benefit costs, with lower workers compensation and health insurance projections compared to previous plans, will come to fruition; and
- (5) Jail Management Division additional personnel costs resulting from a pending Commission of Correction report, will not exceed the county's financial plan amount; and
- (6) UPL and DSH payments related to the Erie County Medical Center Corporation will not exceed the amounts budgeted in the financial plan; and
- (7) That Buffalo Bills upcoming contract related costs, particularly capital related, will not push the county's current capital debt program and associated debt significantly beyond its current level; and
- (8) That staffing reductions, current and planned, do not impinge on the count's ability to provide mandated and necessary services, or result in excessive, unbudgeted overtime spending; and
- (9) That the County will not need to budget for salary increases for labor unions that do not have contracts that are currently in effect; and
- (10) That the county will not need to use fund balance beyond the levels indicated in the plan for fiscal years 2012 and 2013;

WHEREAS, the ECFSA has nonetheless determined that the 2012-2015 Plan contains actions sufficient to ensure with respect to the major operating funds for each fiscal year of the plan – including budget year 2012 and the Out Years – that annual aggregate operating expenses for such fiscal year shall not exceed annual aggregate operating revenues for such fiscal year; and

WHEREAS, the 2012-2015 Plan is complete and otherwise complies with the requirements of Public Authorities Law section 3957 (“Section 3957”) and the ECFSA Act; and

NOW, THEREFORE, BE IT RESOLVED that the ECFSA finds that the 2012-2015 Plan is complete and otherwise complies with the requirements of Section 3957 and the ECFSA Act; and

BE IT FURTHER RESOLVED that the ECFSA remains in advisory status, as described by Public Authorities Law section 3958; and

BE IT FURTHER RESOLVED that the ECFSA shall impose a control period upon the County whenever the ECFSA determines that any one of the five circumstances listed in Public Authorities Law section 3959(1)(a) through 3959(1)(e) shall have arisen.

This resolution shall take effect immediately.

James Sampson,
Chairman

Date: April 16, 2012