

## **Erie County Fiscal Stability Authority**

Resolution No. 12-14

### **FINDING THAT ERIE COUNTY'S 2013-2016 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 Poloncarz duly submitted his proposed budget for Erie County (the "County") for fiscal year 2013 on October 15, 2012, and a four-year financial plan ("Plan") for fiscal years 2013-2016, to the ECFSA on October 15, 2012 (the "2013-2016 Plan"); and

WHEREAS, fiscal years 2014 through 2016 constitute the "Out Years" of the 2013-2016 Plan; and

WHEREAS, Public Authorities Law section 3957(1) requires that the 2013-2016 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 November 4, 2012, whether the 2013-2016 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 2013-2016 Plan; and

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

- (1.) That significant reduction in budgeted overtime expenses will be offset by Additional positions added largely to the Jail Management division will not Exceed budget/plans amounts; and
- (2) Sales tax will continue to grow and will not follow a historic trend of experiencing a “down year” over the period of the plan; and
- (3) Property tax collections will not be negatively impacted by an increase in the tax levy without an accompanying increase in property values; and
- (4) Uncertainty with the Buffalo Bills lease agreement which expires in 2013. It has been reported the Bills are looking for \$200million in capital improvements to Ralph Wilson Stadium and it is not clear who will underwrite those improvements; and
- (5) 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

WHEREAS, the ECFSA has nonetheless determined that the 2013-2016 Plan contains actions sufficient to ensure with respect to the major operating funds for each fiscal year of the plan – including budget year 2013 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 2013-2016 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 2013-2016 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.

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James Sampson,  
Chairman

Date: October 26, 2012