

**The Erie County Fiscal Stability Authority**  
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**What is the Erie County Fiscal Stability Authority (ECFSA) website and contact information?**

- <http://www.ecfsa.state.ny.us/>
- Erie County Fiscal Stability Authority  
295 Main Street, Room 946  
Buffalo, NY 14202  
716-847-7184  
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**How was the ECFSA created?**

- The Erie County Fiscal Stability Authority is a New York State Public Benefit Corporation established by the Erie County Stability Authority Act, which was introduced by Senator Dale Volker (R-Depew) and signed into law on July 12, 2005 (Chapter 182 Laws of 2005, Public Authorities Law § 3962).<sup>1</sup>
- The ECFSA is known as the Erie County Control Board.
- The Act states that Erie County needs a board to restore the county's fiscal health, with the ability to borrow money at more affordable interest rates, because of the deteriorating fiscal condition of the County's finances.



**What are the ECFSA's responsibilities?**

- The ECFSA has the responsibility to monitor and oversee the finances of Erie County and covered organizations (Erie Community College, Buffalo & Erie County Public Library, and any governmental agency, public authority, or public benefit corporation which receives or may receive money from the County) and to exercise certain advisory and/or control powers.

- The Act provides for the ECFSA to be in effect until a date not later than December 31, 2039.<sup>ii</sup>
- The ECFSA determines whether county revenues meet expenses<sup>iii</sup> and discounts the budget appropriately.
- The ECFSA is vested with control and advisory authority to
  - oversee the budget, financial and capital plans of the County of Erie and covered organizations;
  - issue bonds or other obligations to achieve budgetary savings through debt restructuring and deficit financing; 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.<sup>iv</sup>
- The ECFSA may issue bonds, notes and other obligations in such principal amounts as it may determine to be necessary to pay any defined financeable costs of the County of Erie and its covered organizations, up to an aggregate principal amount of seven hundred million dollars (\$700,000,000) and to fund reserves to secure such debt.
- The ECFSA may impose a hiring freeze and a contract review process.<sup>v</sup>
- No action can be taken by the Control Board without a favorable of vote of at least four directors.<sup>vi</sup>



### **Is the ECFSA a hard control board or a soft control board?**

- A soft control board or “advisory” control board can review county operations, consult with budget authors, review and comment on the terms of loans and assess the impact of any new labor contract.<sup>vii</sup>
- A hard control board is activated when the county executive and the legislature stray from the four year financial plan, or if they start running a deficit of more than 1 percent.<sup>viii</sup>
- The ECFSA is currently a “hard” control board that has the authority to freeze wage increases, reject new labor agreements, set maximum spending levels, approve and disapprove contracts, etc.<sup>ix</sup>

### **Who runs the EC FSA?**

- Chairperson – Robert M. Glaser, CPA
- Vice Chair – Joseph Goodell
- Secretary – Stanley J. Keysa, Attorney
- Member – Louis J. Thomas
- Member – John Johnson
- Member – Kenneth Kruly
- Members are unpaid.<sup>x</sup>

### **How are the directors appointed?**

- Appointed by the Governor of New York State.

### **How is the agency staffed?**

- The ECFSA has 4 employees whose average salary is \$60,000.<sup>xi</sup>
- The Executive Director is Kenneth Vetter, who makes \$110,000 annually.

### **What is the budget?**

- The ECFSA has a budget ranging from \$1.5 M to 315,000 over the past four years.<sup>xii</sup>
- The ECFSA in the 2008 fiscal year spent only \$488,088 of the allocated \$764,200 operating budget. The unspent funds were returned to Erie County.<sup>xiii</sup>
- It is considered a part of Erie County for accounting purposes, although it is legally independent and separate from the county.
- The ECFSA is funded by the Erie County budget, sales tax and property tax.<sup>xiv</sup>

### **How is the budget spent?**

- Typically spent on minimal operating expenses and efficiency grants allocated to reduce government expenses.

### **What does the ECFSA offer the community?**

- Efficiency Grants – The Board offers grants to help streamline county government, reduce expenses and increase savings helping make county government more efficient and accountable.<sup>xv</sup>
- Previously approved projects:
  - Electronic Monitoring of Defendants – Grant of up to \$515,000 to cover the costs of electronic monitoring of defendants during pre-trial County supervision period. The grant will allow the County to buy 135 monitoring devices and 50 GPS units. The County estimates this project will save \$1,752,000, the cost of one year of defendant care for 192 inmates.<sup>xvi</sup>
  - Space Utilization Project - Grant of \$250,000 covers the first stage of developing a Master Plan for Space Consolidation. The Department of Public Works has worked with an architectural design firm to develop a master plan to optimize the use of the 1.42 million square feet of office space currently used by the County.<sup>xvii</sup>
  - Six Sigma – Grants of approximately \$750,000 will allow the implementation, training, and the creation of a Six Sigma office in county government. Six Sigma closely tracks and identifies potential costs savings, such as delays

or extra costs. County Executive Chris Collins is a vocal advocate of how the program, traditionally used in business, can improve government efficiency and treats the citizen more like a consumer who has many options.

### **What policy issues does the ECFSA raise?**

- The issue of fiscal health – depending on your perspective, you either love or hate the control board. It attempts to slow down government spending, reduce waste and stabilize taxing and spending. However, critics claim that it is undemocratic and that only the elected county legislators should have the authority to freeze hiring and wages.<sup>xviii</sup>
- The ECFSA has continually reduced the county executive's revenue estimates. It has stated that it believes that the proposed budget is too optimistic and speculative and so declared the budget out of balance.<sup>xix</sup> The County Executive must then submit a revised budget and that has added to the strained relationship between the Board and County government. The Control Board and the elected County officials also disagree as to whether the law requires the ECFSA to submit its own four year plan if it rejects the County's.<sup>xx</sup>

### **What controversial issues has this agency faced?**

- Repeated feuding between the County Executive and the Control board, as well as with the County Comptroller about who has the right to do long-term borrowing which could potentially perpetuate the control board as long as the debt exists.<sup>xxi</sup> The County's borrowing status was one level above junk bond status.<sup>xxii</sup> However, it has recently been upgraded two levels to BBB-plus since county demonstrated some ability to stabilize its financial position, build modest reserves and close projected budget gaps.<sup>xxiii</sup>
- The media reported a physical altercation between the County Executive and the Chairman of the Control Board regarding the board's refusal to revert to advisory status if the county executive agreed to allow the board to borrow long-term.<sup>xxiv</sup>
- Public employee unions have been very upset since the employees they represent have little chance of scheduled pay increases that were negotiated between the union and the elected officials and the control board has the power to issue final approval on union contracts and negotiated settlements to grievances.<sup>xxv</sup>



### **How can I contribute to this agency's decisions?**

- Board meetings are public and typically held monthly.
- The board must hold public meetings quarterly since it is in a control status.<sup>xxvi</sup>

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- <sup>i</sup> <http://www.ecfsa.state.ny.us/Act.html>
- <sup>ii</sup> [http://www.ecfsa.state.ny.us/documents/RFP/2008/RFP\\_BondCouncil.pdf](http://www.ecfsa.state.ny.us/documents/RFP/2008/RFP_BondCouncil.pdf)
- <sup>iii</sup> “Control board can assert more authority: Judge dismisses lawsuit filed by county officials.” Spina, Matthew. The Buffalo News. January 30, 2007. B1.
- <sup>iv</sup> [http://www.ecfsa.state.ny.us/documents/RFP/2008/RFP\\_BondCouncil.pdf](http://www.ecfsa.state.ny.us/documents/RFP/2008/RFP_BondCouncil.pdf)
- <sup>v</sup> [http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit\\_Resolution.pdf](http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit_Resolution.pdf)
- <sup>vi</sup> [http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit\\_Resolution.pdf](http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit_Resolution.pdf)
- <sup>vii</sup> Id.
- <sup>viii</sup> Id.
- <sup>ix</sup> “Control board looking for more power.” Spina, Matthew. The Buffalo News. November 13, 2005. B1.
- <sup>x</sup> <http://www.ecfsa.state.ny.us/Documents/Bylaws.pdf>
- <sup>xi</sup> <http://www.ecfsa.state.ny.us/documents/budget/2007/2007AnnualReport.pdf>
- <sup>xii</sup> [http://www.ecfsa.state.ny.us/documents/budget/2007/2007\\_2008BdgtInfo.pdf](http://www.ecfsa.state.ny.us/documents/budget/2007/2007_2008BdgtInfo.pdf)
- <sup>xiii</sup> [http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit\\_Resolution.pdf](http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit_Resolution.pdf)
- <sup>xiv</sup> [http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit\\_Resolution.pdf](http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit_Resolution.pdf)
- <sup>xv</sup> <http://www.ecfsa.state.ny.us/Documents/OMP/EffiGrantGls.pdf>
- <sup>xvi</sup> Id.
- <sup>xvii</sup> <http://www.ecfsa.state.ny.us/Documents/OMP/EffGrantsPrevApp.pdf>
- <sup>xviii</sup> <http://www.ecfsa.state.ny.us/Documents/Reports/2007/SumStratPln.pdf>
- <sup>xix</sup> <http://www.ecfsa.state.ny.us/documents/budget/2007/Anlsis20082011BgtFinPln.pdf>
- <sup>xx</sup> “Control board mum on budget solutions; Suggestions lacking for KO'd county plan.” Spina, Matthew. The Buffalo News. November 10, 2008. B1.
- <sup>xxi</sup> “Borrowing to pay for big projects hits new snag.” Spina, Matthew. The Buffalo News. December 4, 2008. B3.
- <sup>xxii</sup> “County loan door opens, but at a price Months of jousting with control board mean higher cost for borrowing.” Spina, Matthew. The Buffalo News. December 28, 2007. D1.
- <sup>xxiii</sup> “Erie County credit rating upgraded.” Spina, Matthew. The Buffalo News. February 11, 2009. B10.
- <sup>xxiv</sup> “Collins, Head of Control Board Nearly Come to Blows.” WGRZ NEWS. March 3, 2008. <http://www.wgrz.com/news/local/story.aspx?storyid=64606&catid=37>
- <sup>xxv</sup> “CSEA to challenge control board's becoming 'hard.'” The Buffalo News. November 25, 2006. D3.
- <sup>xxvi</sup> [http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit\\_Resolution.pdf](http://www.ecfsa.state.ny.us/documents/budget/2009/2008Audit_Resolution.pdf)