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## COUNTY OF ERIE

**CHRIS COLLINS**

COUNTY EXECUTIVE

June 14, 2011

The Honorable  
Erie County Legislature  
92 Franklin Street-4<sup>th</sup> Floor  
Buffalo, New York 14202

**RE: 2011 Capital Budget Amendment**

Honorable Members:

Attached please find a resolution and accompanying memorandum requesting Legislative approval to amend the 2011 Capital Budget increasing the total cost of the ECMCC New Erie County Home to reflect the amount to be financed through bonds issued by the Erie County Fiscal Stability Authority.

Should your Honorable Body require any further information, I encourage you to contact the Director of Budget and Management. Thank you for your consideration on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Collins", is written over a horizontal line.

Chris Collins  
Erie County Executive

## **MEMORANDUM**

**To:** Honorable Members of the Erie County Legislature  
**From:** Division of Budget & Management  
**Re:** 2011 Capital Budget Amendment  
**Date:** June 14, 2011

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### **SUMMARY**

Approval of the attached resolution is requested to increase the total project cost of the ECMCC New Erie County Home to reflect the amount to be financed through bonds issued by the Erie County Fiscal Stability Authority. Approval is also sought to authorize the County Executive to execute a loan agreement with ECMCC and any additional agreements and documents necessary.

### **FISCAL IMPLICATIONS**

Positive. ECFSA will issue bonds on behalf of ECMCC to finance the project resulting in millions of dollars saved.

### **REASONS FOR RECOMMENDATION**

ECMCC will be constructing a new building on its Grider Street campus replacing the Alden Nursing home facility. Utilizing ECFSA to finance the project will take advantage of the ECFSA's superior rating which will save ECMCC millions of dollars in debt service cost.

### **BACKGROUND INFORMATION**

The total amount of the project is approximately \$163,000,000 which includes the \$11,500,000 County share included in the adopted 2011 capital budget. The increase of \$100,000,000 in ECFSA bonds, instead of ECMCC bonds, will result in millions of dollars saved by ECMCC. In addition to the \$111,500,000, ECMCC has available resources totaling approximately \$50,872,073.

### **CONSEQUENCES OF NEGATIVE ACTION**

ECMCC will be forced to issue their own bonds at a much higher and longer term resulting in millions of dollars of additional debt service cost.

### **STEPS FOLLOWING APPROVAL**

The County Executive will execute a loan agreement with ECMCC and any additional agreements necessary to carry out the purposes hereof. The ECFSA will issue bonds for the project and ECMCC will complete the construction of the ECMCC New Erie County Home.

A RESOLUTION SUBMITTED BY:  
DIVISION OF BUDGET & MANAGEMENT

RE: 2011 Capital Budget Amendment

WHEREAS, the 2011 Capital budget was adopted including \$11,500,000 as the County share of the ECMCC New Erie County Home; and

WHEREAS, the total amount of the project is approximately \$163,000,000 including the \$11,500,000 County share; and

WHEREAS, the Erie County Medical Center Corporation (ECMCC) has available resources totaling approximately \$50,872,073; and

WHEREAS, it has been determined that the Erie County Fiscal Stability Authority (ECFSA) may issue bonds to finance the balance needed to complete the project, not to exceed \$100,000,000; and

WHEREAS, this will result in millions of dollars saved in debt service and not adversely affect the County's financial condition; and

WHEREAS, in order to facilitate that issue the County must amend its 2011 Capital budget to reflect the amount to be financed by the ECFSA.

NOW, THEREFORE, BE IT

RESOLVED, that the 2011 capital project "ECMCC New Erie County Home" is hereby increased from \$11,500,000 to \$111,500,000; and be it further

RESOLVED, that the source of funds to finance this increase is ECFSA issued bonds; and be it further

RESOLVED, that the Director of Budget and Management in conjunction with the Office of Comptroller is authorized to make all the appropriate 2011 budget and accounting adjustments and entries to effectuate this change; and be it further

RESOLVED, that the County Executive is authorized to execute a loan agreement with ECMCC and any additional agreements and documents necessary to carry out the purposes hereof; and be it further

RESOLVED, that certified copies of this resolution be forwarded to the County Executive's Office, the Division of Budget and Management, the Comptroller's Office, the Department of Law, Todd Miles, Esq., Hawkins Delafield & Wood, LLP; Milan Tyler Esq., Phillips Lytle; Kenneth Vetter, ECFSA; and Anthony Colucci, Esq., Colucci Gallaher.