



COUNTY OF ERIE

EOLEG OCT 15 13 PM 1 02

MARK C. POLONCARZ

COUNTY EXECUTIVE

October 15, 2013

Honorable Members
Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

**Re: Authorization to Participate in New York State Employer
Contribution Stabilization Program**

Dear Honorable Legislators:

Please find enclosed for your approval a request for the County to participate in the New York State Employer Contribution Stabilization Program ("Program") as established in 2010 as Chapter 57 of the New York Laws of 2010.

Legislative authorization is required in order to participate in the Program. The approval of your Honorable Body is requested in order to balance the Proposed 2014 Erie County Budget.

If you have any questions, please contact Robert W. Keating, Director of Budget and Management. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Mark C. Poloncarz".

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/bb

cc: Director of Budget and Management Robert W. Keating

MEMORANDUM

TO: Erie County Legislature
FROM: Robert W. Keating, Director of Budget and Management
RE: Authorization to Participate in New York State Employer Contribution Stabilization Program
DATE: October 15, 2013

SUMMARY

The enclosed resolution authorizes the County to participate in the New York State Employer Contribution Stabilization Program ("Program") as established in 2010 as Chapter 57 of the New York Laws of 2010.

If your Honorable Body does not approve the enclosed resolution, the Proposed 2014 Budget will be out of balance. Your consideration and approval of this resolution is requested.

FISCAL IMPLICATIONS

Approval of the resolution is required in order for the Proposed 2014 Budget to be in balance. Participation in the Program will save the County \$8.6 million in 2014.

BACKGROUND INFORMATION

In 2010, the New York State Legislature approved legislation under Chapter 57 of the New York Laws of 2010 creating the New York State Employer Contribution Stabilization Program. The Program provides local governments with the flexibility and option, if necessary, to participate in the program and to ameliorate annual employer contributions to the New York State and Local Retirement System ("System"). The Program was created due to the significant increases in local governments' required annual employer contributions to the System.

According to the New York State Association of Counties, in 2012, seven counties and 124 local governments in New York participated in the Program. In 2013, 188 local governments/entities participated in the Program, including eleven counties: Albany, Essex, Monroe, Nassau, Oneida, Putnam, Rockland, Schenectady, Suffolk, Sullivan and Westchester. Locally, the Niagara Frontier Transportation Authority and Western Regional Off Track Betting, among several other localities, participated in the Program in 2013. Given fiscal pressures facing local governments, a growing number are participating in the Program.

Due to rising costs in programs and services in Erie County, and the Legislature's unwillingness to consider increases in recurring revenues and/or expenditure reductions,

in order to balance the 2014 Budget without cutting services and programs that the public desires, it is necessary to participate in the Program.

CONSEQUENCES OF NEGATIVE ACTION

If the resolution is not approved the County's Proposed 2014 Budget will automatically be out of balance.

STEPS FOLLOWING APPROVAL

The County Executive will be authorized to sign the Program election form and submit the form to the Office of the State Comptroller/New York State and Local Retirement System.

**A RESOLUTION TO BE SUBMITTED BY
DIVISION OF BUDGET AND MANAGEMENT**

RE: Authorization to Participate in New York State Employer Contribution Stabilization Program

WHEREAS, pursuant to a state law enacted as Chapter 57 of the New York Laws of 2010, the New York State Employer Contribution Stabilization Program (the "Program") was established for the benefit of municipal employers in the New York State and Local Retirement System ("Retirement System"); and

WHEREAS, in order to stabilize annual pension costs which have increased dramatically in recent years, the Program gives municipal employers such as Erie County the option to amortize a portion of their annual pension costs over a ten-year period at an interest rate that is set annually by the Retirement System; and

WHEREAS, this Legislature has determined that Erie County, like many other municipal employers, will benefit from participation in the Program and should elect to participate in fiscal year 2014 and, if necessary, subsequent fiscal years; and

WHEREAS, participation in the Program in 2014 will generate \$8.6 million in savings to the County; and

WHEREAS, in accordance with Retirement System requirements, the Legislature must authorize the County Executive to provide the County's election to participate in the Program.

NOW, THEREFORE, BE IT

RESOLVED, the County Executive is hereby authorized, directed and empowered to execute an authorization form to be provided by the Retirement System when the County receives its final, annual pension contribution invoice, thereby providing the County's election to participate in the New York State Employer Contribution Stabilization Program in 2014 and, if necessary, future years; and be it further

RESOLVED, the County Executive shall determine the pension contribution amount to be amortized in 2014, and any such amount in each year thereafter, if any, subject to available appropriations in the County's adopted budget and annual determinations by the Retirement System of eligible amortization amounts; and be it further

RESOLVED, that only upon the respective future approvals of the Boards of Managers of the Erie County Sewer Districts ("Sewer Districts") and the Board of Trustees of the Buffalo and Erie County Public Library ("BECPL"), the Sewer Districts and BECPL may participate in the Program also; and be it further

RESOLVED, the Director of Budget and Management is authorized to make any budget entries and adjustments necessary to facilitate the County's participation in the Program; and be it further

RESOLVED, that certified copies of this resolution be transmitted to the County Executive, County Attorney, Director of Budget and Management, and the County Comptroller.