

**ERIE COUNTY LEGISLATURE**  
**MEETING NO. 11**  
**SPECIAL SESSION**  
**June 5, 2000**

The Legislature was called to order by Chairman Swanick.

All Members Present except Legislator Fitzpatrick.

A Moment of Silence was held.

The Pledge of Allegiance was led by Mr. Marshall.

Minutes of the previous meeting were tabled.

**LEGISLATORS RESOLUTIONS**

Item 1 – CHAIRMAN SWANICK directed that the following item be tabled.

Intro. 11-1 From LEGISLATORS SWANICK, PEOPLES, MARSHALL, ET AL Re:  
Home Rule Messages – Tobacco Asset Securitization Financing.

Item 2 – MS. PEOPLES presented the following resolution and moved for immediate  
consideration. MR. MARSHALL seconded.

CARRIED UNANIMOUSLY.

RESOLUTION NO. 199

Re: Home Rule Message –  
Tobacco Asset Securitization  
Financing. (Intro. 11-2)

A RESOLUTION SUBMITTED BY LEGISLATORS  
SWANICK, PEOPLES, KUWIK, FITZPATRICK, HOLT,  
FISHER, OLMA, DeBENEDETTI, DUSZA, MARINELLI, GREENAN,  
CHASE, MARSHALL, PAULY, WEINSTEIN, RANZENHOFER & LARSON

**A. HOME RULE MESSAGE-SENATE**

WHEREAS, the county of Erie desires, through tobacco asset securitization financings, to sell the County's right to receive its portion of the State of New York's allocable share of payments under the terms of (i) the Master Settlement Agreement entered into by the participating cigarette manufacturers, forty-six states and six other jurisdictions of the United States of America on November 23, 1998 and (ii) the Consent Decree and Final Judgment relating to the Master Settlement Agreement entered in supreme court of the state for New York county on December 23, 1998, as amended (such right being hereafter referred to as the "County's Tobacco Asset") to

a not-for-profit local development corporation to be established by local law (“the Corporation”) which corporation will finance said purchase through its issuance of bonds; and

WHEREAS, the County of Erie further desires to establish and maintain, with a trustee, a Tobacco Asset Securitization Trust Fund for the purpose of investing the proceeds received by the county from tobacco asset securitization financings, which Trust Fund is to be dedicated to paying all or a portion of (i) the County’s annual budgeted appropriation of outstanding general purpose general obligation bonds; (ii) the County’s annual budgeted appropriation for economic development; (iii) the County’s annual budgeted appropriation in an amount equivalent to the amount the County is charged back for its share of medical assistance payments made to providers through the state payment system for services rendered to eligible persons ; (iv) the County’s annual budgeted appropriation to the Erie County Medical Center for bad debt and charity costs and other non-reimbursable operating costs; and (v) the County’s annual budgeted appropriation for regionalism/regional assets, and

WHEREAS, the County of Erie further desires, subject to the provisions of any contract with bondholders of the corporation, that the Budget Director shall be authorized to invest the monies in said Trust Fund (i) in general obligations of, or obligations guaranteed by, any state of the United States of America or political subdivision thereof or the District of Columbia receiving one of the two highest long-term unsecured debt rating categories available for such securities by two independent rating services, or (ii) notwithstanding the provisions of clause (i), in accordance with the provisions of section 11 of the general municipal law. And

WHEREAS, Senate Bill No. S.7917-A and Assembly Bill A.11161-A, now pending before the New York State Legislature, would authorize Erie County to establish and maintain a Tobacco Asset Securitization Trust Fund for the investment and expenditure of proceeds received by the County from the sale of the County’s Tobacco Asset;

NOW, THEREFORE, BE IT RESOLVED, THAT A HOME RULE REQUEST IS MADE TO THE NEW YORK STATE LEGISLATURE AS FOLLOWS:

TO THE LEGISLATURE:

Pursuant to Article IX of the Constitution, the County of Erie requests the enactment of Senate Bill No. S.7917-A, entitled “AN ACT in relation to creating the tobacco asset securitization trust fund act of the county of Erie, authorizing the establishment of a trust fund for investment and expenditure of proceeds from such financing, and prescribing and limiting powers and procedures with respect to such fund”.

It is hereby declared that a necessity exists for the enactment of such legislation, and that the facts establishing such necessity are as follows:

The local government does not have the power to enact such legislation by local law.

Such request is made by the chief executive officer of such municipality concurred in by a majority of the total membership of the local legislative body.

AND BE IT FURTHER RESOLVED, that the Clerk of the Legislature be directed to forward copies of this home rule request, certified by the Erie County Executive and the Clerk of the Erie County Legislature, two copies to the New York Senate and two copies to the New York Assembly.

**B. HOME RULE MESSAGE-ASSEMBLY**

WHEREAS, the county of Erie desires, through tobacco asset securitization financings, to sell the County's right to receive its portion of the State of New York's allocable share of payments under the terms of (i) the Master Settlement Agreement entered into by the participating cigarette manufacturers, forty-six states and six other jurisdictions of the United States of America on November 23, 1998 and (ii) the Consent Decree and Final Judgment relating to the Master Settlement Agreement entered in supreme court of the state for New York county on December 23, 1998, as amended (such right being hereafter referred to as the "County's Tobacco Asset") to a not-for-profit local development corporation to be established by local law ("the Corporation") which corporation will finance said purchase through its issuance of bonds; and

WHEREAS, the County of Erie further desires to establish and maintain, with a trustee, a Tobacco Asset Securitization Trust Fund for the purpose of investing the proceeds received by the county from tobacco asset securitization financings, which Trust Fund is to be dedicated to paying all or a portion of (i) the County's annual budgeted appropriation of outstanding general purpose general obligation bonds; (ii) the County's annual budgeted appropriation for economic development; (iii) the County's annual budgeted appropriation in an amount equivalent to the amount the County is charged back for its share of medical assistance payments made to providers through the state payment system for services rendered to eligible persons ; (iv) the County's annual budgeted appropriation to the Erie County Medical Center for bad debt and charity costs and other non-reimbursable operating costs; and (v) the County's annual budgeted appropriation for regionalism/regional assets, and

WHEREAS, the County of Erie further desires, subject to the provisions of any contract with bondholders of the corporation, that the Budget Director shall be authorized to invest the monies in said Trust Fund (i) in general obligations of, or obligations guaranteed by, any state of the United States of America or political subdivision thereof or the District of Columbia receiving one of the two highest long-term unsecured debt rating categories available for such securities by two independent rating services, or (ii) notwithstanding the provisions of clause (i), in accordance with the provisions of section 11 of the general municipal law. And

WHEREAS, Senate Bill No. S.7917-A and Assembly Bill A.11161-A, now pending before the New York State Legislature, would authorize Erie County to establish and maintain a Tobacco Asset Securitization Trust Fund for the investment and expenditure of proceeds received by the County from the sale of the County's Tobacco Asset;

NOW, THEREFORE, BE IT RESOLVED, THAT A HOME RULE REQUEST IS MADE TO THE NEW YORK STATE LEGISLATURE AS FOLLOWS:

TO THE LEGISLATURE:

Pursuant to Article IX of the Constitution, the County of Erie requests the enactment of Assembly Bill A.11161-A, entitled "AN ACT in relation to creating the tobacco asset securitization trust fund act of the county of Erie, authorizing the establishment of a trust fund for investment and expenditure of proceeds from such financing, and prescribing and limiting powers and procedures with respect to such fund".

It is hereby declared that a necessity exists for the enactment of such legislation, and that the facts establishing such necessity are as follows:

The local government does not have the power to enact such legislation by local law.

Such request is made by the chief executive officer of such municipality concurred in by a majority of the total membership of the local legislative body.

AND BE IT FURTHER RESOLVED, that the Clerk of the Legislature be directed to forward copies of this home rule request, certified by the Erie County Executive and the Clerk of the Erie County Legislature, two copies to the New York Senate and two copies to the New York Assembly.

MS. PEOPLES moved the approval of the resolution. MR. MARSHALL seconded.

CHAIRMAN SWANICK directed that a roll call vote be taken.

AYES: CHASE, GREENAN, LARSON, MARSHALL, PAULY, RANZENHOFER, WEINSTEIN, DeBENEDETTI, DUSZA, FISHER, HOLT, KUWIK, MARINELLI, OLMA, PEOPLES, SWANICK. AYES – 16, NOES – 0.

CARRIED UNANIMOUSLY.

### **COMMUNICATIONS FROM ELECTED OFFICIALS**

#### **FROM CHAIRMAN SWANICK**

Item 3 – CHAIRMAN SWANICK directed that the following item be tabled.

Comm. 11E-1 From CHAIRMAN SWANICK Re: Calling Special Meeting.

Item 4 – (Comm. 11E-2) Re: Calling Special Meeting.

RECEIVED, FILED & PRINTED.

June 2, 2000

Laurie A. Manzella, Clerk

Erie County Legislature  
25 Delaware Avenue – 7<sup>th</sup> Floor  
Buffalo, New York 14202

Dear Ms. Manzella:

Pursuant to Rule 2 of the Rules of Order of the Erie County Legislature, you are hereby directed to call a Special Meeting of the Erie County Legislature to be held on **MONDAY, JUNE 5, 2000 AT TEN O’CLOCK** in the morning of that day in the Erie County Legislative Chambers, 25 Delaware Avenue, 7<sup>th</sup> Floor, Buffalo, New York.

The purpose of this meeting will be to consider and act upon the following:

- Intro. 11-2 (2000) regarding *HOME RULE MESSAGES – TOBACCO ASSET SECURITIZATION FINANCING*.

Thank you.

Sincerely,

**CHARLES M. SWANICK**  
Chairman  
Erie County Legislature

**COMMUNICATIONS FROM THE DEPARTMENTS**

**FROM THE CLERK OF THE LEGISLATURE**

Item 5 – CHAIRMAN SWANICK directed that the following item be tabled.

Comm. 11D-1 From the CLERK OF THE LEGISLATURE Re: Special Meeting Notice.

Item 6 – (Comm. 11D-2) Special Meeting Notice.

RECEIVED, FILED & PRINTED.

June 2, 2000

To: All Erie County Legislators  
From: Laurie A. Manzella, Clerk of the Legislature  
Subject: **SPECIAL MEETING NOTICE**

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***PLEASE TAKE NOTICE*** that pursuant to Rule 2 of the Rules of Order of the Erie County Legislature and under the direction of Chairman Charles M. Swanick, there will be a **SPECIAL MEETING** of the Erie County Legislature on **MONDAY, JUNE 5, 2000, AT TEN O'CLOCK** in the morning of that day in the Erie County Legislative Chambers, 25 Delaware Avenue, 7<sup>th</sup> Floor, Buffalo, New York.

The purpose of this meeting will be to consider and act upon the following:

- Intro. 11-2 (2000) regarding *HOME RULE MESSAGES – TOBACCO ASSET SECURITIZATION FINANCING*.

Thank you.

ATTACHMENTS – 2 (Intro. 11-2 and Chairman Swanick's letter)

Item 7 – CHAIRMAN SWANICK directed that the following item be tabled.

Comm. 11D-3 From the CLERK OF THE LEGISLATURE Re: Cancellation of Special Session – June 1, 2000.

### **ADJOURNMENT**

Item 8 – At this time, there being no further business to transact, the Chairman announced that the Chair would entertain a Motion to Adjourn.

MS. PEOPLES moved that the Legislature adjourn until **2:00 p.m., Thursday, June 8, 2000**. MR. GREENAN seconded.

CARRIED UNANIMOUSLY.

The Chairman declared the Legislature adjourned until **Thursday, June 8, 2000 at 2 p.m. Eastern Standard Time**.

\*\*\* A special session was called for June 1, 2000. Items 11-1, 11E-1, 11D-1 & 11D-3 refer to the duplicate items from the cancelled agenda for June 1<sup>st</sup>.

**LAURIE MANZELLA**  
**CLERK**