



# Monroe County Legislature

**PAUL E. HANEY**  
LEGISLATOR-DISTRICT 23

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May 6, 2011

To the Honorable  
Monroe County Legislature  
407 County Office Building  
39 West Main Street  
Rochester, New York 14614

## **Re: Enforcing Legislative Oversight of Pension Amortizations**

Honorable Legislators:

This year, Monroe County is one of only four counties in New York State that has elected to defer payment of a portion of its 2010 pension costs. The county has borrowed \$6,000,000 from the state pension system that must be repaid in future years with interest at 5% (\$300,000) per year.

This borrowing is not revealed in the county executive's proposed 2011 budget. It was only revealed during discussion of the budget in the Ways and Means Committee of the Monroe County Legislature last December. At that time, the Administration asserted that through amortizing the County's 2011 pension expenditures, the County could "save" an estimated \$6 million, bringing our total 2011 budgeted pension costs to \$23.4 million. In the 2011 Budget Book, the amortization of pension costs is only mentioned once, on page 406 under "Forecasted Trends/Assumptions" related to the 2012 and 2013 budget projection. No where is this borrowing revealed in connection with the 2011 budget. However this one-shot of savings will not come cheap, as taxpayers will now be responsible for paying 5% interest on the 'borrowed' \$6 million for the next 10 years.

Section §C2-6(C)(1) of the Monroe County Charter professes one of the responsibilities and powers of this Honorable Body is to "incur indebtedness." While the pension amortization option does not require the sale of any bonds, it is clear that this has become a new debt which County taxpayers are now responsible for paying off over the next decade. Decisions involving

the incurrence of any type of new debt deserve to be put before this honorable body for approval, as all budgetary decisions currently do.

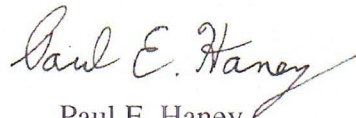
Therefore, we proposed amending the Rules of the Legislature to require a two-thirds majority vote of the Legislature before the Administration can elect to amortize any of the County's pension costs.

**The specific legislative action required:**

1. Schedule and hold a public hearing on the proposed local law.
2. Enact a Local Law amending the Article 2, Section §C2-6(C) of the Monroe County Charter, as attached.

This proposal will have no impact on the revenues and/or expenditures of the 2011 Monroe County Budget.

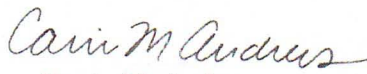
Respectfully submitted,



Paul E. Haney  
Legislator – District 23



Ted O'Brien  
Democratic Minority Leader



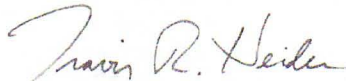
Carrie M. Andrews  
Assistant Minority Leader



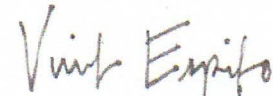
Calvin Lee, Jr.  
Assistant Minority Leader



Richard A. Beebe  
Legislator – District 6



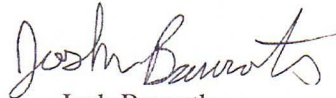
Travis R. Heider  
Legislator – District 14



Vincent Esposito  
Legislator – District 16



Glenn J. Gamble  
Legislator – District 22



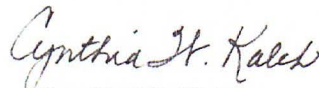
Josh Bauroth  
Legislator – District 24



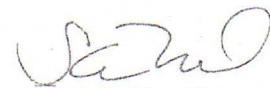
C. Stephen Eckel  
Legislator - District 26



Willie Joe Lightfoot  
Legislator – District 27



Cynthia W. Kaleh  
Legislator – District 28



Saul A. Maneiro  
Legislator – District 29

By Legislators \_\_\_\_\_ and \_\_\_\_\_

Intro. No. \_\_\_\_\_

LOCAL LAW NO. \_\_\_\_\_ OF 2011

**A LOCAL LAW ENTITLED "ENFORCING LEGISLATIVE OVERSIGHT OF PENSION AMORTIZATIONS"**

BE IT ENACTED BY THE LEGISLATURE OF THE COUNTY OF MONROE, as follows:

Section 1. Article 2, Section §C2-6(C) of the Monroe County Charter, is hereby amended to insert the following new provision:

**§C2-6 Powers & Duties of the Legislature.**

(15) To approve of the adopting of any pension amortization, or other mechanism where pension costs to the New York State Pension Fund are deferred and/or interest costs will be assessed, by a two-thirds (i.e. 20) vote in the affirmative on a resolution providing such.

Section 2. This local law shall take effect immediately upon filing with the Secretary of State pursuant to Section 27 of the New York State Municipal Home Rule Law.

File No. 11-0\_\_\_\_\_ .LL

ADOPTION: Date: \_\_\_\_\_ Vote: \_\_\_\_\_

ACTION BY THE COUNTY EXECUTIVE

APPROVED: \_\_\_\_\_ VETOED: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

EFFECTIVE DATE OF LOCAL LAW: \_\_\_\_\_

Added Language is underlined  
Deleted Language is ~~stricken~~