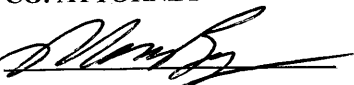


NIAGARA COUNTY LEGISLATURE

FROM: Legs. John D. Ceretto, Danny W. Sklarski, DATE: 2/17/2009 RESOLUTION # IL-012-09  
(Amended)

<u>et al.</u>			
APPROVED BY	REVIEWED BY	COMMITTEE ACTION	LEGISLATIVE ACTION
CO. ATTORNEY	CO. MANAGER	_____	Approved: Ayes <u>13</u> Abs. _____ Noes <u>5</u>
	_____	_____	Rejected: Ayes _____ Abs. _____ Noes _____
			Referred: _____

**RESOLUTION CALLING ON NEW YORK STATE LEGISLATURE TO REJECT GOVERNOR PATERSON'S "SWEEP" OF NEW YORK POWER AUTHORITY FUNDS AS A HIDDEN TAX ON POWER CUSTOMERS**

WHEREAS, Governor David A. Paterson has authorized a transfer of funds, or "sweep," from the New York Power Authority's fund balance to the state general fund totaling \$750 million spanning a period beginning in 2008 and extending into the 2009 fiscal year, including an immediate \$308 million and an additional \$476 million through March 2010, and

WHEREAS, the NYPA fund balance resulted from rates charged by said agency to businesses and other customers utilizing hydropower, primarily generated at the Niagara Falls Power Project, and

WHEREAS, \$158 million is coming from a surplus account filled largely by higher-than-expected revenues from hydropower sales by the authority, and

WHEREAS, the utilization of funds generated by NYPA for state general fund expenditures constitutes a "hidden tax" on customers utilizing NYPA's hydropower, and

WHEREAS, NYPA's mission statement reads "Our Mission is to provide clean, economical and reliable energy consistent with our commitment to safety, while promoting energy efficiency and innovation for the benefit of our customers and all New Yorkers," and

WHEREAS, charging rates resulting in excess payments by customers that are then utilized by the State of New York to balance its budget runs contrary to the mission statement's requirement that NYPA produce "economical energy...for the benefit of our customers," and

WHEREAS, power rates charged to businesses in Upstate New York are routinely mentioned by business analysts as a stressor on businesses' abilities to turn a profit, with E. J. McMahon, Director of the Empire Center for New York State Policy, a fiscal think tank, noting that "high energy rates were being blamed for job losses upstate long before the recent meltdown in the economy", and

WHEREAS, independent analysis utilized by the *Buffalo News* has suggested that the funds raided from NYPA could have funded a 2-cent per kilowatt subsidy for every small business in the State of New York, and

WHEREAS, the utilization of the \$750 million in NYPA funds to provide funding for State of New York government operating expenditures and narrowing the state's budget gap, rather than reinvestment in the community in the form of business subsidies or through lowering of power rates to a sustainable price-point for businesses seeking to operate in Upstate New York, has deprived Western New York's economy of both business incentives that could have produced jobs and economic multipliers that would have resulted in long-term economic growth via injection of funds into the economy of the region, and

WHEREAS, New York State is extending its debt by receiving a portion of NYPA funds as loans due for repayment in 2017, and

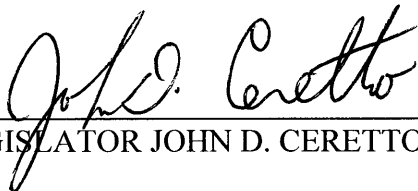
WHEREAS, such actions increase the financial burden on future generations of New Yorkers, businesses throughout New York State at present, and do nothing to cut spending in Governor Paterson's budget plan, therefore be it

RESOLVED, that the Niagara County Legislature does hereby oppose Governor Paterson's sweeps of NYPA's fund balance, and be it further

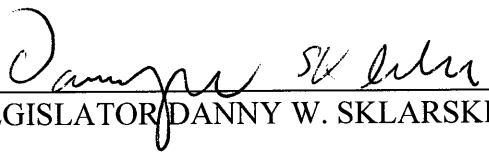
RESOLVED, that the Niagara County Legislature calls upon our elected representatives in New York State's government to reject Governor Paterson's NYPA sweeps legislatively, including overturning actions taken February 3 by the Legislature approving the raiding of these funds, and be it further

RESOLVED, that the Niagara County Legislature calls upon our elected representatives in New York State's government to reallocate the \$476 million to efforts to subsidize or lower power costs for businesses operating within 30 miles proximity to the Niagara Power Project, and be it further

RESOLVED, that the County of Niagara shall forward copies of this Resolution to Governor Paterson, Senator George D. Maziarz, Senator Antoine D. Thompson, Senator Kevin Parker, Senator Michael F. Nozzolio, Member of the Assembly Jane L. Corwin, Member of the Assembly Francine DelMonte, Member of the Assembly Jim Hayes, Member of the Assembly Robin Schimminger, Member of the Assembly Stephen Hawley, Member of the Assembly Kevin Cahill, Member of the Assembly Thomas F. O'Mara, and all others deemed necessary and proper.



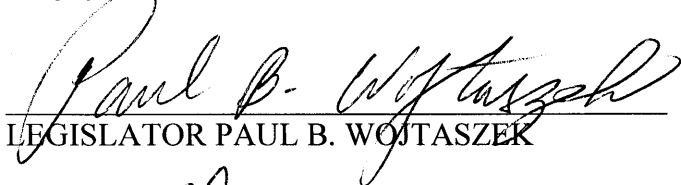
LEGISLATOR JOHN D. CERETTO



LEGISLATOR DANNY W. SKLARSKI

~~LEGISLATOR SEAN J. O'CONNOR~~

~~LEGISLATOR RENAE KIMBLE~~



LEGISLATOR PAUL B. WOJTASZEK



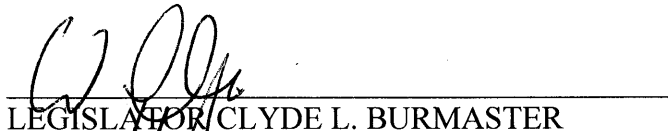
LEGISLATOR GERALD K. FARNHAM



LEGISLATOR WILLIAM L. ROSS



LEGISLATOR PETER E. SMOLINSKI

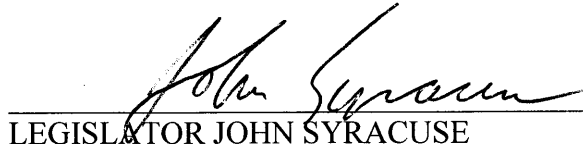


LEGISLATOR CLYDE L. BURMASTER

LEGISLATOR ANDREA L. MCNULTY



LEGISLATOR MICHAEL A. HILL



LEGISLATOR JOHN SYRACUSE

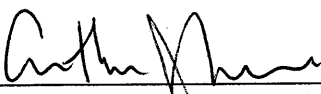


LEGISLATOR JASON J. MURGIA



LEGISLATOR RICHARD E. UPDEGROVE

  
\_\_\_\_\_  
LEGISLATOR WM. KEITH MCNALL

  
\_\_\_\_\_  
LEGISLATOR ANTHONY J. NEMI

\_\_\_\_\_  
LEGISLATOR DENNIS F. VIRTUOSO

  
\_\_\_\_\_  
LEGISLATOR KYLE R. ANDREWS

\_\_\_\_\_  
LEGISLATOR JASON J. CAFARELLA

Amendment:

Legislators Dennis Virtuoso, Renae Kimble, Sean O'Connor & Jason Cafarella asked that their signature lines be removed from the resolution.