

Buffalo Fiscal Stability Authority

Resolution No. 03-42

CITY OF BUFFALO REVISED FOUR- YEAR FINANCIAL PLAN

WHEREAS, Chapter 122 of the laws of 2003 requires the City of Buffalo to submit a four-year financial plan that includes the City of Buffalo, the Buffalo Public Schools (“BPS”) and other covered organizations, to the Buffalo Fiscal Stability Authority (“BFSA”) on September 1, 2003, and

WHEREAS, the City of Buffalo submitted a Four-Year Financial Plan (“Buffalo Plan”) dated September 1, 2003 on September 2, 2003 to the BFSA, and

WHEREAS, the BFSA engaged the Institute for Local Governance and Regional Growth (“ILGRG”) to seek public input and comment relating to the City’s and/or any covered organization’s financial plan, and

WHEREAS, the ILGRG held an all-day public comment session on Saturday, September 6, 2003, and

WHEREAS, upon the request of BFSA, the City of Buffalo and Buffalo Public Schools made a presentation on the Four-Year Plan to the BFSA at a BFSA Board meeting on September 10, 2003 and responded to questions from BFSA Board members, and

WHEREAS, the ILGRG presented a report to the BFSA at a Board meeting on September 10, 2003 reporting on the public comments received in connection with the public comment session held on September 6, 2003, and

WHEREAS, on September 15, 2003 the BFSA, adopted Resolution 03-33 in which it:

1. Disapproved the City of Buffalo Four-Year Financial Plan dated September 1, 2003,
2. Returned the Buffalo Plan to the City of Buffalo with instructions that the City revise the Plan in accordance with the BFSA Report, and
3. Directed the City of Buffalo to submit a revised Four-Year Financial Plan no later than October 1, 2003, and

WHEREAS, on September 16, 2003 BFSA submitted its “Review of the Four-Year Financial Plan” (“BFSA Review”) to the City of Buffalo. The BFSA Review identified the reasons that prevented the BFSA from approving the Buffalo Plan including serious concerns with regard to provisions in the Plan developed by the City of Buffalo, the Buffalo Public Schools (“BPS”), the Buffalo Urban Renewal Agency (“BURA”) and the Buffalo Municipal Housing Authority (“BMHA”).

WHEREAS, on October 1, 2003 the City of Buffalo Submitted its “Revised Four-Year Financial Plan” (“Revised Buffalo Plan”), and

WHEREAS, staff from the BFSA, City of Buffalo, BPS, BURA and BMHA have repeatedly met to share information and exchange views regarding the Revised Buffalo Plan, and

WHEREAS, BFSA met on October 7, 2003, to review the Revised Buffalo Plan, and

WHEREAS, at the October 7, 2003 BFSA meeting presentations were made by the City of Buffalo, the Buffalo School Board, the Buffalo Urban Renewal Agency, the Buffalo Municipal Housing Authority and the Buffalo Comptroller, and

WHEREAS, BFSA determined that significant progress had been made by BPS, BURA and BMHA in their Plans and those portions of the Revised Buffalo Plan substantially comply with the BFSA statute, and

WHEREAS, the City of Buffalo has proposed significant cuts in employment levels, elimination of all pay raises except for those in approved contracts, more realistic revenue estimates and other budget balancing actions, and

WHEREAS, despite the gap closing efforts described in the City of Buffalo Revised Plan, such Plan as submitted is still not balanced in the current fiscal year (2003-2004) and there are serious concerns regarding budget gaps in future fiscal years, and

WHEREAS, the Mayor of the City of Buffalo announced at the BFSA meeting on October 7, 2003 that he would further amend the City of Buffalo Revised Plan to close the 2003-2004 gap with proceeds of a BFSA gap financing and would also address the future year gaps. The Mayor also stated he would submit a request for a Declaration of Need for approval of the Buffalo Common Council along with the Revised Buffalo Plan, as to be further amended, for its consideration and approval, and

WHEREAS, BFSA believes it is imperative for the Revised Buffalo Plan to be implemented as soon as possible to allow the City to begin to realize the savings that are proposed within it,

NOW THEREFORE BE IT RESOLVED THAT, BFSA tentatively approve the portions of the Revised Buffalo Plan relating to BPS, BURA and BMHA, and

BE IT FURTHER RESOLVED THAT, BFSA expresses a positive sense of progress on the portion of the Revised Buffalo Plan that relates to the City of Buffalo, particularly the 2003-04 portion. Future approval of the Revised Buffalo Plan is conditioned upon:

1. Further amending the City of Buffalo Revised Plan to bring the fiscal year 2003-2004 budget into balance consistent with the requirements of section 3857 of the Buffalo Fiscal Stability Authority Act ("Act"), including gap financing as required;
2. The Mayor of Buffalo indicating his intention to submit a declaration of need for financing of costs consistent with the

- adopted budget and financial plan after approval by the Buffalo Common Council, and that such declaration will be promptly submitted to permit the cash flow needs of the City to be met;
3. The Mayor of Buffalo submitting a certificate stating that the budget is consistent with the financial plan submitted therewith and that operation within the budget is feasible.
 4. The City of Buffalo closing the future year gaps of the Revised Buffalo Plan, with the addition of BFSAs gap financing, as may be desired and allowable pursuant to the provisions of section 3857 of the Act; and
 5. On or about October 15, 2003 the City of Buffalo submitting a new plan to the BFSAs for its final approval.

BE IT FURTHER RESOLVED THAT, information be provided to the Common Council of the City of Buffalo relating to BFSAs gap financing, which may be made available to the City in conjunction with an approved financial plan; and

BE IT FURTHER RESOLVED THAT, pursuant to the Act, such gap financing may not be made available to the City absent an approved financial plan, in which event BFSAs is required by the Act to impose a financial plan of its own formulation without the gap financing that would otherwise be available to the City.

BE IT FURTHER RESOLVED THAT, the City of Buffalo will present its further revised plan on or about October 15, 2003. BFSAs will schedule a Board meeting for either October 20, 2003 or October 21, 2003, at which time BFSAs will act to approve or disapprove the further revised Buffalo Financial Plan; if the BFSAs disapproves this further revised plan, it is required to give seven days notice of its intention to impose a financial plan on the City of Buffalo.

This resolution shall take effect immediately.

Approved October 7, 2003

Richard Tobe
Secretary

Date: _____