

BUFFALO FISCAL STABILITY AUTHORITY

RESOLUTION NO. 04 - 23

LEGISLATIVE AMENDMENTS

WHEREAS, through Chapter 122 of the Laws of 2003, the New York State Legislature created the Buffalo Fiscal Stability Authority (“BFSA”) to preserve and protect the economy of the City of Buffalo, a political subdivision of the State of New York; and

WHEREAS, the Buffalo Fiscal Stability Authority Act (the “Act”) empowers the BFSA to oversee the budget of the City of Buffalo and other “Covered Organizations” as defined by Section 3851(13) of the Act; and

WHEREAS, the legislative findings of the Act declares that BFSA shall make savings available through a restructuring of a portion of the City’s outstanding debt and/or through limited borrowing for operating costs, in either case, secured by an intercept of sales tax net collections as well as state aid; and

WHEREAS, the legislative findings further declare that BFSA is intended to issue bonds, notes or other obligations to achieve budgetary savings through debt restructuring; to finance short-term cash flow or capital needs; and

WHEREAS, the original intent of the BFSA Act pursuant to the definition of “financeable costs” in section 3851(15) of the Act was to provide the City and any Covered Organization the full benefit of the BFSA’s borrowing power; and

WHEREAS, financeable costs are defined to include refunding or restructuring of City or Covered Organization indebtedness; cash flow needs of the City or any Covered Organization; the capital needs of the City or Covered Organization; operating costs of the City or Covered Organizations, pursuant to section 3857 of the Act; and incidental costs in connection with the financing of such costs; and

WHEREAS, the City School District is specifically defined as a Covered Organization in Section 3851(15) of the Act; and

WHEREAS, technical amendments to the BFSA Act are needed to ensure BFSA’s capacity to provide the benefits of the BFSA’s borrowing power to the City and School District; and

WHEREAS, BFSA has determined that the Act needs to be amended to a.) authorize a process for the School District to declare its need for financial assistance; b.) ensure the flow of the School District’s share of the Erie County sales tax to BFSA; c.) clarify that debt issued by BFSA to provide benefits to the City or School District will not negatively impact the City’s property tax capacity; and d.) exclude short term borrowing by the BFSA for the benefit of the City or the School District from the \$175 million cap for BFSA debt outstanding at any one time.

NOW THEREFORE BE IT RESOLVED, that the Board of Directors of the Buffalo Fiscal Stability Authority does hereby endorse and support amendments to the BFSA Act to: a.) authorize a process for the School District to declare its need for financial assistance; b.) ensure the flow of the School District's share of the Erie County sales tax to BFSA; c.) clarify that debt issued by BFSA to provide benefits to the City or School District will not negatively impact the City's property tax capacity; and d.) exclude short term borrowing by the BFSA for the benefit of the City or the School District from the \$175 million cap for BFSA debt outstanding at any one time; and

BE IT FURTHER RESOLVED, that the Board of Directors of the Buffalo Fiscal Stability Authority does hereby request the New York State Legislature to enact such amendments expeditiously.

This Resolution shall take effect immediately.

Approved February 18, 2004

/S/ Richard Tobe
Secretary