

**BUFFALO FISCAL STABILITY AUTHORITY**

**RESOLUTION NO. 04 - 36**

***CITY OF BUFFALO CAPITAL BUDGET AMENDMENT AND 2004 BOND SALE***

WHEREAS, Chapter 122 of the Laws of 2003 (“Chapter 122”) requires, with respect to any proposed borrowing by or on behalf of the City of Buffalo (the “City”) or any covered organization, the Buffalo Fiscal Stability Authority (“BFSA”) to review the terms of and comment, within thirty days after notification by the City or any covered organization of a proposed borrowing, on the prudence of each proposed issuance of bonds or notes and no such borrowing may be made without the BFSA’s review, consent and approval; and

WHEREAS, on April 12, 2004, the Mayor of the City of Buffalo requested an amendment to the Capital Budget for 2004 which had been approved by the BFSA Board in December 2003 in the amount of \$24,880,000.00; and

WHEREAS, the Mayor’s Capital Budget Amendment would increase the 2004 capital budget to \$27,145,000.00; and

WHEREAS, the Comptroller of the City of Buffalo is seeking authorization to conduct a bond sale in connection with this amended capital budget; and

WHEREAS, concerns were raised about the cost of a City bond sale compared to the cost of a BFSA bond issue which is planned to take place in the near future; and

WHEREAS, there have also been concerns about the types of projects being proposed for bonding and the amounts of authorized but unexpended bond funds remaining in City accounts; and

WHEREAS, the Comptroller has indicated that it is important that debt for the City’s capital needs be issued before the trend of higher interest rates increases the City’s costs and in time to take advantage of the short local construction season; and

WHEREAS, approving a City bond issue would remove these projects from any potential savings the BFSA could offer; and

WHEREAS, the BFSA’s approval power relating to the City’s long-term fiscal stability must, of necessity include: reviewing the cost of debt issuance and of the borrowed funds; the essentiality of the project to be bonded; and the immediacy of the need for such bonded funds; and BFSA will grant approval for any proposed borrowing by the City based on the BFSA’s satisfaction of all such factors;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby authorize the City of Buffalo to amend the Capital Budget to include items consistent with the Mayor's April 12, 2004 request to the Chairman of the BFSA and the City Comptroller's proposed capital bond sale, subject to the specific approval delegated to the Executive Director of the Buffalo Fiscal Stability Authority; and

BE IT FURTHER RESOLVED, that the Buffalo Fiscal Stability Authority does hereby authorize the City of Buffalo to conduct a capital bond sale for 2004, in an amount not to exceed \$22.47 million dollars, on the condition that the Executive Director evidences satisfaction with (1) the final list of projects to be included in the bond sale, and (2) the final pricing terms of the bond sale; and

BE IT FURTHER RESOLVED, that the Chairman, Vice Chair or Executive Director of the Buffalo Fiscal Stability Authority be hereby authorized and directed to execute and deliver any agreements, certificates, documents, papers or other written instrument, to make any changes, modifications or amendments as he or she deems necessary, to do all other things and to take all other actions necessary and appropriate in their judgment, to consummate the transactions contemplated by this resolution.

This Resolution shall take effect immediately.

Approved April 21, 2004

/S/ Richard Tobe  
Secretary