

**BUFFALO FISCAL STABILITY AUTHORITY**

**RESOLUTION NO. 05 – 05**

**ESTABLISH A NEW PROCESS FOR APPROVING AND MONITORING DEMOLITION CONTRACTS IN THE CITY OF BUFFALO**

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 (the Act) permits the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, in order to carry out the mission of the BFSA, the BFSA has determined to review contracts or other obligations in excess of \$50,000, though the BFSA Act provides no limitation for such items; and

WHEREAS, in the process of BFSA’s review of the 2004 capital budget, the BFSA understood the City’s Commissioner of the Department of Permit and Inspection Services to indicate that the City owned and was in a position to demolish 500 homes; and

WHEREAS, BFSA authorized the issuance of \$3.5 million in bonds to pay for demolition of 500 homes; and

WHEREAS, BFSA later found that in fact the City did not yet own nor was in a position to demolish 500 homes, and that its approval of \$3.5 million for demolition in the 2004 capital budget may have been excessive in light of the actual number of properties eligible for demolition; and

WHEREAS, the City’s Commissioner of the Department of Permit and Inspection Services informed BFSA at the Authority’s meeting of November 17, 2004 that certain service orders for the demolition of properties within the City, when “bulked” together, have on occasion exceeded \$50,000 in total to an individual vendor; and

WHEREAS, BFSA ordered the Commissioner of the Department of Permit and Inspection Services to submit the contracts mentioned on November 17, 2004, and all future contracts, whether bulked or individually, exceeding \$50,000 to a single vendor, for BFSA review and approval pursuant to the BFSA Act; and

WHEREAS, BFSA did not receive the requested information from the Commissioner of the Department of Permit and Inspection Services in a timely fashion after the November 17, 2004 meeting; and

WHEREAS, BFSA further encouraged compliance with the BFSA order through a letter to the Mayor and Commissioner of the Department of Permit and Inspection Services on December 7, 2004, requesting the information that had been originally requested at the November 17, 2004 meeting; and

WHEREAS, in response to still not yet having received any information, BFSA contacted the Mayor by telephone on January 6, 2005; and

WHEREAS, on January 13, 2005, the Commissioner of the Department of Permit and Inspection Services submitted to BFSA contract approval requests for six items in excess of \$50,000, three of

which had been let subsequent to the November 17, 2004 meeting at which BFSA directed the Commissioner of the Department of Permit and Inspection Services to submit any future bulked demolition contracts in excess of \$50,000 for formal BFSA review and approval; and

WHEREAS, the City's current practice of processing demolition contracts on a property-by-property service order basis might be misconstrued to generally exempt them from the approval requirements BFSA applies to contracts of \$50,000 or more; and

WHEREAS, the process of demolitions is essential for reasons of safety and neighborhood redevelopment, and the cost of demolitions is a significant part of the annual capital budget;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority will now require all non-emergency demolition contracts to come before the Authority for formal review and approval, regardless of whether they exceed \$50,000 either individually or collectively, and that no such contract or service order award is legally authorized in the absence of BFSA approval; and

BE IT FURTHER RESOLVED, that the Buffalo Fiscal Stability Authority will now require the City's Commissioner of Permit and Inspection Services to submit, no later than one week after the end of each month, a monthly report on all demolitions, emergency and non-emergency in nature, detailing the number of demolitions completed, whether the demolitions were done on an emergency or non-emergency basis, the current balance of bond proceeds allocated to demolitions, and the number of bidders and amounts of bids that were submitted for each individual demolition bid or bid package; and

BE IT FURTHER RESOLVED, that all contracts for demolitions in the period July 3, 2003 through December 4, 2005, which collectively amount to \$50,000 or more and which have heretofore been illegally awarded without BFSA approval, are hereby validated as to legality; and

BE IT FINALLY RESOLVED, that any further disregard of the BFSA's resolutions or actions regarding contracts relating to demolitions will result in such contracts being determined to be invalid and not subject to payment by the City Comptroller, and any party authorizing such contracts or payments thereof in violation of such BFSA resolutions or actions shall be subject to the full exercise of BFSA's disciplinary powers, as defined in the Act.

This Resolution shall take effect immediately.

Approved January 26, 2005

/S/ Richard Tobe  
Richard Tobe  
Secretary