

MINUTES  
Buffalo Fiscal Stability Authority  
Audit, Finance, & Budget Committee

March 8, 2006

The regular meeting of the Buffalo Fiscal Stability Authority (BFSA) Audit, Finance, and Budget Committee was called to order at 12:57 PM on March 6, 2006, at the Buffalo & Erie County Central Public Library. The meeting was convened with a Notice of Meeting sent to the Directors and announced to the public and the press.

Directors Present: Giambra, Lipke

Directors Absent: McCall

Staff Present: Johnson, McPherson, Miller, Mitchell, Mulawka, Stefko and Tocker

**Opening Statement**

In the absence of Committee Chairman H. Carl McCall, BFSA Chairman Brian Lipke called the meeting to order. He made an opening statement, noted the Agenda and the attendance of Directors.

**Approval of Minutes**

The Directors reviewed and approved the Committee meeting minutes of the October 12, 2005 meeting. Motion by Giambra, second by Lipke, Vote 2-0 to take effect immediately.

**Open Issues**

Review of the BFSA 2006-2007 Operating Budget

Executive Director Dorothy Johnson provided an overview of the proposed 2006-2007 Operating Budget providing summaries of staff salaries, meeting expenses, professional fees, and litigation. She noted that the submission of the budget was earlier than the prior year to comply with the new Public Authorities Reform Act.

Motion to recommend approval of the budget to the full BFSA Board made by Giambra, with a second by Lipke. Vote 2-0 to make the recommendation.

There being no further business, Chairman Lipke entertained a motion to adjourn, which was duly seconded. The meeting adjourned at 1:04 PM.

**MINUTES**  
**Buffalo Fiscal Stability Authority**  
**March 8, 2006**

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The regular meeting of the Buffalo Fiscal Stability Authority (BFSA) was called to order at 1:14 PM on March 6, 2006, at the Buffalo & Erie County Central Public Library by Mr. Brian Lipke, Chairman of the Board. The meeting was convened by a Notice of Meeting sent to the Directors by Chairman Lipke and announced to the public and press.

**Directors Present:** Brown, Faso, Giambra, Lipke, Stenhouse and Wilmers

**Directors Absent (excused):** McCall and Townsend

**Staff Present:** Johnson, McPherson, Miller, Mitchell, Mulawka, Stefko and Tocker

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**Opening Remarks:**

In his opening remarks, Chairman Lipke welcomed attendees and summarized the agenda. He noted that the meeting would contain a review of the BFSA's 2006-2007 Operating Budget, which remained flat from the previous year, and was recommended for full Board approval earlier by the Audit, Finance, & Budget Committee. He noted that the meeting will involve a review of the status of the City's efficiency incentive grant proposal and Financial Plan update, as well as a review of the School District's educational improvement plan.

Following his opening remarks, Chairman Lipke requested a roll call of the Directors. Secretary Stenhouse confirmed that there was a quorum present and the meeting commenced.

**Approval of Minutes**

The Directors voted to approve Resolution 06-12 to ratify the January 25, 2006 Board Meeting Minutes and to ratify resolutions numbered 06-00 through 06-11.

Motion by Faso, second by Giambra, Vote 6-0 to take effect immediately

**RESOLUTION NO. 06 - 12**

APPROVING MINUTES AND RESOLUTIONS FROM JANUARY 25, 2006

BE IT RESOLVED that the Buffalo Fiscal Stability Authority approves the minutes of its meeting of January 25, 2006 and ratifies and affirms twelve resolutions numbered 06-00 through 06-11 that were approved on January 25, 2006.

**City of Buffalo**

**Efficiency Incentive Grants**

Chairman Lipke provided the Board with a summary of the City's Efficiency Incentive Proposals. He stated that the aim of the program is to reduce the cost of local

government, enhance revenues and optimize service delivery. He invited Dr. James Milroy, Commissioner of Administration, Finance and Urban Affairs to provide further detail.

Following the presentation, Mayor Byron Brown discussed the plan to implement CitiStat, believing that the computerized accountability program would provide immediate dividends once implemented.

Director John Faso questioned whether union agreement would be required before the implementation of CitiStat. It was explained that some time and attendance functions would require union approval. County Executive Joel Giambra, upon noting that the current condition of the City's information technology infrastructure may not be able to handle the program, revisited his desire to see operational mergers of City and Erie County services to eliminate redundancies.

### **City Financial Plan Update**

Chairman Lipke requested Dr. Milroy to update the Board concerning the City's Financial Plan. The presentation showed that even with additional State aid and sales tax revenue, the revised gap would only show a surplus in fiscal year 2006-07, then the gaps would grow in the course of the financial plan. Chairman Lipke commented that the presentation clearly demonstrated that the fiscal crisis continues, especially in the out years. He emphasized that the structural causes of deficits must be addressed to reduce the cost of government.

### **Discussion of School District Issues**

Chairman Lipke stated that the District had recently received a setback regarding the recent ruling on the District's implementation of a single-health insurance provider. Executive Director for Labor Relations for the District, Patricia Pancoe, explained that while the District had lost an interim decision, it was not final and there was no ruling whether there were damages, and if so, what the remedy would be.

Regarding the District's single health carrier implementation efforts, Director Faso requested clarification on the effectiveness of single-carrier within the District. Director Robert Wilmers felt the success of the switch from multiple carriers to a single carrier should be measured by the legitimacy of the complaints made by the users, not necessarily the volume. Ms. Pancoe promised to provide BFSAs Staff with a report on the type and number of complaints.

### **Educational Improvement Plan**

Chairman Lipke introduced the School District's Chief Financial & Operating Officer Gary Crosby, who summarized the District's various proposals for new program initiatives aimed at improving the educational product of the District.

### **BURA**

#### **Annual Action Plan**

The Buffalo Urban Renewal Agency (BURA) had finalized its Annual Action Plan for Year 32, Chairman Lipke explained. The plan has been submitted to BFSA for review and approval. It will then be sent to the United States Department of Housing and Urban Development (HUD) prior to the March 16<sup>th</sup> federal deadline. Timothy Wanamaker, BURA's Vice-Chair, summarized the plan, which saw a reduction in community development block grant (CDBG) funds this year. BURA also lost federal funding due to a loss of programming, which is addressed in the Action Plan.

The Directors then entertained a motion to approve the Annual Action Plan pending final approval of the plan by HUD. Motion by Brown, second by Wilmers, Vote 6-0 to take effect immediately

### **RESOLUTION NO. 06 - 13**

#### **APPROVAL OF BUFFALO URBAN RENEWAL AGENCY'S PROGRAM YEAR 32 ANNUAL ACTION PLAN**

WHEREAS, the Buffalo Urban Renewal Agency (BURA) submitted an Annual Action Plan for Program Year 32 to the BFSA for approval, and

WHEREAS, the Annual Action Plan for Program Year 32 is due to the Federal Department of Housing and Urban Development (HUD) on March 16, 2006, and

WHEREAS, to facilitate the prompt spending of these needed public dollars, BURA is seeking BFSA approval at the March 8, 2006, assuming HUD approval in late April; and

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 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, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization in excess of \$50,000.00; and

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

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or other obligation is valued at \$200,000 or more; and

WHEREAS, the Buffalo Urban Renewal Agency officials have submitted sufficient evidence that HUD and BURA policies and procedures are being followed in obligating the federal funds and in the crafting of such Plan; and

WHEREAS, BFSAs Staff have reviewed such Plan and the and recommend approval of such Plan;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the Buffalo Urban Renewal Agency to enter into contracts and obligations as listed within the Year 32 Action Plan pending United States Department of Housing and Urban Development approval.

### **BFSA Budget**

Ms. Johnson briefed the Board on the proposed BFSAs 2006-07 budget. The Audit, Finance and Budget Committee had met earlier and had recommended approval by the full Board. The operating budget was down \$82; otherwise holding flat at \$1.4 million. She noted that the budget has been prepared earlier than it has in prior years to adhere to requirements under the new Public Authorities Reform Act.

The Board then entertained a motion to approve the BFSAs operating budget for 2006-07. Motion by Giambra, second by Wilmers, Vote 6-0 to take effect immediately.

### **RESOLUTION NO. 06 - 14**

#### **ADOPT OPERATING BUDGET FOR BFSAs FOR 2006-2007**

WHEREAS, the Buffalo Fiscal Stability Authority (the "BFSAs") was formed by Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 ("The BFSAs Act") to (1) oversee the City of Buffalo's budget, financial and capital plans, (2) issue bonds, notes or other obligations to achieve budgetary savings through debt restructuring, (3) finance short-term cash flow or capital needs and (4) if necessary, to develop financial plans on behalf of the City of Buffalo if it is unwilling or unable to take the required steps toward fiscal stability; and

WHEREAS, the BFSAs is required by the BFSAs Act to commence operations immediately and to receive and act upon a four-year fiscal plan for the City of Buffalo; and

WHEREAS, the BFSAs will have costs and expenses to operate and carry out its functions, including but not limited to paying the costs and expenses of its agents, employees and facilities hereof, reimbursement of costs incurred by Directors for actual and necessary expenses incurred in the performance of such Director's official duties, and otherwise to carry on and effectively carry out the obligations required by the BFSAs Act; and

WHEREAS, the staff of the BFSAs has carefully reviewed the revenues to be received and expenses and costs anticipated to be incurred in carrying out the duties and functions of

the BFSA and has prepared a budget (attached) based upon its reasonable assumptions of such revenues, costs and expenses.

NOW THEREFORE, BE IT RESOLVED, that the Directors of the Buffalo Fiscal Stability Authority do hereby approve the 2006-2007 BFSA Operating Budget prepared by the BFSA Staff.

### **Contracts**

#### **Energy Study Contract**

Chairman Lipke explained that BFSA is exploring the process by which electricity and natural gas are procured by the City, School District and other covered entities. BFSA distributed a Request for Proposals (RFP) for a firm with expertise in energy economics. Ms. Johnson identified Levitan & Associates, Inc. as the successful bidder of the six firms responding to the Authority's RFP. The cost is \$110,000, within BFSA's budget. BFSA has also submitted a grant application to NYSERDA to defray the costs of this study. BFSA recommended approval of this contact.

Ms. Johnson stated that, if approved, work on the project would likely take six to eight weeks to complete.

Motion by Wilmers, second by Faso, Vote 6-0 to take effect immediately.

### **RESOLUTION NO. 06 - 15**

#### **ENGAGE LEVITAN & ASSOCIATES TO CONDUCT ENERGY PURCHASING STUDY**

WHEREAS, Chapter 122 of the laws of 2003 as amended by Chapter 86 of the laws of 2004 authorizes the Buffalo Fiscal Stability Authority ("BFSA") to do all things necessary or convenient to carry out its purposes; and

WHEREAS, the Directors of the BFSA desire to have a study conducted that will examine the energy procurement strategy for the City of Buffalo's energy pool to determine the best procurement program; and

WHEREAS, after an open Request for Proposal process that produced six responses, a committee of BFSA staff determined that Levitan & Associates, Inc. was the most qualified to conduct this study; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby engage the services of Levitan & Associates, Inc. to conduct a study and make energy procurement recommendations for the City of Buffalo's energy pool at a cost not to exceed \$110,000.00.

### **Contracts**

It was decided to take action on 20 City and School District contracts together. The BFSA Board collectively voted to approve or affirm the contract resolutions 06-16

through 06-19. For the record, both Director Wilmers and Director Faso wanted their objections noted to 06-17, which used bond funds for tree trimming. While both had reservations on the same grounds, they voted to affirm the contract previously approved by the Chairman and Vice Chair. Motion by Giambra, second by Brown. Vote 6-0 to be effective immediately.

**RESOLUTION 06-16**

**AUTHORIZE CITY OF BUFFALO TO ENTER INTO ONE CONTRACT AND/OR OBLIGATIONS**

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 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, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization in excess of \$50,000.00; and

WHEREAS, in order to carry out the mission of the BFSA, the BFSA will review contracts or other obligations in excess of \$50,000, though the BFSA Act provides no limit on contracts or obligations; and

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or other obligation is valued at \$200,000 or more; and

WHEREAS, the Mayor and other City officials have submitted the contract and other obligations for approval at the March 8, 2006 meeting, and have signed the BFSA Remittance Approval Request Form (“RARF”) in which they indicate that there are sufficient funds available for such items; and

WHEREAS, BFSA Staff have reviewed such items and the RARF and recommend approval of such contracts; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the City of Buffalo to enter into one (1) contract and/or obligations as listed below:

1. Cazenovia Park Golf Course Irrigation System \$316,500

**RESOLUTION 06-17**

**AFFIRM AUTHORIZATION OF THE CITY OF BUFFALO TO ENTER INTO ONE CONTRACT**

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 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, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization in excess of \$50,000.00; and

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

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the BFSA Board when the contract or other obligation is valued at \$200,000 or more; and

WHEREAS, on occasion, there may be times when the approval of a contract may be necessary prior to the next scheduled meeting of the BFSA; and

WHEREAS, Resolution No. 04-89 provides a process for the emergency approval of contracts by BFSA Staff, such contracts must be submitted to the BFSA for affirmation by the Board; and

WHEREAS, City officials have submitted one item for emergency approval prior to the March 8, 2006 BFSA meeting, and have signed the BFSA Remittance Approval Request Form (“RARF”) in which they indicate that there are sufficient funds available for the item;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby affirm the emergency approval authorizing the City of Buffalo to enter into one (1) contract as listed below:

1. Schneck’s Tree Removal, Inc. \$561,056.10

**RESOLUTION 06-18**

**AUTHORIZE THE BUFFALO SCHOOL DISTRICT TO ENTER INTO THREE CONTRACTS**

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 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, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization including the School District in excess of \$50,000.00; and

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

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or obligation is valued at \$200,000 or more; and

WHEREAS, School District officials submitted correspondence to BFSA in which they seek the approval of contracts, together with signed BFSA Remittance Approval Request Forms (“RARF”) in which they indicate that there are sufficient funds available for such contracts; and

WHEREAS, certain contracts issued in connection with “No Child Left Behind” legislation must be awarded at an amount “to be determined” (TBD) because enrollment figures are not known at this time; and

WHEREAS, BFSA Staff have reviewed all contracts and the RARF and recommend approval of three contracts; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the Buffalo School District to enter into three (3) contracts as listed below:

- |   |                |
|---|----------------|
| 1. NCLB Additional Funding                            | \$1,543,289.00 |
| 2. Food Service Change Order                          | \$288,510.92   |
| 3. CATE Professional Development & Technology Support | \$683,100.00   |

## **RESOLUTION 06-19**

### **AFFIRM AUTHORIZATION OF THE BUFFALO SCHOOL DISTRICT TO ENTER INTO ONE CONTRACT**

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 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, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization in excess of \$50,000.00; and

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

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or other obligation is valued at \$200,000 or more; and

WHEREAS, on occasion, there may be times when the approval of a contract may be necessary prior to the next scheduled meeting of the BFSA; and

WHEREAS, Resolution No. 04-89 provides a process for the emergency approval of contracts by BFSA Staff, such contracts must be submitted to the BFSA for affirmation by the Board; and

WHEREAS, School District officials have submitted one contract for emergency approval prior to the March 8, 2006 BFSA meeting, and have signed the BFSA Remittance Approval Request Form (“RARF”) in which they indicate that there are sufficient funds available for the contract;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby affirm the emergency approval authorizing the Buffalo School District to enter into one (1) contract as listed below:

- |                         |              |
|-------------------------|--------------|
| 1. WNED Lease Agreement | \$326,103.97 |
|-------------------------|--------------|

### **SCHOOL DISTRICT MOU**

The Board entertained a motion to approve an agreement between the School District and the Buffalo Educational Support Team and a contract with Buffalo State College to provide additional training for teachers’ aides, subject to the approval of the Buffalo Board of Education.

Motion by Giambra, second by Wilmers. Vote 6-0 to take effect immediately.

### **RESOLUTION 06-20**

**APPROVING THE SCHOOL DISTRICT LABOR AGREEMENT WITH BEST AND CONTRACT WITH BUFFALO STATE COLLEGE**

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

WHEREAS, the School District has submitted to the Buffalo Fiscal Stability Authority (“BFSA”) a collective bargaining agreement between the School District and the Buffalo Educational Support Team (“BEST”), the labor organization representing teacher aides employed by the School District; and

WHEREAS, this Memorandum of Understanding (“MOU”) would amend the current contract to allow teacher aides to earn credit hours while being paid their normal salary; and

WHEREAS, this MOU will allow the District to move towards compliance with the federal No Child Left Behind (NCLB) Act and the requirements of the New York State Education Department; and

WHEREAS, Buffalo State College’s Continuing Professional Studies Department, in partnership with the School District, has developed a program to meet these standards; and

WHEREAS, funding is available from a federal Title I grant; and

WHEREAS, BFSA Staff have reviewed the terms of the Agreement and recommend approval;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the Buffalo School District to enter into a Memorandum of Understanding with the Buffalo Educational Support Team and a contract with Buffalo State College to provide teacher aide training, subject to approval of the Buffalo Board of Education.

### **E-RATE CONTRACTS**

The Board entertained a motion to approve a series of contracts between the School District and various vendors in support of the federal E-Rate Year 9 Program.

Motion by Wilmers, second by Brown. Vote 6-0 to take effect immediately.

### **RESSOLUTION NO. 06-21**

**AUTHORIZE THE BUFFALO SCHOOL DISTRICT TO ENTER INTO TWELVE CONTRACTS FOR FEDERAL E-RATE PROGRAM YEAR 9**

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 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, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization including the School District in excess of \$50,000.00; and

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

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or obligation is valued at \$200,000 or more; and

WHEREAS, School District officials submitted correspondence to BFSA in which they seek the approval of contracts, together with signed BFSA Remittance Approval Request Forms (“RARF”) in which they indicate that funding should come from the federal government at a 90% reimbursement rate and 10% from Joint Schools Construction Board (JSCB) funds (of which 94.3% is reimbursed by New York State); and

WHEREAS, the federal government may reject some projects, thus the School District may have to come back to the BFSA for approval if they intend to fully fund the rejected projects with JSCB funding or find other funds in the District’s budget; and

WHEREAS, BFSA Staff have reviewed such contracts and the RARF and recommend approval of twelve contracts; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the Buffalo School District to enter into twelve contracts as listed below:

1. Erie I BOCES – E-mail services	\$46,624.00
2. Apple Computer – E-mail migration system	\$517,011.95
3. Erie I BOCES - Internet	\$30,000.00
4. Erie I BOCES – network maintenance/technology	\$748,628.00
5. Erie I BOCES – network electronics/installation/maintenance	\$1,268,012.00
6. Verizon Select Services – network electronics/hardware	\$4,625,505.83
7. Erie I BOCES – broadband access	\$1,555,700.00
8. PCI – thin client solutions	\$1,144,003.00
9. IVCi, LLC – video conferencing	\$2,531,990.00
10. Ronco – video technology	\$74,671.00
11. Ronco – PBX maintenance	\$332,136.00

12. Verizon Select Services – cabling

\$1,398,952.00

**BURA CONTRACT**

The Board entertained a motion to approve a Fannie Mae lending agreement with Fannie Mae to support a non-revolving line of credit and a collateral mortgage loan to 800 Main Street, LLC.

Motion by Giambra, second by Brown, Vote 6-0 to take effect immediately.

**RESOLUTION NO. 06-22**

**APPROVE BUFFALO URBAN RENEWAL AGENCY FANNIE MAE LENDING AGREEMENT AND 800 MAIN STREET, LLC, LOAN**

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 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, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization in excess of \$50,000.00; and

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

WHEREAS, the BFSA will review contracts or other obligations in excess of \$50,000, but will require approval by the full BFSA Board when the contract or other obligation is valued at \$200,000 or more; and

WHEREAS, the Buffalo Urban Renewal Agency (“BURA”) has arranged for a \$6,000,000 non-revolving line of credit (five year term, variable interest rate based on three month LIBOR) with Fannie Mae as a fund to provide bridge loans leveraged against additional dollars for investment in targeted neighborhoods to be repaid by future community development block grant dollars; and

WHEREAS, the first transaction involving these funds will be a loan of \$2,000,000 to 800 Main Street, LLC. for commercial and residential development at 844-864 Main Street; and

WHEREAS, the BURA officials have submitted contracts and other obligations for approval at the March 8, 2006 BFSA meeting, and have signed the BFSA Remittance

Approval Request Form (“RARF”) in which they indicate that there are sufficient funds available for such items; and

WHEREAS, BFSA Staff have reviewed such items and the RARF and recommend approval of such contracts; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the Buffalo Urban Renewal Agency to enter into contracts and obligations as listed below:

- |   |                |
|---|----------------|
| 1. Fannie Mae Lending Agreement – line of credit    | \$6,000,000.00 |
| 2. 800 Main Street, LLC. – collateral mortgage loan | \$2,000,000.00 |

### **Closing Remarks**

Chairman Lipke thanked all who attended the meeting. Having no further business, Chairman Lipke made a motion to adjourn, which was duly seconded. The meeting adjourned at 3:02 PM.