

MINUTES
Buffalo Fiscal Stability Authority
Audit, Finance & Budget Committee
June 5, 2007

The regular meeting of the Audit, Finance & Budget Committee meeting of the Buffalo Fiscal Stability Authority (BFSA) was called to order at 12:47 PM on June 5, 2007 at the Buffalo & Erie County Central Public Library by Rev. Stenhouse, Chair of the Audit Committee. The meeting was convened by Notice of Meeting sent to the Director and announced the public and press.

Directors Present: Lipke, Townsend and Stenhouse

Directors Absent: N/A

Staff Present: Johnson, Kelly, Link, Mobley, Miller, Mitchell, and Stefko

Opening Remarks:

Secretary Stenhouse called the meeting to order and called roll. Finding a quorum present, the meeting commenced.

Approval of Minutes

Secretary Stenhouse requested a motion to approve the minutes from the January 31, 2007 committee meeting.

Motion by Lipke, second by Townsend. Vote 3-0 to take effect immediately.

Open Issues

Review of Budget and Four-Year Plan

Secretary Stenhouse requested that Executive Director Dorothy A. Johnson explain the proposed BFSA budget and four-year plan.

Ms. Johnson provided a summary of the proposed BFSA Budget & Four-Year plan. She noted that the BFSA preliminary budget and financial plan had been posted at nine public libraries around the City of Buffalo and has also been available on BFSA's website in accordance with the BFSA Act.

Chair Lipke sought clarification regarding delivery of the Budget and Four-Year plan to the Board. Ms. Johnson explained that all Directors had received the materials in their January 31st board book. She further explained BFSA has budgeted decreases in expenses over the course of the plan, going from about \$1.4m to \$1.3m. BFSA's actual spending has been below

budget every year and spent about \$1m every year. In BFSA's 2007-2008 budget, there have been modest revisions (from the January preliminary budget). The State is providing more money that passes through BFSA as revenues, increasing from about \$247m to about \$282m. Operational costs have been steady, but decreasing a little every year (as reflected in the four-year plan).

Secretary Stenhouse sought a motion to send the Budget and Four-Year plan to the full Board for approval.

Motion by Townsend, second by Lipke. Vote 3-0 to take effect immediately.

Renewal of Procurement Policy

The Procurement Guidelines had been provided to BFSA Board members prior to the meeting. Ms. Johnson noted that the BFSA Act required annual review of the Guidelines, but that the Proposed Guidelines were identical to those adopted in the immediately prior year. The Directors recommended sending them to the full Board for approval. Motion by Townsend, second by Lipke, Vote 3-0 to take effect immediately.

Renewal of Investment Guidelines

The proposed BFSA Investment Guidelines were also provided to BFSA Board members in advance of the meeting. Ms. Johnson explained that, pursuant to the BFSA Act, the Investment Guidelines are also subject to annual review but have been unchanged from the prior year. If adopted by the BFSA Board they will define the investment limitations of the BFSA for the following year. These Guidelines conform to the BFSA Act and the Public Authorities Law. The quarterly report on BFSA's investment earnings was provided in the May 9, 2007 Board Book. The Directors reviewed BFSA's existing Investment Guidelines and recommended sending them to the full Board for approval. Motion by Lipke, second by Townsend. Vote 3-0 to take effect immediately.

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