

BUFFALO FISCAL STABILITY AUTHORITY

RESOLUTION NO. 07 - 21

**LIFTING OF THE AUTHORITY'S WAGE FREEZE AND
APPROVAL OF CITY OF BUFFALO REVISED FOUR YEAR FINANCIAL PLAN**

WHEREAS, Section 3857 of the Buffalo Fiscal Stability Authority Act (the "BFSA Act") requires the City of Buffalo (the "City") to submit (i) a four-year financial plan that includes the City, the Buffalo Public School District, the Buffalo Municipal Housing Authority ("BMHA") and the Buffalo Urban Renewal Agency ("BURA")(collectively the "Covered Organizations") and (ii) the Mayor's proposed City budget to the Buffalo Fiscal Stability Authority ("BFSA") not later than the date required for submission of the budget to the Common Council as set by the City Charter, and

WHEREAS, the City submitted a four-year financial plan for fiscal years 2008-11 and the proposed 2007-08 City budget on May 1, 2007 to the BFSA that, for the first time since the Authority began approving four year financial plans and budgets of the City, projected no budget gaps during any year of the four year forecast period, and

WHEREAS, prior four year financial plans submitted by the City to the BFSA projected substantial budget gaps in one or more years of the forecast period as well as on a cumulative basis, including most recently for the 2006-07 fiscal year; and

WHEREAS, at the BFSA Board meeting on May 9, 2007, the Board discussed whether the City's improved financial condition evidenced a sufficient abatement of the fiscal crisis to consider the possibility of lifting the wage freeze in accordance with the provisions of the BFSA Act; and

WHEREAS, the BFSA Board requested that the City and its covered entities to prepare and deliver a revised four-year financial plan that reflected the projected financial impact of lifting the wage freeze during the 2008-11 forecast period, and

WHEREAS, the City submitted the revised 2008-11 four-year financial plan on May 23, 2007, and

WHEREAS, the BFSA has received a Certificate from the Mayor that indicates that the budget submitted with the complete plan is consistent with the City's revised 2008-11 four-year financial plan and that the City operations within the 2007-08 budget are feasible as required by Section 3857(2)(a) of the BFSA Act, and

WHEREAS, the BFSA has reviewed the revised 2008-11 four year financial plan and determined that the absence of projected budget gaps during the four year forecast period reflects the City's improved financial condition and, among other factors, evidences that the fiscal crisis has sufficiently abated for the City's 2007-08 fiscal year to enable a lifting of the BFSA's wage freeze as of July 1, 2007, and

WHEREAS, the BFSa has also determined that additional City resources, in the form of increased levels of State aid to the City, as well as the pledge of the State to continue to provide the City with such increased levels of State aid in the future, are likely to be sufficient to offset the 2008-11 financial plan's projected additional labor costs of the City and its Covered Organizations resulting from the lifting the wage freeze, as well as additional costs contingencies that may result, and

WHEREAS, the BFSa has reviewed the revised four-year financial plan as submitted by the City and, taking into consideration the risk that actual experience may vary from budgetary and planning projections, has determined that the revised four year financial plan is in compliance with the applicable provisions of the BFSa Act, and

NOW, THEREFORE, BE IT

RESOLVED, that the BFSa hereby determines that the fiscal crisis will have sufficiently abated for the City's 2007-08 fiscal year to warrant a lifting of the wage freeze, and the wage freeze (Resolution 04-35) is hereby lifted effective July 1, 2007; and be it further.

RESOLVED, that the BFSa hereby certifies the revenue estimates in the revised 2008-11 four-year financial plan submitted to the BFSa by the Mayor on May 23, 2007; and be it further

RESOLVED, that the BFSa hereby determines that the revised 2008-11 four-year financial plan as submitted is complete, complies with the standards set forth in Sections 3857 and 3858 of the BFSa Act, and is hereby approved.

This Resolution shall take effect immediately.

Approved June 5, 2007

/S/Reverend Richard A. Stenhouse