

# **BUFFALO FISCAL STABILITY AUTHORITY**

## **DEFENSE AND INDEMNIFICATION POLICY**

Each Director, officer and employee of the Authority, all of whom shall be deemed officers and employees of the State for the purposes of section seventeen of the public officers law, shall be held harmless and indemnified as provided for in section 3870 of the Buffalo Fiscal Stability Act enacted as chapter 122 of the laws of 2003.

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## **COMPENSATION AND REIMBURSEMENT POLICY**

The officers of the Buffalo Fiscal Stability Authority (the "BFSA"), including the chief executive officer and other senior management, shall serve at the pleasure of the Board, with such salary as the Board may from time to time approve, and may be reimbursed for reasonable expenses incurred in the performance of duties, as approved by the Board.

The officers of the BFSA shall be available as required to perform the operations of the BFSA. As such, said officers of the BFSA shall put forth their best efforts to perform their respective duties as outlined in the By-Laws of the BFSA.

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## **TRAVEL POLICY**

This policy applies to all directors, officers and employees of the Buffalo Fiscal Stability Authority (the "BFSA").

All official travel for which a reimbursement will be sought must be approved by the Executive Director of the BFSA prior to such travel; provided, however, that in the instance where the Executive Director will seek reimbursement for official travel, such travel must be pre-authorized by the Chair or Vice-Chair of the Board of the BFSA.

The BFSA will reimburse all reasonable expenses related to meals, travel and lodging that were incurred by any director, officer or employee as a result of the performance of their official duties. All official travel shall be properly authorized, reported and reimbursed. Under no circumstances shall expenses for personal travel be charged to, or temporarily funded by the BFSA. It is the traveler's responsibility to report his or her travel expenses in a responsible and ethical manner, in accordance with this policy.

Travelers may use their private vehicle for business purposes and will be reimbursed at a standard mileage reimbursement rate.

Meals will be reimbursed at actual expense or a per diem rate, whichever is less.

Lodging will be reimbursed at actual expense up to certain daily rate caps established for various locations. The applicability of such caps shall be determined on a case by case basis taking into consideration availability of lodging and other extenuating circumstances.

Reimbursement for miscellaneous expenses shall be determined on a case by case basis.

Mileage rates, per diem allowances and lodging caps will be established and from time to time, as amended by the Executive Director of the BFSA. All determinations made pursuant to this policy shall be made by the Executive Director. In the instance where such determinations regard the travel of the Executive Director, the Chair or Vice-Chair of the Board shall make such determinations.

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## **RES 08-45**

### **1. AMEND BY-LAWS**

**WHEREAS**, the Public Authorities Accountability Act of 2005 imposes on the BFSAs certain requirements, including, among others, requirements affecting the committee structure of the Board of Directors of the BFSAs, membership eligibility for committees and restrictions on Board members serving as officers; and

**WHEREAS**, in consequence of these requirements, certain amendments to the BFSAs's By-Laws are necessary or desirable; and

**WHEREAS**, appropriate amendments to the By-Laws have been presented and discussed at this meeting.

**NOW THEREFORE BE IT RESOLVED**, that the proposed amendments to the By-Laws, in the form presented at this meeting, be and hereby are approved and adopted, and a copy of the amendments is hereby ordered to be annexed to the minutes of this meeting.

### **2. COMPOSITION OF AUDIT, BUDGET AND FINANCE COMMITTEE**

**WHEREAS**, the Board, by Resolution 03-55 on October 21, 2003, has established an Audit, Budget and Finance Committee; and

**WHEREAS**, Subdivision 4 of Section 2827 of the Public Authorities Law ("PAL") requires that all members of an audit committee shall be Independent Directors;

**NOW, THEREFORE, BE IT RESOLVED**, that the Audit, Budget and Finance shall be comprised of one or more Directors, each of whom qualifies as an Independent Director; and

**BE IT FURTHER RESOLVED**, that the current members of the Audit, Budget and Finance Committee, namely John Giardino, Chair, Paul Kolkmeier and Wayne Mertz, each an Independent Director, be and hereby are confirmed, ratified and approved to continue as members of the Committee.

### **3. COMPOSITION OF GOVERNANCE COMMITTEE**

**WHEREAS**, the BFSAs, by Resolution No. 06-27 on April 12, 2006, established a Governance Committee; and

**WHEREAS**, Subdivision 7 of Section 2824 of the PAL requires that all members of the Governance Committee shall be Independent Directors;

**BE IT FURTHER RESOLVED**, that the current members of the Governance Committee, namely Alair Townsend, Chair, Paul Kolkmeier and George Arthur, each an Independent Director, be and hereby are confirmed, ratified and approved to continue as members of the Committee.

#### **4. SUBMISSION OF ANNUAL REPORT**

**RESOLVED**, that pursuant to Subdivision 2(a) of Section 2800 of PAL, the Board shall submit to the Governor, the chair and ranking member of the Senate Finance Committee, the chair and ranking member of the Assembly Ways and Means Committee, and the State Comptroller no later than September 28 each year, a complete and detailed report (the "Annual Report") setting forth: (1) its operations and accomplishments; (2) its receipts and disbursements, or revenues and expenses, during such fiscal year in accordance with the categories or classifications established by such authority for its own operating and capital outlay purposes; (3) its assets and liabilities at the end of its fiscal year including the status of reserve, depreciation, special or other funds and including the receipts and payments of these funds; (4) a schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year as part of a schedule of debt issuance that includes the date of issuance, term amount, interest rate and means of repayment. Additionally, the debt schedule shall also include all refinancings, calls, refunding, defeasements and interest rate exchange or other such agreements, and for any debt issued during the reporting year, the schedule shall also include a detailed list of costs of issuance for such debt; (5) a compensation schedule that shall include, by position, title and name of the person holding such position or title, the salary, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of such authority whose salary is in excess of one hundred thousand dollars; (6) the projects undertaken by such authority during the past year; (7) a listing of (i) all real property of such authority having an estimated fair market value in excess of fifteen thousand dollars that the authority intends to dispose of; (ii) all such property held by the authority at the end of the period covered by the report and (iii) all such property disposed of during such period. The report shall contain an estimate of fair market value for all such property held by the authority at the end of the period and the price received by the authority and the name of the purchaser for all such property sold by the authority during such period; (8) such authority's code of ethics; and (9) an assessment of the effectiveness of its internal control structure and procedures; and

#### **5. CERTIFICATION OF ANNUAL REPORT**

**RESOLVED**, that pursuant to Subdivision 3 of Section 2800 of PAL, the chief executive officer and the chief financial officer shall execute the attached Certificate of the Chief Executive Officer and Chief Financial Officer certifying that the financial information contained in the Annual Report is accurate, correct and does not contain any untrue statements.

#### **6. BUDGET REPORT**

**RESOLVED**, that pursuant to Subdivision 2 of Section 2801 of PAL, on or before May 1 of each year, the Corporation will submit to the Governor, the chair and ranking member of the Senate Finance Committee, and the chair and ranking member of the Assembly Ways and Means Committee, the Corporation's budget for the fiscal year to begin on July 1 of such year.

**FURTHER RESOLVED** that: (1) the certified independent public accounting firm performing the BFSAs audit will be prohibited & from providing audit services if the lead (or coordinating) audit partner responsible for reviewing the audit, has performed audit services for the BFSAs in each of the five previous fiscal years; (2) the certified independent public accounting firm performing the audit shall be prohibited from performing any non-audit services to the BFSAs, unless receiving previous written approval by the audit committee including: (a) bookkeeping or other services related to the accounting records or financial statement of the BFSAs, (b) financial information systems design and implementation, (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports, (d) actuarial services, (e) internal audit outsourcing services, (f) management functions or human services, (g) broker or dealer, investment advisor, or investment banking services and (h) legal services and expert services unrelated to the audit; and (3) it shall be prohibited for any certified independent public accounting firm to perform for such BFSAs any audit service if the chief executive officer, comptroller, chief financial officer, chief accounting officer, or any other person serving in an equivalent position for the BFSAs, was employed by that certified independent public accounting firm and participated in any capacity in the audit of the BFSAs during the one (1) year period preceding the date of the initiation of the audit.

#### **7. ADOPT COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY**

**RESOLVED**, that the Compensation, Reimbursement and Attendance Policy presented at this meeting is hereby adopted and approved.

**8. ADOPT TRAVEL POLICY**

**RESOLVED**, that the Travel Policy presented at this meeting is hereby adopted and approved.

**9. ADOPT DEFENSE AND INDEMNIFICATION POLICY**

**RESOLVED**, that the Defense and Indemnification Policy presented at this meeting is hereby approved and adopted.

**10 AUTHORITY OF OFFICERS OF BFS A**

**RESOLVED**, that the proper officers of the BFS A are hereby authorized, empowered and directed to do all things, and acts and to execute all documents as may be necessary, or advisable and proper, to carry on the business of the BFS A, for and on behalf of the BFS A.

This resolution shall take effect immediately.

Approved September 19, 2008

/S/ George K. Arthur

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George K. Arthur  
Secretary