

AUDIT, FINANCE & BUDGET COMMITTEE MINUTES
BUFFALO FISCAL STABILITY AUTHORITY
Wednesday, March 18, 2009

The following are minutes from the Buffalo Fiscal Stability Authority's Audit, Finance and Budget Committee meeting held on Wednesday, March 18, 2009, at the Buffalo & Erie County Central Public Library.

Committee Members Present: Giardino, Kolkmeier & Mertz

Additional Attendees [at the behest of Chair Giardino]: Arthur, Brown, Collins, Johnstone & Townsend

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

The Buffalo Fiscal Stability Authority's Audit, Finance and Budget Committee meeting was called to order at 12:45 PM by Committee Chair Giardino. He called a roll of the members. Finding a quorum present, the meeting commenced.

Opening Remarks

Director Giardino summarized the meeting's agenda which included the following:

- A resolution to approve the minutes from the September 19, 2008, Committee meeting;
- An introduction to the BFSA Preliminary Budget and Four-Year Financial Plan; and
- The engagement of Independent Auditor Services.

Approval of September 19, 2008 Meeting Minutes

Director Giardino introduced a resolution to approve the minutes from the September 19, 2008, Committee Meeting.

Motion by Mertz, second by Giardino.

Director Arthur noted that the minutes contained a minor error which needed correction. The minutes stated on page two, paragraph nine:

Original Language – “Motion by Kolkmeier, second by Townsend. Motion approved 7-0.”

Director Arthur noted that the Committee was only comprised of three members and since the motion had carried unanimously, an amendment is required.

Recommended New Language – “Motion by Kolkmeier, second by Townsend. Motion approved 3-0.”

Director Giardino accepted this revision. The minutes were approved 3-0 as amended.

RESOLUTION NO. 09-01

APPROVING COMMITTEE MINUTES FROM SEPTEMBER 19, 2008

BE IT RESOLVED that the Audit, Finance & Budget Committee of the Buffalo Fiscal Stability Authority approves the minutes of its meeting of SEPTEMBER 19, 2008.

This Resolution shall take effect immediately.

At 12:47 PM Mayor Brown and County Executive Collins joined the proceedings.

Preliminary BFSA Budget and Four-Year Financial Plan

Director Giardino introduced BFSA’s Preliminary BFSA Budget and Four-Year Financial Plan, as well as a resolution authorizing staff to post the material for public input.

Executive Director Mitchell elaborated and stated that, pursuant to New York State Office of the Comptroller [NYSOSC] regulations, the preliminary budget must be made available for public inspection at least 30 days before approval by the Board and not less than 60 days before the commencement of the next fiscal year. The material will be posted on the BFSA website as well as at least five separate locations of the Buffalo & Erie County Public Library for the next 45 days.

Director Arthur stated that the Board will need to carefully evaluate the budget and acknowledge the comments from the public, after its posting.

Director Giardino asked for a motion to approve the resolution to post the preliminary Budget and Four-Year plan, consistent with NYSOSC’s regulations.

Motion by Kolkmeier, second by Giardino. Approval 3-0.

RESOLUTION NO. 09-02

AUTHORIZE BFSA TO POST THE PROPOSED 2010-2013 BUDGET AND FOUR YEAR PLAN

WHEREAS, the Buffalo Fiscal Stability Authority (the “BFSA”) was formed by Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 (“The BFSA 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 BFSA 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 BFSA Act; and

WHEREAS, the staff of the BFSA 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; and,

WHEREAS, the staff of the BFSA has forecasted revenues to be received and expenses and costs anticipated in carrying out the duties and functions of the BFSA over the period for fiscal years 2010 through 2013; and,

WHEREAS, consistent with the regulations of the Office of the State Comptroller the BFSA will make available proposed budgets and financial plans for public inspection at least 30 days before approval by the Board, and not less than 60 days before the commencement of the next fiscal year ,and, for a period of not less than 45 days; and,

NOW THEREFORE, BE IT RESOLVED, that the Audit, Finance and Budget Committee of the Board of the Buffalo Fiscal Stability Authority do hereby authorize the posting of the preliminary budget and four-year plan in a minimum of five separate locations of the Buffalo and Erie County Library for the next 45 days; and,

BE IT FURTHER RESOLVED, THAT THE Audit, Finance and Budget Committee of the Board of the Buffalo Fiscal Stability Authority do hereby authorize the posting of its preliminary budget and four-year plan on its

website for the next 45 days.

This resolution shall take effect immediately.

Engagement of Independent Audit Services

Director Giardino stated that BFSA had issued an RFP for Independent Auditor Services. He asked Executive Director Bertha Mitchell to elaborate.

Ms. Mitchell explained that BFSA had issued an RFP for Independent Auditor Services. Two responses were received. Staff reviewed both proposals, consulted with the members of the Committee, and has recommended retaining Lumsden & McCormick as the authority's Independent Auditor for the next three years, reviewable on a yearly basis. However, pursuant to NYSOSC requirements, a new audit partner, Ms. Donna Gonser, will act as the partner in charge of the audit. Mr. John Schiavone has served in this capacity for the last five years.

The proposal submitted by Lumsden & McCormick was \$3,000 higher per year than the other submission; the proposal was deemed superior in its content which, in addition to the firm's satisfactory history with the Authority along with the firm's institutional knowledge of the operations, was deemed the best value.

Director Giardino asked for a motion to send the issue of retaining Lumsden & McCormick as the authority's independent auditor to the full Board with a recommendation for approval.

Mayor Brown asked how many firms had been invited to bid and Ms. Mitchell responded that the ad had been placed in the Contract Reporter, which most auditing firms subscribe to and in the BFSA website.

Motion to send the issue to the full Board with a recommendation for approval by Mertz, second by Kolkmeier. Motion approved 3-0.

Adjournment

Mr. Mertz entertained a motion to adjourn which was carried unanimously. The meeting adjourned at 12:58 PM.