

AUDIT, FINANCE & BUDGET COMMITTEE MINUTES
BUFFALO FISCAL STABILITY AUTHORITY
Wednesday, June 10, 2009

The following are minutes from the Buffalo Fiscal Stability Authority's Audit, Finance and Budget Committee meeting held on Wednesday, June 10, 2009, at the Buffalo & Erie County Central Public Library.

Committee Members Present: Giardino, Kolkmeier & Mertz

Additional Attendees [at the behest of Chair Giardino]: Arthur, Johnstone, Mesiah & 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 welcomed the Directors in attendance who are not Committee members and pointed out the emergency exits of the auditorium. Director Giardino then 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 May 13, 2009, Committee meeting; and
- BFSA's Proposed Budget and Four-Year Financial Plan.

Director Giardino introduced a resolution to approve the minutes from the May 13, 2009, Committee Meeting.

Motion by Kolkmeier, second by Mertz.

Director Mertz recommended approval of the minutes with the following amendment:

Original Language - *Director Mertz reintroduced BFSA's Preliminary Budget & Four-Year Financial Plan. He noted that there have been some minor revisions since its introduction to the Board on March 18, 2009. He asked that comments and suggestions be directed to BFSA's Executive Director, Ms. Bertha H. Mitchell, or to the Board Chair, Paul Kolkmeier. He noted that there was a 7.3% reduction from next year's budget versus the projected FY 2009 final.*

Proposed New Language - *Director Mertz reintroduced BFSA's Preliminary Budget & Four-Year Financial Plan. He noted that there have been some minor revisions since its introduction to the Board on March 18, 2009. He asked that comments and suggestions be directed to BFSA's Executive Director, Ms. Bertha H. Mitchell, or to the Board Chair, Paul Kolkmeier. He noted that there was a 24% reduction from next year's budget versus the projected FY 2009 final.*

Director Giardino accepted this amendment to the minutes of the May 13, 2009 Audit, Finance & Budget Committee meeting. The minutes were approved 3-0, as amended.

**RESOLUTION NO. 09-03
APPROVING COMMITTEE MINUTES FROM May 13, 2009**

BE IT RESOLVED that the Audit, Finance & Budget Committee of the Buffalo Fiscal Stability Authority approves the minutes of its meeting of May 13, 2009, and ratifies and affirms resolutions 09-01 and 09-02 that were approved May 13, 2009.

This Resolution shall take effect immediately.

BFSA 2010 Budget & Four-Year Financial Plan

Director Giardino introduced BFSA's 2010 Proposed Budget and 2010-13 Four-Year Financial Plan. He briefly discussed the Board's previous approval, in March 2009, addressing the manner of dissemination of the budget and four-year plan for public viewing and comment. He noted the posting of the budget on the BFSA website and appearance of the May 13, 2009 Public Forum in various newspapers.

The 2010 Budget and Four Year plan was submitted to the full Board at their May 13, 2009 meeting for consideration.

Director Giardino asked for a motion to send the material to the full Board with a recommendation for approval.

Motion by Mertz, second by Kolkmeier.

Director Arthur asked for the final cost of the Public Forum report. At the behest of Director Giardino, staff Senior Analyst Bryce E. Link asked Director Arthur for clarification of the costs of his concern. Director Arthur informed him that we wanted total costs, advertising, publishing, including all "nuts and bolts." Mr. Link stated that the total cost was not readily available at the moment but that a final summation of all of the costs would be produced by staff and forwarded to the Directors.

Director Arthur noted that the proposed budget included a 3% increase from current salaries (excluding the Executive Director position). He queried whether or not every employee of the Authority will receive a 3% salary increase.

Director Giardino stated that a 3% "across-the-board" increase had been incorporated into the budget line. In regards to Director Arthur's question whether each staff member would receive a 3% salary increase, Chair Kolkmeier stated that this was not implied; the budget line was merely increased by 3% leaving room for salary increases that could be three percent per employee or 2 percent for one employee and four percent for another employee, while one promotion was also budgeted for.

Director Giardino noted that Director Arthur's query contained two separate issues – one budgetary and one personnel. He stated that the budgetary question is one to be addressed by the Committee and is a 3% line increase. The second part of the question regards personnel and is therefore not within the established scope of the Audit, Finance & Budget Committee.

Director Arthur asked how the 3% line increase had been arrived at. BFSA Executive Director Bertha H. Mitchell stated that it was determined by the recent salary increases granted to City employees, however without the \$2,000 bonus. In addition to the recent CBA increases, City employees are granted "step increases."

Director Arthur asked who the candidate for promotion was. Chair Kolkmeier stated that this was a human resources issue, not one to be addressed by the Committee.

Director Giardino concurred. He stated that the issue at hand was to accept the proposed budget and recommend its approval by the full Board. He stated that approval by the Board would allow the Executive Director to make the promotion, if necessary, and to address the additional responsibilities and staffing requirements that were identified during the Executive Director search process. He reiterated that discussions related to personnel issues are not appropriate for the Committee.

Director Arthur responded by asking whether the promotion would be reviewed by the Committee as a formal request for a budget modification once the candidate was identified prior to the promotion becoming a reality.

Chair Kolkmeier suggested that the Committee adjourn into Executive Session to address Director Arthur's personnel questions.

Director Giardino replied that it was only appropriate to go to Executive Session for personnel or litigation matters. He stated that the budget process had included:

- Staff preparing a preliminary budget for review for the Directors;
- Public posting of the financial material;
- Public commentary regarding the material;
- Director revision and feedback.

Following this process, the Committee is now prepared to accept the budget and recommend its approval to the full Board. The Board had recently reevaluated its personnel needs as part of the Executive Director Search. The line-item increase has been deemed appropriate. It includes room for "fair-pay increases" as well as a promotion, if warranted.

Director Arthur expressed further issues with the budget relating to personnel issues.

Chair Kolkmeier reiterated his call to exit into Executive Session.

Motion to adjourn into Executive Session by Kolkmeier, second by Mertz. Approval 3-0 to exit into Executive Session at 12:49 PM.

Executive Session

Pursuant to the New York State Public Officers Law, Article 7, §103. "Open meetings and executive sessions," the Committee entered into executive session to discuss a personnel matter.

At 12:55 PM, the Committee returned from Executive Session.

Motion to adjourn from Executive Session by Kolkmeier, second by Giardino. Approval 3-0 to exit from Executive Session.

Director Giardino called for the vote on the motion to send the Budget and Four-Year Financial Plan to the full Board with a recommendation for approval. Approval 3-0.

Adjournment

Director Giardino asked for a motion to adjourn which was carried unanimously. The meeting adjourned at 1:03 PM.