

**GOVERNANCE COMMITTEE MINUTES  
BUFFALO FISCAL STABILITY AUTHORITY  
Wednesday, July 29, 2009**

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The following are the minutes from the Buffalo Fiscal Stability Authority's Governance Committee meeting on Wednesday, July 29, 2009, held at the Buffalo & Erie County Public Library's Central Branch.

**Committee Members Present:** Arthur, Kolkmeier & Townsend

**Additional Directors Present:** Johnstone, Mesiah, & Mertz

**Staff Present:** Kelly, Link, Miller, Mobley and Mongold

**Opening Remarks**

The Buffalo Fiscal Stability Authority's Governance Committee was called to order at 12:30 pm by Committee Chair Alair Townsend.

Director Townsend explained that the meeting's agenda would encompass the review of various policies of the BFSA with the intent to recommend their approval by the full Board. The Procurement Report will be reviewed on an informational basis. She called roll. Finding a quorum present, the meeting commenced.

**Minutes**

Director Townsend introduced Governance Committee Resolution 09-01 to approve the meeting minutes from December 8, 2008.

Motion to approve by Kolkmeier, second by Arthur.

Director Arthur recommended approval of the meeting minutes from December 12, 2008. He requested that additional dialogue regarding his desire to change the timing of the annual public forum be added. At the December 12, 2008, Governance Committee meeting, it had been decided that Director Arthur and then BFSA Legal Counsel Mr. Will Smith, Esq. would meet to discuss drafting language to submit to the "Western New York State Delegation" regarding this issue.

All members agreed to add the necessary language to the minutes to address this issue. It was decided that Director Arthur would reach out to current BFSA Legal Counsel, Mr. A.V. Buzard, Esq. regarding the issue.

Vote 3-0 to approve.

**RESOLUTION NO. 09-01  
APPROVING MINUTES AND RESOLUTION FROM DECEMBER 12, 2008**

BE IT RESOLVED that the Buffalo Fiscal Stability Authority approves the minutes of its meeting of December 12, 2008, and ratifies and affirms resolution 08-03 that was approved on said date.

This Resolution shall take effect immediately.

***BFSA Policies/ Guidelines***

Director Townsend introduced a set of policies, guidelines and one report to be reviewed by the Committee as follows:

1. Procurement Guidelines;
2. Procurement Report (Board Action not required);
3. Prompt Payment Policy;
4. Property Disposal Guidelines;
5. Investment Guidelines;
6. Code of Ethics; and
7. Whistleblower Policy.

She provided the following summary:

1. These policies have been approved by the Board on a yearly basis.
2. There are no substantive changes to the policies, only minor modifications to update obsolete references, updates to current information to clarify phrases and provide continuity among policy directives.

She asked for a motion to send the policies and guidelines to the full Board with a recommendation for approval.

Motion by Kolkmeier, second by Arthur.

Director Arthur noted that the Procurement Guidelines referenced contract solicitation from “Women & Minority-Owned” businesses (page 5 of 16) while the Investment Guidelines referenced an “Affirmative Action” program (page 11 of 11). He asked that we (the Board) have an opportunity to review the “program of Affirmative Action” at some point.

Director Townsend stated that the Committee would look into this.

Director Mertz noted that the Investment Guidelines (page 3 of 11, article four, section f) state the following:

***“any bonds or other obligations of any state, or the United States of America or of any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which bonds or other obligations, at the time of the investment, have received any of the three highest ratings of two nationally recognized independent rating agencies.”***

He asked staff if the bonds BFSA has invested in meet the criteria.

Principal Analyst Mike Kelly replied that the staff would review this issue and submit the findings to him after the meeting.

Executive Director Jeanette Mongold stated that BFSA is currently invested in US Treasuries and Commercial paper but not bonds. She echoed Mr. Kelly's sentiment that the issue would be explored.

Director Townsend called the vote. Vote 3-0 to send the material to the full Board with a recommendation for approval.

### ***BFSA Procurement Report***

Director Townsend introduced BFSA's 2009 Procurement Report and asked Ms. Mongold to provide a summary.

Ms. Mongold stated the following:

1. The Procurement Report is required to be produced annually and follows the approved Procurement Guidelines.
2. Any contract entered into exceeding \$15,000 needs to be included in the report.
3. The report will be added to the website as well as submitted to the State of New York, per the requirement.
4. No new contracts were entered into which meet the monetary threshold. Two existing contracts which exceed \$15,000 annually are included (Harris Beach for legal services and Buffalo Economic Renaissance Corporation for office space).
5. The report does not require Board approval.

### ***BFSA Bylaws***

Director Townsend stated that the BFSA Bylaws had been presented and tabled at the previous meeting of the Committee to address Director Arthur's concerns.

Director Arthur replied that the BFSA Bylaws were the second issue that he had intended to discuss with former Legal Counsel Mr. Smith. He will discuss the matter with the current legal counsel, as well as the Executive Director.

The item remained tabled until the next meeting of the Committee.

Revisiting the issue of the timing of the Public Forum, Director Townsend expressed that the current timing of the event has merit as the budget and financial plan are reviewed prior to the Common Council vote. BFSA does not make line-item changes to the budget but rather approves or disapproves it. Having the citizenry comment on the Common Counsel version, basically the adopted budget, of the plan does not allow them to submit any actionable material. The framers in Albany wanted the public to meet and submit ideas to BFSA prior to the Common Council vote.

Director Arthur replied that the Common Council has up to twenty-one days after the Mayor's submittal to act on the budget. Having a BFSA Public Forum within ten days of

the submittal does not allow the citizenry sufficient time to receive and review the material appropriately. Further, BFSAs has held the Forum “morning, noon and night” without a sufficient turnout. The process needs to be amended so that more individuals will attend.

Director Townsend responded that the citizenry’s lack of participation is a manner to express dissatisfaction with the process. By seeking the flexibility to hold the hearing later in the month yet prior to the Common Council hearing, the hope is that more individuals will attend as they’ve had adequate time to review the material.

Chair Kolkmeier asked if the Public Forum had been held in the evening in prior years. Director Townsend replied that it had been.

Chair Kolkmeier asked Director Arthur to clarify his position on the matter. He asked if his aim was not only to have flexibility on when the hearing is held but also if the hearing is held. Director Arthur replied that it was only the flexibility of the timing. Holding a public forum as is currently mandated by the enabling act does not have merit and is a waste of time and money.

Director Townsend recommended reaching out to “the powers that be” in Albany to see whether or not holding the public forum at a later time to allow the citizenry sufficient time to review the material would be acceptable, even without a legislative change. She asked Ms. Mongold to explore the option.

Chair Kolkmeier added that the issue should be reviewed by BFSAs’s Legal Counsel to solicit their feedback.

### **Adjournment**

Director Townsend asked for a motion to adjourn. Motion by Kolkmeier, second by Arthur. Vote 3-0.

The meeting adjourned at 12:49 PM.