

**BUFFALO FISCAL STABILITY AUTHORITY**  
**Audit, Finance, and Budget Committee Meeting**  
**Minutes March 13, 2013**

---

The following are the minutes from the meeting of the Audit, Finance, and Budget Committee (the "Committee") of the Buffalo Fiscal Stability Authority (the "BFSA") held on Wednesday, March 13, 2013, in the Buffalo Market Arcade Complex. The meeting was called to order at 12:36 PM.

**Committee Members Present:** Floss, Mesiah, Olsen

**Staff Present:** Link, N. Miller, R. Miller, Mongold

**Opening Remarks**

Committee Chair Olsen opened the meeting by calling a roll of the members. Finding a quorum present, the meeting commenced.

**Approval of Minutes**

Chair Olsen introduced Committee Resolution No. 13-01: "Approving Minutes and Resolution from September 24, 2012." He asked for a motion to move the item.

Director Floss offered a motion to approve the resolution.

Director Mesiah seconded the motion.

**AUDIT, FINANCE, & BUDGET COMMITTEE RESOLUTION No. 13-01**  
**APPROVING MINUTES AND RESOLUTION FROM SEPTEMBER 24, 2012**

---

NOW THEREFORE BE IT RESOLVED that the Buffalo Fiscal Stability Authority's Audit, Finance, and Budget Committee approves the minutes of its meeting on September 24, 2012.

BE IT FURTHER RESOLVED that the Buffalo Fiscal Stability Authority's Audit, Finance, and Budget Committee ratifies and affirms Resolution No. 12-05 that was approved on said date.

The Committee voted 3-0 to approve the resolution.

**Review of BFSA's 2013-14 Preliminary Budget and 2014-2017 Financial Plan**

Committee Chair Olsen advanced the agenda to the next item for consideration: a review the BFSA's preliminary FY 2013-14 Budget and related four-year financial plan as well as to authorize its posting for public comment. Approval of the preliminary budget was not requested but rather the authorization for the document to be posted for public review and comment. Consistent with prior years' practices, the document will be posted on the BFSA's website and provided to all the Buffalo and Erie County public libraries located within the City of Buffalo (the "City") to post in order to make the document available to the public. The prepared preliminary budget commences the public commentary period.

Committee Chair Olsen asked if there were any comments which would be recorded.

Committee Chair Olsen added that any comments on the preliminary budget should be directed to BFSA Executive Director Jeanette Mongold. Ms. Mongold was directed to circulate updated versions of the budget as needed.

He noted that the full Board would be similarly advised. Approval of the FY 2013-14 proposed budget will be required at the June Board meeting.

He asked if there were any questions regarding the item. Hearing none, he introduced Committee Resolution No. 13-02: "Authorize the BFSA to Post the Preliminary 2014 Budget and Related Four-Year Financial Plan."

Director Floss offered a motion to approve the resolution.

Director Messiah seconded the motion.

**AUDIT, FINANCE, & BUDGET COMMITTEE RESOLUTION No. 13-02  
AUTHORIZE THE BFSA TO POST THE PRELIMINARY 2014 BUDGET AND RELATED  
FOUR-YEAR FINANCIAL PLAN**

---

WHEREAS, the Buffalo Fiscal Stability Authority (the "BFSA") was created by Chapter 122 of the Laws of 2003, as amended from time to time ("the BFSA Act"), to be a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation with a broad range of financial control and oversight powers over the City of Buffalo; 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 2014 through 2017; 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.

NOW THEREFORE BE IT RESOLVED, that the Audit, Finance, and Budget Committee of the Board of the Buffalo Fiscal Stability Authority does hereby authorize the posting of the preliminary 2014 budget and related four-year financial plan in a minimum of five separate locations of the

Buffalo and Erie County Public Library system for the next 45 days.

BE IT FURTHER RESOLVED, that the Audit, Finance, and Budget Committee of the Board of the Buffalo Fiscal Stability Authority does hereby authorize the posting of its preliminary 2014 budget and related four-year financial plan on its website for the next 45 days.

The Committee voted 3-0 to approve the resolution.

**Revised 2013 BFSA Budget**

Committee Chair Olsen advanced the agenda to the next item for consideration: a requested approval of a revision to the BFSA's 2012-13 Adopted Budget. He asked Ms. Mongold to brief the Committee on the item.

Ms. Mongold began by stating that a slight adjustment in the current budget was required related to employee health insurance expense. The proposed transfer from the employees' salaries expenditures to the employees' health insurance expenditures was a result of New York State implementing two health insurance increases in the current fiscal year instead of one. There is no difference in the overall budget. The requested amount for modification is \$1,500.

Committee Chair Olsen asked if there were any questions or comments. Hearing none, he requested a motion to approve the budget revision.

Director Mesiah offered a motion to approve the 2013 BFSA budget revision.

Director Floss seconded the motion.

The Committee voted 3-0 to approve the 2013 BFSA budget revision.

**BFSA Refunding Analysis**

Committee Chair Olsen advanced the agenda to the final item for consideration: a review of a bond advance refunding analysis that was recently performed by the BFSA's financial advisors, Public Financial Management Group ("PFM"). He asked Ms. Mongold to brief the Committee on the item.

Ms. Mongold updated the Committee regarding work completed by PFM in February of 2013, on the 2005A bonds as follows:

- The present value savings were under \$200,000 based on very conservative estimates;
- The estimated savings equal 1.2% of the refunded bonds. The recommendation is to pursue a refunding when it is at least 2%;
- Since the work was completed, the market has increased nineteen basis points for municipal debt indicating the present value savings would be even smaller;
- The financial advisors have recommended not pursuing a refunding at this time.

Committee Chair Olsen asked if there were any questions.

Director Floss asked if PFM was able to provide the BFSA with a “trigger rate,” at which time the Committee could request analysis as opposed to an annual request.

Ms. Mongold noted that PFM had not provided one and would discuss with PFM.

Committee Chair Olsen concurred with Ms. Mongold’s sentiments.

Director Floss asked if the Committee needed to take formal action to forward the report to the full Board.

Ms. Mongold noted that it would be prudent for the Committee to receive and file the item.

The Committee agreed to receive-and-file the report as submitted by the PFM Group.

**Adjournment**

Committee Chair Olsen asked if there were any additional questions. Hearing none, he asked if there was additional business to be considered by the Committee. Hearing none, he asked for a motion to adjourn.

Director Floss offered a motion to adjourn.

Director Mesiah seconded the motion.

The Committee voted 3-0 to adjourn the meeting.

The Committee adjourned at 12:46 PM.