

**BUFFALO FISCAL STABILITY AUTHORITY**  
**Meeting Minutes**  
**September 23, 2013**

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The following are the minutes from the meeting of the Buffalo Fiscal Stability Authority (the “BFSA”) held on Monday, September 23, 2013, in the Buffalo Market Arcade Complex. The meeting was called to order at 1:34 PM.

**Board Members Present**

Arthur, Brown (proxy Estrich), Floss, Jurasek, Mesiah, Olsen, and Poloncarz (proxy Williams)

**Board Member Absent**

Giardino

**Board Member Excused**

Doherty

**Staff Present**

Link, N. Miller, R. Miller, and Mongold-Robe

**Additionally Present**

Ms. Donna Gonser, CPA, Lumsden & McCormick, LLP

**Opening Remarks**

Chair Olsen called the meeting to order. The meeting’s agenda included two BFSA items and one City of Buffalo (the “City”) item, as follows:

- The review of the BFSA’s fiscal year (“FY”) 2013 Independent Audit and Annual Report; and
- Consideration of the City’s efficiency grant re-designation request.

Chair Olsen noted that the Audit, Finance & Budget Committee met earlier in the day and recommended that the Board approve both the Independent Audit and the Annual Report.

The City of Buffalo item was a late file submitted by the Commissioner of Administration, Finance, Policy & Urban Affairs to re-designate efficiency grant dollars for the purpose of purchasing a back-up generator for Shea’s Performing Arts Center. A letter from the Commissioner has been provided outlining this request.

The Superintendent of the Buffalo City School District (the “District”) or a delegate was requested to meet with this Board to discuss the recently released strategic plan and recent events which will have a financial impact on the District. Both the Superintendent and the Chief Financial Officer (“CFO”) were unable to attend today. Chair Olsen requested a Special Meeting of the Board be held to meet with the Superintendent and CFO to discuss District items only. BFSA’s staff will send a follow up email regarding potential dates and the meeting will be set based on the most accommodating date for most.

Chair Olsen introduced the proposed draft calendar of BFSAs meetings for calendar year 2014 and asked that Directors inform staff of any known conflicts. The final schedule of meetings for calendar year 2014 will be brought before the full Board for a vote at the December Board meeting.

Chair Olsen noted the Board of Directors self-evaluation was also included in the Board packet. It was reviewed by the Governance Committee and approved for distribution to the full Board. This is an informational item only; no Board action is needed.

Chair Olsen offered a warm welcome to BFSAs's new Administrative Assistant, Ms. Lisa Collin. Her official start date is September 30th; she is here today to observe the meeting.

Chair Olsen noted that the "Privilege of the Floor" would be extended to any member or members of the attending audience who wished to comment for the public record on any actions taken by the BFSAs at the meeting.

### **Roll Call of Directors**

Chair Olsen asked Secretary Arthur to call a roll of the members. Finding a quorum present, the meeting commenced.

City of Buffalo Commissioner of Administration and Finance, Ms. Donna Estrich, represented Mayor Byron W. Brown, in accordance with Subdivision 1 of §3853 of the BFSAs Act.

Erie County Constituent Services Assistant, Mr. Leonard Williams, represented County Executive Mark C. Poloncarz, in accordance with Subdivision 1 of §3853 of the BFSAs Act.

Subdivision 1 of §3853 of the BFSAs Act reads: "...*The Mayor and the County Executive shall serve as ex officio members. Every director, who is otherwise an elected official of the City or County, shall be entitled to designate a single representative to attend, in his or her place, meetings of the Authority and to vote or otherwise act in his or her behalf. Such designees shall be residents of the City of Buffalo. Written notice of such designation shall be furnished prior to any participation by the signal designee....*"

### **Approval of the July 31, 2013 Minutes**

Chair Olsen advanced the agenda to the first item for consideration: a review of the draft meeting minutes from July 31, 2013. He introduced Resolution No. 13-22: "Approving Minutes from July 31, 2013."

Director Floss offered a motion to approve Resolution No. 13-22.

Director Mesiah seconded the motion.

**RESOLUTION NO. 13-22**  
**APPROVING MINUTES FROM JULY 31, 2013**

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BE IT RESOLVED that the Buffalo Fiscal Stability Authority hereby approves the minutes of its meeting on July 31, 2013.

BE IT FURTHER RESOLVED that the Buffalo Fiscal Stability Authority ratifies and affirms Resolution Nos. 13-09 through 13-21 that were approved on July 31, 2013.

The Board voted 7-0 to approve Resolution No. 13-22.

**BFSA Business**

***BFSA's FY 2012-13 Independent Audit***

Chair Olsen advanced the agenda to the next item for consideration: BFSA's FY 2012-13 Independent Audit and Annual Report. The Audit, Finance & Budget Committee met earlier in the day with the Independent Auditor and discussed the audit's findings. The Audit, Finance, and Budget Committee recommended that the full Board accept and approve the audited financial statements. Lumsden & McCormick auditor, Ms. Donna Gonser, CPA, was present and available to answer any questions related to audit.

No Director had questions for Ms. Gonser related to BFSA's FY 2012-13 Independent Audit.

***BFSA's FY 2012-13 Annual Report***

Chair Olsen noted the Audit, Finance & Budget Committee discussed the BFSA's FY 2012-13 Annual Report earlier in the day. A draft copy was present in the Board packets for review. The Audit, Finance & Budget Committee Members recommended that the FY 2012-13 Annual Report be approved with authority delegated to the Chair, Executive Director, and Comptroller to make any changes necessary for its accurate completion. Directors would be made aware of any such changes. BFSA is required to file the Annual Report, year-end audit and By-Laws with the New York State Office of the State Comptroller ("NYSOSC"). The format used for this report was provided by the NYSOSC; the filings will also be made available to the public on the BFSA website. The report will be updated to include a preamble as drafted to address Director Floss' comments as noted during the Audit, Finance and Budget Committee.

Chair Olsen introduced Resolution No. 13-23: "Accept Audit Report and Approve Annual Report for Fiscal Year 2012-13."

Secretary Arthur offered a motion to approve Resolution No. 13-23.

Director Floss seconded the motion.

**RESOLUTION NO. 13-23**  
**ACCEPT AUDIT REPORT AND APPROVE ANNUAL REPORT**  
**FOR FISCAL YEAR 2012-13**

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WHEREAS, Chapter 122 of the Laws of 2003, as amended, requires that the Buffalo Fiscal Stability Authority (“BFSA”) is subject to an annual financial audit performed by an independent certified public accountant selected by the BFSA; and

WHEREAS, the accounting firm of Lumsden & McCormick, LLP, was selected and has conducted an audit of the BFSA’s general ledger; and

WHEREAS, Lumsden & McCormick, LLP, has presented the results of their independent audit and the related Independent Auditors’ Report on the BFSA’s financial statements for the fiscal year ended June 30, 2013 to the Audit, Finance, and Budget Committee; and

WHEREAS, the Public Authorities Accountability Act of 2005 (specifically, Section 2800 of the Public Officers Law) requires state and local public authorities to file an annual report with the State of New York, detailing its operations and activities as well as other budgetary and financial data; and

WHEREAS, the Public Authorities Reform Act of 2009 maintained existing annual report requirements along with new requirements; and

WHEREAS, the Annual Report must be certified as accurate by the Executive Director of the BFSA; and

WHEREAS, much of the data and additional information within the annual report is required by regulations promulgated by the State Comptroller; and

WHEREAS, the deadline to submit an approved final version of the annual report and audited financial statements to the New York State Office of the State Comptroller is September 30, 2013; and

WHEREAS, the BFSA staff has presented for approval a draft of the 2012-13 Annual Report in substantially its final form.

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby accept the Lumsden & McCormick, LLP, Independent Auditors’ Report on BFSA’s Financial Statements for the Year Ended June 30, 2013, and the BFSA’s Annual Report for the year ended June 30, 2013, as prepared by the BFSA staff.

BE IT FURTHER RESOLVED, that the Chair, the Vice Chair, the Executive Director and the Comptroller are hereby authorized to make such changes to the 2012-13 Annual Report and audited Financial Statements for the year ended June 30, 2013 in the form presented, as they may deem necessary for its timely and accurate completion.

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to release these reports to the public and provide copies to the parties designated by Section 3871 of the BFSAs Act and Section 2800 of the Public Authorities Law.

BE IT FURTHER RESOLVED, that the Executive Director is authorized to certify that financial statements filed with the above reports are accurate and correct.

The Board voted 7-0 to approve Resolution No. 13-23.

Chair Olsen echoed Director Floss' praise of the BFSAs Staff for their professionalism, efficiency and quality of work. Chair Olsen feels the Board's work is worthy and indicated by consistent quality audits and performance indicated in the annual report. He went on to say the bulk of the credit goes to staff.

### **City of Buffalo**

#### ***Redesignation of Efficiency Grants – Shea's Performing Arts Theater Emergency Generator***

Chair Olsen introduced the request from the City of Buffalo to reallocate efficiency grant dollars to fund a back-up generator at Shea's Performing Arts Center. The Board is required to approve the use efficiency grant dollars. A copy of the letter from the City requesting the use of the funds and the accompanying draft resolution was included in the Additional Items folder for review.

Chair Olsen asked BFSAs Principal Analyst Bryce E. Link to provide a summary of the item.

Mr. Link addressed the Board and provided the following summary:

- The City is not requesting a change in the amount of the approved project but rather an expansion of the scope of the project to include a back-up generator at Shea's Performing Arts Center ("Shea's");
- The City had previously requested dollars to install an emergency generator in City Hall. Costs for the City Hall generator came in under budget, leaving remaining available dollars for use;
- With the expansion of the scope of the budget line, Shea's will be in compliance with the City's Building Code and the budget line will still be under budget;
- The City's Capital Plan did include this item; however, it was not funded.

Chair Olsen noted that the project was worthwhile.

Chair Olsen introduced Resolution No. 13-24: "Approval of Redesignation and Reallocation of Efficiency Incentive Grant Request."

Secretary Arthur offered a motion to approve Resolution No. 13-24.

Director Floss seconded the motion.

**RESOLUTION NO. 13-24**  
**APPROVAL OF REDESIGNATION AND REALLOCATION OF EFFICIENCY**  
**INCENTIVE GRANT REQUEST**

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WHEREAS, Chapter 122 of the Laws of 2003, as amended, created the Buffalo Fiscal Stability Authority (the “BFSA”) to provide financial oversight and budgetary control over the City of Buffalo (the “City”) and other Covered Organizations; and

WHEREAS, in 2006, New York State (“NYS”) amended the Buffalo Fiscal Stability Authority Act (the “Act”) to include Section 3857-A, which provides for Efficiency Incentive Grant funding to the City; and

WHEREAS, according to Section 3857-A of the Act, the City “shall develop and submit to the Authority a plan for achieving recurring savings through innovations and reengineering”; and

WHEREAS, the BFSA has previously approved individual projects for the use by the City of \$20,414,398 of total available Efficiency Incentive Grant funding since March 2007; and

WHEREAS, NYS reductions to available funding have reduced Efficiency Grant funding available to the City by \$339,940 to a total available amount of \$20,074,458; and

WHEREAS, the City has submitted to BFSA a request to re-designate and reallocate available Efficiency Incentive Grant funding in the amount of \$125,000 for the purpose of modifying the amount of funding available for projects; and

WHEREAS, such reallocated funding comes from the remaining balance available for a closed project, the installation of an emergency generator at City Hall which has \$149,608 of remaining funds available; and

WHEREAS, the BFSA staff has reviewed the City’s revised plan for the NYS Efficiency Incentive Grant funding, and has determined the request to be reasonable.

NOW THEREFORE BE IT RESOLVED, that the BFSA approves the reallocation of Efficiency Grant dollars to the various projects listed below, noting that such initiatives meet the goals of the NYS Efficiency Grants program of achieving efficiencies, increasing revenues or enhancing the delivery of certain City services.

BE IT FURTHER RESOLVED, that the Buffalo Fiscal Stability Authority does hereby approve the City of Buffalo’s request to redesignate a total of \$125,000 in Efficiency Incentive Grant funding to the following projects in the following amounts:

New Projects:

- Shea’s Emergency Backup Generator \$125,000.

The Board voted 7-0 to approve Resolution No. 13-24.

### **Privilege of the Floor**

Chair Olsen extended the Privilege of the Floor to any attending member of the audience who wished to comment on the public record regarding any actions taken during the meeting.

### **New Business**

Hearing none, he asked if any Director had any new business for discussion.

Chair Olsen noted that both he and Director Floss would continue to offer the services of the State University of New York University at Buffalo (“University of Buffalo”) and the State University of New York College at Buffalo (“Buffalo State College”) at no cost to the District.

Secretary Arthur requested that District Distinguished Educator, Dr. Judy Elliott, be in attendance at the forthcoming Special Meeting of the Board to discuss the New York State Education Department’s Distinguished Educators Program and discuss the findings of the Distinguished Educator’s Action Plan for the District. Dr. Elliott should be invited to attend the Special Meeting of the Board along with Superintendent Brown, as previously indicated.

Chair Olsen noted that the Board’s discussion with the Distinguished Educator should focus on how the Action Plan relates specifically to the District’s Adopted Budget. It is preferable to have her attend the meeting in-person; attendance via video conference would be acceptable.

Director Jurasek noted that the Board members had been invited by Superintendent Brown as interested observers to attend any of the upcoming District Strategic Plan Community Forums.

Ms. Mongold-Robe noted that Superintendent Brown had been contacted to present the District’s 2013 Strategic Plan to the Board. Dr. Brown confirmed that either she or a delegate would address the Board at a yet-to-be schedule Special Meeting of the Board. In the interim, an invitation had been extended to the BFSA Directors to attend any of the upcoming Community Forums.

### **Adjournment**

Chair Olsen requested a motion to adjourn.

Director Floss offered a motion to adjourn.

Director Mesiah seconded the motion.

The Board voted 7-0 to adjourn.

The Board adjourned at 1:48 PM.