

**BUFFALO FISCAL STABILITY AUTHORITY
RESOLUTION NO. 13-05
DECLARATION OF INCOMPLETE FINANCIAL PLAN**

WHEREAS, Article 10-D Title 2 of the Public Authorities Law ("the BFSA Act"), requires the City of Buffalo (the "City") to submit a four-year financial plan that includes the City of Buffalo, the Buffalo Public School District (the "District"), the Buffalo Municipal Housing Authority ("BMHA") and the Buffalo Urban Renewal Agency ("BURA") (collectively the "Financial Plan") along with the Mayor's proposed City budget to the Buffalo Fiscal Stability Authority ("BFSA") not later than the date required for submission of the budget to the Common Council as set by the City Charter; and

WHEREAS, the City of Buffalo submitted the proposed City budget and related Financial Plan to the BFSA on May 1, 2013; and

WHEREAS, pursuant to §3857 of the BFSA Act, the BFSA is required to determine within twenty days after submission of a Financial Plan whether the Financial Plan is complete and complies with certain provisions of the BFSA Act, and to submit its recommendations with respect to the Financial Plan; and

WHEREAS, the BFSA has determined that the Financial Plan of the District is incomplete and is unbalanced in that it: includes a \$26.4 million unfunded deficit in the General Fund for the 2013-14 fiscal year; includes a remaining unfunded deficit totaling \$154.0 million for fiscal years 2015, 2016 and 2017, representing the three out-years of the financial plan; and

WHEREAS, pursuant to §3857.3 of the BFSA Act, the financial plan shall be in such form and shall contain such information for each year during which the financial plan is in effect as the BFSA may specify; and

WHEREAS, pursuant to §3857.4 of the BFSA Act, the financial plan shall include any information which the BFSA may request to satisfy itself that projected employment levels, collective bargaining agreements and other actions relating to employee costs, capital construction and other such matters as the BFSA may specify are consistent with the financial plan; and

WHEREAS, the BFSA has determined that additional information is required to be submitted by BMHA in order for the BFSA to determine whether BMHA's Financial Plan is complete and complies with certain provisions of the BFSA Act; and

WHEREAS, the BFSA has determined that additional information is required to be submitted by BURA in order for the BFSA to determine whether BURA's Financial Plan is complete and complies with certain provisions of the BFSA Act.

NOW THEREFORE BE IT RESOLVED, that the BFSA has determined that the Financial Plans of the District, BMHA and BURA are incomplete and do not comply with the standards set forth in §3857 of the BFSA Act; and

BE IT RESOLVED FURTHER, that the BFSA recommends the District continue in its efforts to finalize its 2013-14 budget and four-year financial plan; and

BE IT RESOLVED FURTHER, that the BFSA requires the submission of a revised four-year financial plan by the District, which includes a detailed plan to eliminate the budgetary gap for all years of the District's four-year financial plan, and in which the District's general fund and special projects fund are balanced in accordance with generally accepted accounting principles based on reasonable revenue and expenditure estimates, without speculative revenues or savings, which covers all expenditures for programs mandated by federal and state law, and which provides adequate reserves to maintain essential programs in the event revenues have been overestimated or expenditures underestimated for any period; and

BE IT RESOLVED FURTHER, that the revised plan shall identify all programs, services, levels of service, and obligations that the District is required to maintain or fulfill by applicable law, by administrative rule, policy or direction, by collective bargaining agreement, or by practical necessity, and shall demonstrate that the costs thereof will be fully covered by realistic revenue estimates; and

BE IT RESOLVED FURTHER, that in the event the revised plan proposes any cuts (including contingent cuts) in existing programs, services or levels of service, it shall specifically describe those cuts, the expected effect of such cuts upon the educational achievement of the District's students, the actions that the State Education Department might be reasonably expected to take in response to any adverse effects upon student achievement, the expected effect of those cuts on the fiscal stability of the District; and the order in which such cuts, if necessary, are proposed to be made; and

BE IT RESOLVED FURTHER that the District's final four-year financial plan should be submitted to the BFSA the same date that the Board of Education approves such item but no later than May 31, 2013; and

BE IT RESOLVED FURTHER that the BMHA is to submit information as requested by BFSA staff by May 31, 2013; and

BE IT RESOLVED FURTHER that BURA is to submit information as requested by BFSA staff by May 31, 2013.

This Resolution shall take effect immediately.

Approved May 15, 2013

/S/ George K. Arthur
George K. Arthur,
Secretary