

BUFFALO FISCAL STABILITY AUTHORITY
Audit, Finance and Budget Committee Meeting Minutes
March 11, 2015

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 March 11, 2015, in the first floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 12:40 PM.

Committee Members Present

Floss, Mesiah and Olsen

Additional Directors Present

Arthur and Jurasek

Committee Member Excused

None

Staff Present

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

Opening Remarks

Committee Chair Olsen welcomed the attendees to the March 11, 2015 meeting of the Audit, Finance and Budget Committee of the BFSA. He called a roll of the members and, finding a quorum present, the meeting commenced.

Approval of Minutes

Committee Chair Olsen introduced Committee Resolution No. 15-01: “Approval of September 24, 2014 Meeting Minutes,” and asked for a motion to approve the minutes.

Director Floss offered a motion to approve the resolution.

Secretary Arthur seconded the motion.

**AUDIT, FINANCE & BUDGET COMMITTEE RESOLUTION NO. AFB 15-01
APPROVING MINUTES AND RESOLUTIONS FROM SEPTEMBER 24, 2014**

BE IT RESOLVED that the Buffalo Fiscal Stability Authority’s Audit, Finance and Budget Committee approves the minutes of its meeting on September 24, 2014.

BE IT FURTHER RESOLVED that the Buffalo Fiscal Stability Authority’s Audit, Finance and Budget Committee ratifies and affirms Resolution No. 14-06 that was approved on said date.

The Committee voted 3-0 to approve the resolution.

Review of the BFSA 2015-16 Preliminary Budget and 2016-2019 Financial Plan

Committee Chair Olsen introduced the BFSA’s preliminary budget for fiscal year (“FY”) 2015-2016 and financial plan for FY 2016-2019 as well as the accompanying draft resolution to authorize the posting of the budget and financial plan for public comment. An approval of the budget was not requested at this time, only the approval for posting the document for public comment. The document is to be posted on the BFSA’s website and provided to all City of Buffalo (“City”) libraries for the public to review. The purpose is for the document to be made as accessible as possible to the public. The preliminary budget has been prepared by the BFSA staff.

Committee Chair Olsen instructed that any comments in the upcoming weeks be sent directly to Executive Director Jeanette M. Mongold-Robe to amend the preliminary budget and circulate a revised document to the Directors as necessary. A request for approval of the final budget will be made at the June Board meeting.

Committee Chair Olsen introduced Committee Resolution No. 15-02: “Authorize the BFSA to Post the Preliminary 2016 Budget and Related Four-Year Financial Plan,” and asked for a motion to approve.

Director Floss offered a motion to authorize the resolution.

Director Mesiah seconded the motion.

**AUDIT, FINANCE AND BUDGET COMMITTEE RESOLUTION NO. 14-02
AUTHORIZE THE BFSA TO POST THE PRELIMINARY 2015 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 2016 through 2019; 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 Buffalo Fiscal Stability Authority's Audit, Finance and Budget Committee does hereby authorize the posting of the preliminary 2016 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 Buffalo Fiscal Stability Authority's Audit, Finance and Budget Committee does hereby authorize the posting of its preliminary 2016 budget and related four-year financial plan on its website for the next 45 days.

The Committee voted 3-0 to approve the resolution.

Budget Transfer for FY 2014-15

Chair Olsen advanced the meeting to the next item on the agenda: a budget transfer for FY 2014-15. Ms. Mongold-Robe stated some subscriptions increased in price from last year and therefore requested \$500.00 be transferred from office supplies to subscriptions. Director Floss stated that the request was reasonable as subscriptions for the office can be viewed as office supplies as well.

Director Floss made a motion to approve the request.

Director Mesiah seconded the motion to approve.

The Committee voted 3-0 to approve the budget transfer.

Approval of BFSA Audit Engagement

Committee Chair Olsen announced the next item of business: approval of Lumsden & McCormick, LLP as auditors for the BFSA for the upcoming year. He noted Lumsden & McCormick have provided excellent service over the past several years and had essentially maintained the proposed audit fee with a minor increase of \$100.

Committee Chair Olsen introduced Committee Resolution No. 15-03: "Approve Engagement of Lumsden & McCormick, LLP as Independent Auditor of the BFSA for the Fiscal Year Ended June 30, 2015," and called for a motion to approve the document.

Director Floss offered a motion to approve.

Director Mesiah seconded the motion.

Director Floss asked when the auditor needs to be rotated per best practices.

Ms. Mongold-Robe replied that the audit partner needs to be rotated every five years and will occur in the upcoming fiscal year.

**AUDIT, FINANCE AND BUDGET COMMITTEE RESOLUTION NO. AFB 15-03
APPROVE ENGAGEMENT OF LUMSDEN & MCCORMICK, LLP AS INDEPENDENT
AUDITOR OF THE BFSA FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

WHEREAS, the Buffalo Fiscal Stability Authority (the “BFSA”) was formed by Chapter 122 of the Laws of 2003, as amended (the “BFSA Act”), to “oversee the city’s budget, financial and capital plans; to issue bonds, notes or other obligations to achieve budgetary savings through debt restructuring; to finance short-term cash flow or capital needs; and if necessary, to develop financial plans on behalf of the city if the city is unwilling or unable to take the required steps toward fiscal stability.”; and

WHEREAS, Section 3871(1) of the BFSA Act requires the engagement of an independent certified auditor; and

WHEREAS, BFSA previously contracted with Lumsden & McCormick, LLP, to serve as BFSA’s independent auditors pursuant to a request for proposals after determination that the firm was the most capable of carrying out the required duties; and

WHEREAS, Lumsden & McCormick, LLP, has submitted an engagement letter to continue to serve as the BFSA’s independent auditors for the year ending June 30, 2015, at a cost that is reasonable in comparison to that of prior years; and

WHEREAS, the firm of Lumsden & McCormick, LLP, has performed its duties as independent auditors in a satisfactory manner.

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby engage the accounting firm of Lumsden & McCormick, LLP, to provide accounting and auditing services to the BFSA for the fiscal year ended June 30, 2015. Such services shall be undertaken for such amounts and on such terms as agreed upon by the Chair, Vice Chair or Executive Director.

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby engage the accounting firm of Lumsden & McCormick, LLP, to provide accounting and auditing services to the BFSA for the fiscal year ending June 30, 2015. Such services shall be undertaken for such amounts and on such terms as agreed upon by the Chair, Vice Chair, or Executive Director.

The Committee voted 3-0 to approve the resolution.

Adjournment

Committee Chair Olsen 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.

Secretary Arthur seconded the motion.

The Committee voted 3-0 to adjourn the meeting.

The Committee adjourned at 12:45 PM.