

**BUFFALO FISCAL STABILITY AUTHORITY**  
**Audit, Finance and Budget Committee Meeting Minutes**  
**March 8, 2017**

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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 8, 2017, in the first-floor conference room of the Buffalo Market Arcade Complex. The meeting was called to order at 12:46 PM.

**Committee Members Present**

Committee Chair Pro Tempore Frederick G. Floss  
Director Frank B. Mesiah

**Additional Directors Present**

Secretary George K. Arthur

**Committee Member Excused**

Committee Chair R. Nils Olsen, Jr.

**Staff Present**

Executive Director Jeanette M. Robe  
Administrative Assistant Nikita M. Fortune  
Principal Analyst/Media Liaison Bryce E. Link  
Senior Analyst/Manager of Technology Nathan D. Miller

**Opening Remarks**

Director Floss served as Committee Chair Pro Tempore (“Chair Pro Tem Floss”) and welcomed the attendees to the March 8, 2017, 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**

Chair Pro Tem Floss introduced Committee Resolution No. AFB 17-01: “Approval of September 21, 2016, Meeting Minutes,” and asked for a motion to approve.

Director Mesiah offered a motion to approve the resolution.

Chair Pro Tem Floss seconded the motion.

The Committee voted 2-0 to approve Resolution No. AFB 17-01.

**Review of the BFSA 2017 Internal Control Review**

Chair Pro Tem Floss advanced the agenda to the BFSA 2017 internal controls review. The annual reporting for the 2017 internal controls is performed by the appointed Internal Controls Officer which is a statutory requirement. Mr. Bryce Link, BFSA Principal Analyst/Media Liaison serves in this capacity. The purpose of the internal controls review is to ensure that the establish processes are adhered to. The BFSA has a staff of five employees and there is

oversight of all transactions and the segregation of duties ensures that proper controls are in place.

The areas tested:

- petty cash
- accounts payable recording and processing
- business expenditures, authorization and payment

In addition, the following processes were reviewed:

- governing policy – including resolutions and BFSA policies and procedures
- appropriate segregation of duties
- looking for potential areas where fraud could occur undetected

Findings:

- no material findings
- adequate segregation of duties limits the prospect of fraud without the collusion of two to three staff members
- adequate documentation and support materials for all transactions reviewed, approximately 66% of BFSA transactions were reviewed and BFSA was found to adhere to the prompt payment policy
- limited use of petty cash due to utilization of the BFSA purchase card

Chair Pro Tem Floss thanked Mr. Link for the presentation and hearing no questions advanced the agenda to the next item.

### **BFSA 2017-18 Preliminary Budget and 2018-2021 Financial Plan**

Chair Pro Tem Floss introduced the BFSA's fiscal year ("FY") 2017-18 Preliminary Budget (the "Preliminary Budget") and FY 2018-21 Financial Plan (the "Financial Plan") as well as an accompanying draft resolution to authorize the posting of the documents for public review. The document is to be posted on the BFSA's website and provided to all City of Buffalo ("City") public libraries for the public to review. The purpose is for the document to be made as accessible as possible. Any public comments received will be made available to the Audit, Finance and Budget Committee. The Preliminary Budget has been prepared by the BFSA staff. Hearing no comments from the Directors, Chair Pro Tem Floss stated any comments received by Directors in the coming weeks should be forwarded to Executive Director Jeanette M. Robe who will forward the comments to the Directors and update the budget as necessary. Approval of the budget will be required at the June Board meeting. Chair Pro Tem Floss then asked for a motion to post the BFSA 2017-18 Preliminary Budget and 2018-2021 Financial Plan on the BFSA website and in the City's public libraries.

Director Mesiah made a motion to post the BFSA 2017-18 Preliminary Budget and 2018-2021 Financial Plan on the BFSA website and in the City's public libraries.

Chair Pro Tem Floss seconded the motion.

The Committee voted 2 to 0 to approve.

### **Approval of BFSA Audit Engagement**

Chair Pro Tem Floss announced the next item of business: approval of Lumsden & McCormick, LLP as auditors for the BFSA for the current fiscal year ending June 30, 2017. 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 \$300.

Chair Pro Tem Floss introduced Committee Resolution No. 17-03: “Approve Engagement of Lumsden & McCormick, LLP as Independent Auditor of the BFSA for the Fiscal Year Ended June 30, 2017,” and called for a motion to approve the document.

Director Messiah offered a motion to approve.

Chair Pro Tem Floss seconded the motion.

Chair Pro Tem Floss asked if this is the year to rotate the BFSA auditors. Ms. Robe stated BFSA rotates partners every five years and this is not the year for the required rotation. Chair Pro Tem Floss indicated that auditor rotation requirements are being adhered to.

The Committee voted 2-0 to approve the resolution.

### **Adjournment**

Chair Pro Tem Floss asked if there was additional business to be considered by the Committee. Hearing none, he asked for a motion to adjourn.

Director Messiah offered a motion to adjourn.

Chair Pro Tem Floss seconded the motion.

The Committee voted 2-0 to adjourn the meeting.

The Committee adjourned at 12:56 PM.