

**BUFFALO FISCAL STABILITY AUTHORITY
RESOLUTION NO. 20-XX
DECLARATION OF INCOMPLETE CITY OF BUFFALO
2021-2024 FINANCIAL PLAN**

WHEREAS, pursuant to Section 3857, subd. 2(e) of the Buffalo Fiscal Stability Authority Act (“BFSA Act”) and Resolution adopted by this Authority (“BFSA”), on July 20, 2020, BFSA transmitted notice to the City, with copies to the State Director of the Budget, the State Comptroller, the Chairman of the Assembly Ways and Means Committee and the Chair of the Senate Finance Committee, of a proposed Resolution to the effect that BFSA had determined that the City’s final adopted Four Year Financial Plan for fiscal years 2020-2021, 2021-2022, 2022-2023 and 2023-2024 (“FY21”, “FY22”, “FY23” and “FY24”) was not compliant with the BFSA Act, the proposed Resolution having received four favorable votes but failing of adoption by the five required votes representing a majority of BFSA’s entire authorized number of nine Directors because the Mayor abstained, one Director was absent for reasons of health, and three vacancies on the BFSA Board had not been filled; and

WHEREAS, the proposed Resolution set forth findings that certain revenue and expenditure projections were not, at that time, based on reasonable and appropriate assumptions and methods of estimation; and

WHEREAS, the proposed Resolution requested State legislation authorizing BFSA to issue bonds to finance operating deficits of the City as follows:

“RESOLVED, that in order to avert a severe disruption of essential services that would result in a destructive long-term impact upon the economy and welfare of the City and its people, BFSA requests State legislation to authorize it to issue bonds to finance operating deficits of the City in fiscal years 2020-2021 and 2021-2022, in a total amount not to exceed \$121 million...;”

and

WHEREAS, pursuant to Section 3857, subd. 2(f) BFSAs has reviewed the City's adopted budget and Four Year Financial Plan, with particular attention to the revenue and expenditure projections identified as uncertain in the proposed Resolution of July 20, 2020 and has determined that a modified Plan is required in order to address a potential fiscal crisis and severe disruption of essential services; and

WHEREAS, a BFSAs Staff Report analyzing the City's current outlook for FY21 and FY22, and the revenue and expenditure estimates set forth in the adopted 2020-21 Budget and 2021-2024 Four Year Financial Plan is annexed to this Resolution;

NOW, THEREFORE, it is:

RESOLVED, that BFSAs finds that after eliminating revenue and expenditure estimates that appear highly uncertain in light of current conditions, the City's Four Year Financial Plan would project a probable deficit of approximately \$79.8 million in FY21 and \$46.6 million in FY22, as detailed in the attached BFSAs staff report; and it is further

RESOLVED, that BFSAs finds the City has reduced projected expenditures in FY22 by \$31.5 million but has not provided details to ascertain the feasibility and reasonableness of such reductions or the impact on City services; and

RESOLVED, that pursuant to BFSAs Act Section 3857, subds. 2, 3 and 4, the City shall, no later than December 1, 2020, submit a modified Plan and Budget that will (1) adjust revenues to reflect only those that are reasonably certain based on events and circumstances as of that date (2) detail annual proposed department reductions by specifying the number and title of all personnel to be furloughed and the date upon which such furloughs are to become effective; and (3) specify in detail all annual reductions in other expenses; and it is further

RESOLVED, that the City shall submit with its modified Plan and Budget a monthly cash flow projection through FY21 year end June 30, 2021; and it is further

RESOLVED, that BFSAs recommends that the Mayor and the Common Council, in consultation with the City Comptroller and BFSAs, formulate a plan modification that will weigh the relative adverse effects of a substantial increase in the tax burden and of an impairment of essential services, and will make such use of the City's \$119 million real property state constitutional tax margin and find a balance between those effects that will result in the least harm to the City and its people; and it is further

RESOLVED, that BFSAs recommends that in order to mitigate the combined effect of the City's recent real property revaluation and such tax increases as the Mayor and Common Council may find to be necessary, the City request the State Legislature to enact legislation enabling the City to enact a local law providing for a tax freeze for City resident homeowners who have resided in their homes for some number of years, whose income does not exceed some limit, and whose increase in equalized assessment exceeds some threshold, all as determined by the Mayor and Common Council.

This resolution shall take effect immediately.

Approved October 29, 2020

Frederick G. Floss,
Secretary Pro Tem