BUFFALO FISCAL STABILITY AUTHORITY

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May 11, 2020

Honorable Byron W. Brown
City of Buffalo Mayor
201 City Hall
Buffalo, NY 14202

Dear Mayor Brown:

The Buffalo Fiscal Stability Authority (BFSA) is requesting the submission of a revised 2021-2024 financial plan for the City of Buffalo (City) to address how the budget gap will be closed in the event federal stimulus is not approved and casino revenues are not received. The financial plan as dated May 1, 2020 includes $65.1 million of federal stimulus intended to cover estimated reductions in State aid and sales tax revenue; however, federal stimulus funding for general operations for state and local governments has not yet been approved. Additionally, the 2020-21 budget includes $11.0 million in casino revenue and various other revenues that likely will be negatively impacted by extenuating circumstances related to the pandemic. It is important for BFSA to understand the potential impact to both the finances of the City and services being provided if revenues are insufficient to meet expenditures not only in the subsequent budget year but also how this would impact future years.

With respect to the general proposal to borrow for the resulting budget gap, the financial plan should include borrowing limits and repayment provisions as currently permitted under statute or guidelines; proposed legislation increasing limits and/or extending repayment terms should not be considered at this time.

Additionally, a written detailed synopsis should be included that provides the key underlying assumptions made over the financial plan including the outyears, as it is needed for BFSA to be able to analyze and comment on the financial plan. The revised financial plan should also include realistic revenue and expenditure budgetary projections based on a pragmatic recovery period as currently the expectation is that there will not be a swift economic recovery.

The BFSA has the utmost confidence in your ability to lead the City of Buffalo through this unprecedented pandemic. We recognize the difficulty and effort in preparing such a financial plan. Please know our staff are available to assist your staff with any questions they may have.

Sincerely,

R. Nils Olsen, Jr.
Chairman

cc: BFSA Board of Directors
Richard Grimm – Magavern Magavern & Grimm
James Magavern - Magavern Magavern & Grimm
Honorable Barbara Miller-Williams
City of Buffalo Common Council
Donna Estrich, Commissioner of Finance, Administration and Urban Affairs