

# Local Law Filing

(Use this form to file a local law with the Secretary of State.)

Text of law should be given as amended. Do not include matter being eliminated and do not use italics or underlining to indicate new matter.

County  City  Town  Village  
(Select one.)

of Buffalo

FILED  
STATE RECORDS

OCT 21 2021

DEPARTMENT OF STATE

Local Law No. 3 of the year 2021

A local law Amending Article 20 Budgeting of the Charter of the City of Buffalo  
(Insert Title)

Be it enacted by the Common Council of the  
(Name of Legislative Body)

County  City  Town  Village  
(Select one.)

of Buffalo

as follows:

Section 1, that Article 20, of the Charter of the City of Buffalo, adopted pursuant to law is hereby amended to read as follows:

§ 20-17.1 Fund Balance Policy.

a) Committed Fund Balance. Beginning in Fiscal Year 2007-08, the City of Buffalo shall set aside an amount of general fund unreserved fund balance, equal to no less than 30 days of prior year expenditures pursuant to a fund balance policy. Said policy shall be approved by the Mayor and Comptroller subject to a majority vote of the Common Council and approved as to form by the Corporation Counsel. These funds shall be used for extraordinary operating or capital needs that could not be anticipated and cannot be funded with current budget resources. It shall be the Comptroller's responsibility to submit to the Mayor and the Common Council the annual calculation that determines the amount to be placed in these funds.

b) Restricted Fund Balance. Beginning in Fiscal Year 2007-2008, the City of Buffalo shall set aside a reserve of general fund balance in an amount of up to 30 days of prior year general fund expenditures, or as otherwise authorized by law. The reserve shall be for purposes allowed for in General Municipal Law, Article II Section 6-c. It shall be the Comptroller's responsibility to submit to the Mayor and the Common Council the annual calculation that determines the amount to be placed in these funds.

(If additional space is needed, attach pages the same size as this sheet, and number each.)

(Complete the certification in the paragraph that applies to the filing of this local law and strike out that which is not applicable.)

**1. (Final adoption by local legislative body only.)**

I hereby certify that the local law annexed hereto, designated as local law No. \_\_\_\_\_ of 20\_\_\_\_ of the (County)(City)(Town)(Village) of \_\_\_\_\_ was duly passed by the \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_, in accordance with the applicable provisions of law.

**2. (Passage by local legislative body with approval, no disapproval or repassage after disapproval by the Elective Chief Executive Officer\*.)**

I hereby certify that the local law annexed hereto, designated as local law No. 3 of 2021 of the (County)(City)(Town)(Village) of Buffalo was duly passed by the Common Council on June 8 2021, and was (approved)(not approved) (repassed after disapproval) by the Mayor and was deemed duly adopted on September 17 2021, in accordance with the applicable provisions of law.

**3. (Final adoption by referendum.)**

I hereby certify that the local law annexed hereto, designated as local law No. \_\_\_\_\_ of 20\_\_\_\_ of the (County)(City)(Town)(Village) of \_\_\_\_\_ was duly passed by the \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_, and was (approved)(not approved) (repassed after disapproval) by the \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_.

Such local law was submitted to the people by reason of a (mandatory)(permissive) referendum, and received the affirmative vote of a majority of the qualified electors voting thereon at the (general)(special)(annual) election held on \_\_\_\_\_ 20\_\_\_\_, in accordance with the applicable provisions of law.

**4. (Subject to permissive referendum and final adoption because no valid petition was filed requesting referendum.)**

I hereby certify that the local law annexed hereto, designated as local law No. \_\_\_\_\_ of 20\_\_\_\_ of the (County)(City)(Town)(Village) of \_\_\_\_\_ was duly passed by the \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_, and was (approved)(not approved) (repassed after disapproval) by the \_\_\_\_\_ on \_\_\_\_\_ 20\_\_\_\_. Such local law was subject to permissive referendum and no valid petition requesting such referendum was filed as of \_\_\_\_\_ 20\_\_\_\_, in accordance with the applicable provisions of law.

\* Elective Chief Executive Officer means or includes the chief executive officer of a county elected on a county-wide basis or, if there be none, the chairperson of the county legislative body, the mayor of a city or village, or the supervisor of a town where such officer is vested with the power to approve or veto local laws or ordinances.

**5. (City local law concerning Charter revision proposed by petition.)**

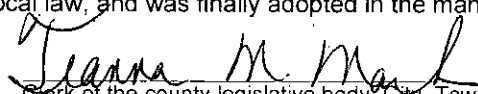
I hereby certify that the local law annexed hereto, designated as local law No. \_\_\_\_\_ of 20 \_\_\_\_ of the City of \_\_\_\_\_ having been submitted to referendum pursuant to the provisions of section (36)(37) of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of such city voting thereon at the (special)(general) election held on \_\_\_\_\_ 20 \_\_\_\_\_, became operative.

**6. (County local law concerning adoption of Charter.)**

I hereby certify that the local law annexed hereto, designated as local law No. \_\_\_\_\_ of 20 \_\_\_\_ of the County of \_\_\_\_\_ State of New York, having been submitted to the electors at the General Election of November \_\_\_\_\_ 20 \_\_\_\_\_, pursuant to subdivisions 5 and 7 of section 33 of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of the cities of said county as a unit and a majority of the qualified electors of the towns of said county considered as a unit voting at said general election, became operative.

**(If any other authorized form of final adoption has been followed, please provide an appropriate certification.)**

I further certify that I have compared the preceding local law with the original on file in this office and that the same is a correct transcript therefrom and of the whole of such original local law, and was finally adopted in the manner indicated in paragraph \_\_\_\_\_ above.

  
\_\_\_\_\_  
Clerk of the county legislative body, City, Town or Village Clerk or  
officer designated by local legislative body

Date: October 19, 2021

(Seal)

c) The Fund Balance Policy is intended to provide guidelines during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls and a way to maintain investment grade credit ratings. It also is intended to preserve flexibility throughout the fiscal year to adjust in funding for programs approved in connection with the annual budget.

#### §20-17.2 Affected Revenue Accounts:

Revenue sources from prior fiscal years that would typically be used for replenishment of the fund balance includes nonrecurring revenue, budget surpluses in all categories listed below, and excess budgeted resources in other fund balances. The City's year-end surpluses will also be an appropriate source for replenishing fund balance.

1. Fund balance – The excess of assets/deferred outflows of resources over liabilities/deferred inflows of resources in the General Fund.
2. Non-spendable fund balance – Amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact (i.e. real estate acquired for sale, long-term interfund receivables, and prepaid items).
3. Restricted fund balance – Amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
4. Committed fund balance – Amounts that are subject to a purpose constraint imposed by a formal action of the City's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the formal action such as, legislation, resolution, or ordinance amendment. Pursuant to Article 10, section 10-4 of the City Charter, the Commissioner of Administration, Finance, Policy, and Urban Affairs shall assist the Mayor in the formulation and calculation of the committed fund balance.
5. Available fund balance – the portion of the fund balance that is not restricted. This includes assigned fund balance and unassigned fund balance.
6. Assigned fund balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
7. Unassigned fund balance – Amounts that are available for any purpose; these amounts are reported only in the General Fund.
8. Prior year expenditures – represents the total General Fund expenditures according to the most recently audited financial statements.

§ 20-17.3 The City will endeavor to maintain:

- 1) Emergency Stabilization Fund Balance – the “Emergency Stabilization Fund” (also known as the “Rainy Day Fund”) shall be equal to no less than 30 days of prior year expenditures. The Emergency Stabilization Fund is accounted for within committed fund balance. Such calculation will be performed by the Comptroller. The updated balance of the Emergency Stabilization Fund is recorded in the most recently completed fiscal year’s audited financial statements.

The Emergency Stabilization Fund Balance shall only be used for extraordinary operating or capital needs that could not be anticipated and cannot be funded with current budget resources. Examples of appropriate uses include, but are not limited to, expenditures related to weather emergencies, natural disasters, terrorist attacks, unanticipated mid-year reductions in state and or federal aid, or emergency repairs or demolitions of City facilities or infrastructure *due to fire, flood, or other catastrophes*. *Inappropriate uses include, but are not limited to, utilizing funds to balance the City budget, for recurring operating expenses, or for routine maintenance and repair.* To expend funds from the Emergency Stabilization Fund, the amount and the purpose of the expenditures shall be the responsibility of the Comptroller and shall be submitted in a timely manner to the Common Council and the Mayor.

- 2) Available Fund Balance – The City is to maintain an available fund balance (the combination of Assigned and Unassigned) shall be equal to no less than 45 days of prior year expenditures.
  - a. Replenishment – Immediately following a reduction in the available fund balance below the required 45 days, any subsequent annual budget approval must include a plan prepared and presented by the Office of the Comptroller to restore this balance to the target level within a specific period. This process will be repeated with each annual budget cycle until the available fund balance is replenished to the required level of 45 days prior year expenditures.
  - b. Available Fund Balance Ceiling – If available fund balance at the completion of any fiscal year exceeds 70 days (assigned and unassigned) of prior year expenditures, the Mayor may recommend excess be placed into capital outlay to reduce the amount of available fund balance towards the target level of 45 days of prior year expenditures. Said one time expenditure shall be subject to a majority vote of the Common Council.
- 3) Restricted Fund Balance – The Comptroller will determine the amount to be restricted for capital outlay as well as for emergency medical services in accordance with applicable regulations and legislation.
- 4) Committed Fund Balance – In addition to the Emergency Stabilization Fund, committed fund balance can be established by resolution with the request of the Comptroller’s Office for purposes accepted by the Common Council and the Mayor.

§ 20-17.4 Assigned Fund Balance:

1. The Comptroller will set the assigned fund balance to cover the amount of outstanding purchase orders or encumbrances that have been authorized by the Common Council through the budget process, as well as funds budgeted but not needed for self-insurance, the amount for probable claims as determined by Corporation Counsel, and any fund balance appropriated in the following year's budget.
2. Unassigned Fund Balance – Unassigned fund balance shall be any of the remaining amount.

§ 20.17.6 Use and Replenishment:

- A. Whenever the committed fund balance falls below the recommended 30 days operating cost to run the City, the Comptroller may initiate the following steps for replenishing the committed fund balance.
  - i. Unless in a declared state of emergency, there shall be no use of uncommitted funds for payments of expenditures already budgeted for within the City's restricted funds balance;
  - ii. The Office of the Mayor shall submit a plan to the Common Council which shall include any suggested actions to be taken to replenish the fund balance to the targeted level within a specified period. This plan shall propose a replenishment amount between 0.7 to 2.5% of the prior fiscal year's actual annual revenue and presented 60 days prior to the filing of the annual Budget impacted by the reduction cycle until fund balance is replenished to the required level. The established 30 days fund balance may be replenished within 2 years of use.

Section 2: This Local Law is not subject to mandatory referendum because the subject matter is not enumerated in the Municipal Home Rule Law as category requiring a referendum.

Section 3: It is hereby certified, pursuant to Section 3-17 of the Charter of the City of Buffalo, this Local Law shall take effect as of fiscal year 2022/2023.