Minutes

Buffalo Fiscal Stability Authority

September 15, 2003

Meeting of the Buffalo Fiscal Stability Authority ("BFSA") convened at 1:04 p.m. in the Mason O. Damon Auditorium of the Central Library of the Buffalo and Erie County Public Library in Buffalo, New York

The Meeting was convened by a Notice of Meeting sent to the Directors by Chair Baker and announced to the public and press.

Directors Present: Baker, Faso, Giambra, Masiello, McCall, Pirtle, Tobe, Townsend, Wilmers

Staff Present: Johnson, Tocker, Stefko

Others present, Friedman, Esq.

1. Agenda Item 1-Chair Baker made an opening statement including that the BFSA Report on the Buffalo Fiscal Plan would be released tomorrow September 16, 2003.

2. Executive Director Johnson summarized the BFSA report.
    a. The reasons for the creation of the BFSA were reviewed including the information contained in Comptroller Hevesi's report to the Legislature.
    b. She reviewed the actions taken by the BFSA including letters from the BFSA to the City and covered entities, the delivery of documents including some delivered today, and meetings with officials of the City, Schools and Buffalo Urban Renewal Agency.
    c. After a review of all documents, it was recommended that the BFSA not approve the budget and plan submitted by the City of Buffalo. A full statement of the reasons is contained in the BFSA Report. Some, but not all the reasons include:
        i. Some required information was not submitted or was submitted too late to be reviewed,
        ii. Cash flow analyses that are required were not submitted by the City, Buffalo Public Schools or other covered organizations,
        iii. Major components of revenue were not secure,
        iv. Spending rates and headcounts may not be affordable,
        v. Structural gaps continue for the City of Buffalo and Buffalo Public Schools.

3. Mayor Masiello responded to the Report. He made a statement and asked a number of questions.

a. It was clarified the BFSA can only borrow on the City's behalf if the BFSA finds the City has a balanced budget (including gap financing) and if the Mayor requests the borrowing and makes a declaration of need.
b. The situation with other control boards was discussed.
c. The need for new revenues and the reduction in healthcare, pension and mandated pay raises and other mandated costs were discussed.
d. There will be meetings with the County Executive in the near future to discuss mergers and consolidations.

4. Control Board members made the following points
   a. Additional aid from New York State in the form of mandate and expense relief and financial support will be needed.
   b. It is hoped that the current financial problems faced by many New York State municipalities will produce mandate relief and other reforms. Unfortunately, municipal distress has not produced the hoped for results yet.
   c. Even if the City were to receive the sales tax aid that is within the plan, it would still have a deficit at the end of the four-year period.
   d. The submission from the Buffalo Public Schools is not acceptable because, according to its own terms, it will not meet the basic needs of students.
   e. The Financial Department of the Buffalo Public Schools is a great concern.
   f. The submissions from the Buffalo Urban Renewal Agency and the Buffalo Municipal Housing Authority showed deficits but did not contain a plan for the elimination of the deficits.

5. Mayor Masiello provided each Board member with a Management and Organizational Assessment of the Buffalo Fire Department.

6. Mr. Baker announced that the BFSA had not received any contracts relating to the Buffalo Urban Renewal Agency for review and approval of the BFSA. Mayor Masiello indicated that contracts had been submitted today.

7. The Directors adopted Resolution 03-33 to disapprove the plan, to return the plan to Buffalo with instructions to review it in accordance with a communication from BFSA and to submit a revised plan no later than October 1, 2003. Motion Wilmers, second by Faso, vote 8-0. Masiello abstained.

8. The meeting adjourned at 1:48 p.m.