

Minutes

Buffalo Fiscal Stability Authority

July 21, 2004

A meeting of the Buffalo Financial Stability Authority (“BFSA”) convened at 1:03 p.m. in room 106 of the Buffalo Convention Center 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, Stenhouse, Tobe and Townsend

Directors Absent: Wilmers

Staff Present: Johnson, McPherson, Mitchell, Santos, Stefko and Tocker

Opening Statement

Chair Thomas Baker announced roll call of Directors and made a few remarks noting the day’s agenda.

Approve Minutes

The Directors voted to approve Resolution 04-73 to approve the minutes of the meeting of June 9, 2004 and to ratify resolutions numbered 04-58 through 04-72. Motion by Giambra second by Stenhouse. Vote 8-0 to take effect immediately.

RESOLUTION 04-73

APPROVING MINUTES AND RESOLUTIONS FROM JUNE 9, 2004.

BE IT RESOLVED that, the Buffalo Fiscal Stability Authority approves the minutes of its meeting of June 9, 2004 and ratifies and affirms the fifteen resolutions numbered 04-58 through 04-72 that were approved on June 9, 2004.

City Issues

Dorothy Johnson, Executive Director, presented some key points relative to the approved Financial Plan and City cost centers, illustrated with a textual slide presentation.

Discussion of the Plan covered spending and revenue assumptions and programs to eliminate the gap initiatives. Johnson announced that BFSA’s approval of the Financial Plan should not be taken as an endorsement of the sales tax sharing concept, moreover, if no sales tax agreement is reached by January 2005, the City’s 2nd quarter report due to the BFSA (February 1, 2005) must contain a formal Financial Plan modification. It was also mentioned that the BFSA would be working with the City to establish a formal reserve policy and that goals were met in the area of licensing and permitting. Johnson noted that the BFSA would release its report on the approved Financial Plan in the next few days.

Director Faso asked the City Administration to look into the savings associated with exempting the new fire company/houses from the Wicks Law.

Chair Baker commented on three accomplishments by the City: the agreement to utilize a single health insurance carrier, the progress in the licensing and permitting process and the preliminary consolidation discussions relative to the City Water Board and the County Water Authority.

Director Townsend questioned Commissioner of Administration and Finance James Milroy about the minimum wage increase and its impact on the City's budget. Milroy stated that it would have little or no impact.

Mayor Masiello explained that the implementation of the new permitting/licensing system will eliminate fees for home improvements and rehabilitations, and buildings will be assessed by square footage. He also noted the new on-line format for obtaining permits.

The Directors voted to approve Resolution 04-74 to approve the parks agreement between the City and Erie County. Motion by Masiello second by Giambra. Vote 8-0 to take effect immediately.

RESOLUTION 04-74

APPROVE CITY OF BUFFALO AND COUNTY OF ERIE INTERMUNICIPAL COOPERATION AGREEMENT FOR OPERATION, MANAGEMENT AND IMPROVEMENT OF CITY OF BUFFALO PARKLANDS.

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the Buffalo Fiscal Stability Authority ("BFSA") to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, As part of the City of Buffalo Four-Year Financial Plan for Fiscal Years Ending 2005 – 2008, the BFSA approved the fiscal changes related to this initiative to transfer City parks to the County of Erie; and

WHEREAS, to effectuate this transfer, the City and County must enter into an intermunicipal cooperation agreement; and

WHEREAS, in order for the City to enter into this intermunicipal agreement the BFSA must approve the agreement retroactively to July 1, 2004;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby approve the Intermunicipal Cooperation Agreement for Operation, Management

and Improvement of City of Buffalo Parklands and retroactively authorizes the City of Buffalo to enter into this agreement on July 1, 2004.

The Directors voted to approve Resolution 04-75 to approve the single health insurance provider. Motion by Townsend second by Stenhouse. Vote 8-0 to take effect immediately.

RESOLUTION 04-75

APPROVE MEMORANDA OF AGREEMENT FOR SINGLE HEALTH INSURANCE PROVIDER.

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 also permits the BFSA to review and approve or disapprove collective bargaining agreements binding or purporting to bind the City or any covered organization; and

WHEREAS, As part of the City of Buffalo Four-Year Financial Plan for Fiscal Years Ending 2005 – 2008, the BFSA approved a plan to move most of the City’s employees to a single health insurance provider; and

WHEREAS, to effectuate this plan, the City and various collective bargaining units representing City employees entered into Memoranda of Agreement; and

WHEREAS, though the BFSA approved the fiscal changes related to this transaction as part of the Four-Year Financial Plan, retroactive BFSA approval of the changes to these contracts is required for them to become effective;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approves each of the individual Memoranda of Agreement between the City of Buffalo and the collective bargaining units listed below that modify health insurance coverage for City employees and retroactively authorizes the City of Buffalo to enter into these agreements as of June 1, 2004.

1. Buffalo Professional Firefighters Association, Inc., Local 282, IAFF
2. Buffalo Crossing Guards Association, Inc.
3. AFSCME Local 650
4. AFSCME Local 264
5. International Union of Operating Engineers, AFSCME Local 2651
6. International Union of Operating Engineers, AFSCME Local 17S
7. International Brotherhood of Teamsters, AFL-CIO Local 264
8. Civil Service Employees Association of New York Local 815 - BURA

Labor Issues

Chief Counsel Darryl McPherson updated the Directors with the status of three court cases affecting, or of interest to, the BFSA: the Police Benevolent Association (PBA) in State Supreme Court, the federal case involving unions representing school district employees and the Firefighters Union suit with the City of Buffalo.

On May 28, 2004, the BFSA was served with an Order to Show Cause and Article 78 Petition by the Police Benevolent Association in relation to the wage freeze. The case will be heard by Justice Nelson H. Cosgrove on July 30, 2004. The action seeks to compel the BFSA to rescind the wage freeze resolution and to comply with the March 2003 Memorandum of Agreement between the City and PBA.

On July 24, 2004, the BFSA was served with a Summons and Complaint by all eight unions representing school districts employees. They raise two causes of action based on the Wage Freeze Resolution. The first is that the resolution impairs the contractual rights of their members in violation of Article I, section 10, clause 1 of the U.S. Constitution. The second is that it constitutes a taking of private property without just compensation in violation of the 5th Amendment to the Constitution. Responding papers are due to the Court by July 27, 2004.

The BFSA was served on July 8, 2004 with a copy of an Order to Show Cause with a Temporary Restraining Order that was served upon the City by the President of Local 282, the Firefighters Union. The BFSA was not named in the suit, but Justice Eugene Fahey required a copy to be served on the BFSA. At issue was the union's contention that the City was not authorized to implement the single health insurance provider and plan without the ratification of the union membership. At a July 13, 2004, Justice Fahey gave an indication that he did not see irreparable harm, which is a key component to granting injunctive relief. Subsequently, Local 282 formally withdrew their request for a restraining order. The underlying issue will go to arbitration at a later date.

Hiring Freeze Waiver Requests

Following a description by Johnson of the City positions for which waivers from the hiring freeze were requested, the Directors voted to approve Resolution 04-76 to authorize the hiring of employees listed in Resolution 04-76 and granting exemptions from resolution 03-70. Motion by Masiello second by Stenhouse. Vote 8-0 to take effect immediately.

RESOLUTION 04-76

AFFIRM WAIVER OF HIRING FREEZE ORDERED ON CITY OF BUFFALO, AUTHORIZING EIGHTEEN POSITIONS FOR CITY GOVERNMENT

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 authorizes the Buffalo Fiscal Stability Authority ("BFSA") to review and approve

or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Section 3858(2)(C) of the Public Authorities Law authorizes the BFSa to impose a hiring freeze during a control period upon a finding by the BFSa that a hiring freeze is essential to the maintenance of a financial plan; and

WHEREAS, Section 3858(2)(O) of the Public Authorities Law further provides that the BFSa may, to the extent it deems necessary or desirable in order to accomplish the purposes of the BFSa Act, including but not limited to the timely and satisfactory implementation of an approved financial plan, issue a binding order to the appropriate City official; and

WHEREAS, on December 15, 2003, the BFSa found that the immediate imposition of a hiring freeze upon the City of Buffalo was essential to the maintenance of the City of Buffalo Revised Financial Plan and was necessary to accomplish the purposes of the BFSa Act and to insure the timely and satisfactory implementation of the Revised Financial Plan; and

WHEREAS, on December 15, 2003 the BFSa approved Resolution 03-70, ordering a hiring freeze on the City of Buffalo with certain exemptions; and

WHEREAS, on occasion, there may be times when the approval of a hiring freeze waiver request may be necessary prior to the next scheduled meeting of the BFSa; and

WHEREAS, though Resolution No. 03-78 provides a process for emergency approval by BFSa Staff, which must be submitted to the BFSa for affirmation by the Board; and

WHEREAS, City officials have submitted hiring freeze waiver requests which have been approved through the established emergency approval process prior to the July 21, 2004 BFSa meeting, having indicated that there are sufficient funds available for the positions;

WHEREAS, the request was to fill the following eighteen positions:

- | | | |
|----------------------------------|---|-------------------------|
| 1. Law | Asst. Corporation Counsel II | \$57,245 |
| 2. Law | Asst. Corporation Counsel I | \$45,757 |
| 3. Law | Intern V (Law Clerk) | \$14,320 |
| 4. Human Resources | Secretary to Commissioner | \$29,138 |
| 5. Public Works, Parks & Streets | Bridge Operating Engineers (2) (seasonal) | \$10.25 per hour |
| 6. Common Council | Interns (12) (various classes) | \$5.15-\$10.00 per hour |

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority recognizes that without the approval of these waiver requests, the City would otherwise incur larger than anticipated overtime costs and/or a loss of revenues to the City; and

BE IT FURTHER RESOLVED, that the Buffalo Fiscal Stability Authority hereby finds that the Mayor's requests to waive the hiring freeze with regard to eighteen (18) positions complies with the exemption criteria contained in Resolution 03-70, determines that they are in the best interests of the City, and does hereby affirms the eighteen (18) waiver requests previously approved through the emergency approval process.

The Directors voted to approve Resolution 04-77 to affirm the authorization of the hiring of employees listed in Resolution 04-77 and granting exemptions from resolution 03-70. Motion by Giambra second by Townsend. Vote 8-0 to take effect immediately.

RESOLUTION 04-77

WAIVER OF HIRING FREEZE ORDERED ON CITY OF BUFFALO, AUTHORIZING TWENTY POSITIONS FOR CITY GOVERNMENT

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 authorizes the Buffalo Fiscal Stability Authority ("BFSA") to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Section 3858(2)(C) of the Public Authorities Law authorizes the BFSA to impose a hiring freeze during a control period upon a finding by the BFSA that a hiring freeze is essential to the maintenance of a financial plan; and

WHEREAS, Section 3858(2)(O) of the Public Authorities Law further provides that the BFSA may, to the extent it deems necessary or desirable in order to accomplish the purposes of the BFSA Act, including but not limited to the timely and satisfactory implementation of an approved financial plan, issue a binding order to the appropriate City official; and

WHEREAS, on December 15, 2003, the BFSA found that the immediate imposition of a hiring freeze upon the City of Buffalo was essential to the maintenance of the City of Buffalo Revised Financial Plan and was necessary to accomplish the purposes of the BFSA Act and to ensure the timely and satisfactory implementation of the Revised Financial Plan; and

WHEREAS, on December 15, 2003 the BFSA approved Resolution 03-70, ordering a hiring freeze on the City of Buffalo with certain exemptions; and

WHEREAS, for consideration at the July 21, 2004 BFSA meeting, the Mayor of the City of Buffalo has submitted requests to waive the BFSA hiring freeze for twenty (20) positions, in accordance with the exemption criteria imposed and established by Resolution 03-70,

WHEREAS, the request is to fill the following twenty positions:

1. Community Services	Counselor III (2)	\$30,555 (\$61,110)
2. Police	Detective Sergeant (2)	\$62,423 (\$124,846)
3. Police	Lieutenant (2)	\$66,315 (\$132,630)
4. Real Estate	Laborer II (2) (seasonal)	\$20,700
5. Public Works, Parks & Streets	Heavy Equipment Operator	\$29,327
6. Public Works, Parks & Streets	Laborer II (4) (seasonal)	\$30,155
7. Parking Violations	Hearing Examiner (4)	\$110 per diem
8. Parking Violations	Laborer II	\$15,648
9. Permit & Inspection Services	Clerk	\$25,162
10. Fire	Captain	\$62,136

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority recognizes that without the approval of these waiver requests, the City would otherwise incur larger than anticipated overtime costs and/or a loss of revenues to the City; and

BE IT FURTHER RESOLVED, that the Buffalo Fiscal Stability Authority hereby finds that the Mayor's requests to waive the hiring freeze with regard to twenty (20) positions complies with the exemption criteria contained in Resolution 03-70, determines that they are in the best interests of the City, and does hereby authorize the twenty (20) waiver requests.

The Directors voted to approve Resolution 04-78 to authorize the hiring of employees listed in Resolution 04-78 and granting exemptions from resolution 03-70. Motion by Masiello second by Tobe. Vote 8-0 to take effect immediately.

RESOLUTION 04-78

WAIVER OF HIRING FREEZE ORDERED ON CITY OF BUFFALO, AUTHORIZING SEVENTY-FOUR POSITIONS FOR THE CITY CLERK AND THE COMMON COUNCIL

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 authorizes the Buffalo Fiscal Stability Authority ("BFSA") to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Section 3858(2)(C) of the Public Authorities Law authorizes the BFSA to impose a hiring freeze during a control period upon a finding by the BFSA that a hiring freeze is essential to the maintenance of a financial plan; and

WHEREAS, Section 3858(2)(O) of the Public Authorities Law further provides that the BFSA may, to the extent it deems necessary or desirable in order to accomplish the purposes of the BFSA Act, including but not limited to the timely and satisfactory implementation of an approved financial plan, issue a binding order to the appropriate City official; and

WHEREAS, on December 15, 2003, the BFSA found that the immediate imposition of a hiring freeze upon the City of Buffalo was essential to the maintenance of the City of Buffalo Revised Financial Plan and was necessary to accomplish the purposes of the BFSA Act and to ensure the timely and satisfactory implementation of the Revised Financial Plan; and

WHEREAS, on December 15, 2003 the BFSA approved Resolution 03-70, ordering a hiring freeze on the City of Buffalo with certain exemptions; and

WHEREAS, for consideration at the July 21, 2004 BFSA meeting, the City Clerk submitted requests to waive the BFSA hiring freeze for seventy-four positions; and

WHEREAS, the request is to fill the following positions:

- | | | |
|-------------------|------------------|-------------------------|
| 1. Intern I (6) | \$7.00 per hour | (City Clerk dog census) |
| 2. Intern I (9) | \$7.00 per hour | |
| 3. Intern II (27) | \$5.15 per hour | |
| 4. Intern IV (19) | \$6.00 per hour | |
| 5. Intern V (6) | \$8.00 per hour | |
| 6. Intern VI (7) | \$10.00 per hour | |

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority authorizes the waiver of the hiring freeze for seventy-four positions which will be paid by funds existing in the budget under the control of the City Clerk and the Common Council.

The Directors voted to approve Resolution 04-79 to authorize the hiring of employees listed in Resolution 04-79 and granting exemptions from resolution 03-70. Motion by Masiello second by Giambra. Vote 8-0 to take effect immediately.

RESOLUTION 04-79

WAIVER OF HIRING FREEZE ORDERED ON CITY OF BUFFALO, AUTHORIZING THREE POSITIONS FOR THE DEPARTMENT OF AUDIT & CONTROL

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 authorizes the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Section 3858(2)(C) of the Public Authorities Law authorizes the BFSA to impose a hiring freeze during a control period upon a finding by the BFSA that a hiring freeze is essential to the maintenance of a financial plan; and

WHEREAS, Section 3858(2)(O) of the Public Authorities Law further provides that the BFSA may, to the extent it deems necessary or desirable in order to accomplish the

purposes of the BFSA Act, including but not limited to the timely and satisfactory implementation of an approved financial plan, issue a binding order to the appropriate City official; and

WHEREAS, on December 15, 2003, the BFSA found that the immediate imposition of a hiring freeze upon the City of Buffalo was essential to the maintenance of the City of Buffalo Revised Financial Plan and was necessary to accomplish the purposes of the BFSA Act and to ensure the timely and satisfactory implementation of the Revised Financial Plan; and

WHEREAS, on December 15, 2003 the BFSA approved Resolution 03-70, ordering a hiring freeze on the City of Buffalo with certain exemptions; and

WHEREAS, for consideration at the July 21, 2004 BFSA meeting, the City Comptroller has submitted requests to waive the BFSA hiring freeze for three (3) positions, in accordance with the exemption criteria imposed and established by Resolution 03-70; and

WHEREAS, the request is to fill the following positions:

1.	Audit & Control	Supervising Accountant	\$43,723-\$51,200
2.	Audit & Control	Supervising Auditor	\$43,723-\$51,200
3.	Audit & Control	Assistant Auditor	\$32,487-\$37,485

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority recognizes that without the approval of these waiver requests, the City would otherwise incur larger than anticipated overtime costs and/or a loss of revenues to the City; and

BE IT FURTHER RESOLVED, that the Buffalo Fiscal Stability Authority hereby finds that the Comptroller's requests to waive the hiring freeze with regard to three (3) positions complies with the exemption criteria contained in Resolution 03-70, determines that they are in the best interests of the City, and does hereby authorize the three (3) waiver requests.

School Issues

Ms. Johnson gave a textual and graphical slide presentation relative to the School District's approved Financial Plan and cost centers. Discussion of the Plan covered the District's spending and revenue assumptions and its programs to eliminate the gap. Directors and School Administration staff provided information on the current retirement incentives and other benefits awarded to Buffalo teachers and administrators.

Gary Crosby, the Chief Financial Officer for the Buffalo Public Schools, described the districts current retirement bonus plan. Teachers between the ages of 55 to 58 with certain number of years of service can retire and obtain a bonus calculated as a percentage of salary. The retirement bonus has been offered since 1976. Mr. Crosby reported that to date approximately 400 teachers and administrators have announced plans to retire. The District budgeted \$6.2 million in 2003/2004 and \$12 million for

2004/2005. The cost to the District will be approximately \$2 million over budget for this year and teachers have until August 15, 2004 to retire and still be eligible for the retirement bonus. Mr. Crosby indicated that getting notice on August 15, 2004 was very late, giving the District only two to three weeks to replace retiring teachers. He also indicated that a retirement benefit that is offered every year is not likely to induce teachers to retire early. Director Tobe commented that instead of paying teachers to retire, the School District could pay approximately 240 starting teachers, which would reduce class sizes significantly.

The Directors reiterated the importance of a move to a single health insurance provider in terms of offsetting the increases in cost in this particular benefit.

Chair Baker stressed the importance of every efficiency in light of the City's deep financial distress. He noted that the City is borrowing money to meet payroll, and that, in light of these financial circumstances, the system can no longer continue to spend more when the same benefits can be provided more economically. Initiatives such as the "no-pain" single health insurance provider need to be explored.

Other Covered Organization Issues

BURA

Office of Strategic Planning's Executive Director Tim Wanamaker commented on a recent article in the paper, which stated that BURA has lost \$5 million. Wanamaker made it clear that the money was not lost, and that his staff has been working diligently with HUD and fully expects to receive the \$ 5 million mentioned in the article.

Debt Issuance

Chair Baker stated that BFSA issued its \$25,745,000 Sales Tax and State Aid Secured Bonds, Series 2004A on June 29th, 2004. The issue was limited to a 10-year transaction at the Mayor's request. The proceeds have been turned over to the City and discussions have begun relative to cash flow borrowing. Johnson stated the underlying ratings by Moody's and Fitch for the deficit financing were Aa3 and AA-, while the insured bonds were rated AAA. The following resolutions are presented to the board for consideration relative to the next debt issue.

The Directors voted to approve Resolution 04-80 concerning State Environmental Quality Review Act matters in connection with the authorization, sale and issuance of bond anticipation notes, series 2004A-1. Motion by Faso second by Giambra. Vote 8-0 to take effect immediately.

RESOLUTION 04-80

RESOLUTION CONCERNING STATE ENVIRONMENTAL QUALITY REVIEW ACT MATTERS IN CONNECTION WITH THE AUTHORIZATION, SALE AND ISSUANCE OF BOND ANTICIPATION NOTES, SERIES 2004A-1

WHEREAS, the Buffalo Fiscal Stability Authority Act, incorporated in chapter 122 of the laws of 2003, as amended from time to time (the “Act”), authorizes the Buffalo Fiscal Stability Authority (the “Authority”) to issue bonds and notes for the purpose of financing Financeable Costs, as defined in the Act and to make the proceeds thereof available to the City of Buffalo (the “City”); and

WHEREAS, the Act authorizes the Authority to enter into appropriate and necessary contracts with its bondholders and others to provide for the issuance thereof, and the Directors of the Authority intend to provide from time to time for the authorization, issuance and sale of its bond anticipation notes (the “Notes”); and

WHEREAS, the proceeds of such series of Notes (the “Series 2004A-1 Notes”) will be used to finance Financeable Costs under the Act, which may include but are not limited to (i) refunding, repayment or restructuring of certain outstanding indebtedness of the City; (ii) cash flow needs of the City; (iii) capital projects; (iv) operating costs of the City; and (v) the costs of issuance of such series of Bonds; and

WHEREAS, the Authority is required under the State Environmental Quality Review Act, as amended (“SEQRA”), to complete environmental reviews in connection with its activities, including the issuance of its bonds and notes from time to time or the expenditure of the proceeds thereof:

NOW, THEREFORE, the Authority hereby adopts the following resolutions:

I. Authorized Officers

RESOLVED, that each of the Chairperson, the Vice Chairperson, the Executive Director, the Chief Financial Officer, the Chief Counsel, the Treasurer and the Corporate Secretary of the Authority, and any other person duly authorized to act in such capacity, is designated an “Authorized Officer” for the purposes of the following resolutions; and further

II. SEQRA Findings and Delegation

RESOLVED, that the issuance of the Series 2004A-1 Notes in order to finance Financeable Costs under the Act, which may include but are not limited to (i) refunding, repayment or restructuring of certain outstanding indebtedness of the City; (ii) cash flow needs of the City; (iii) capital projects; (iv) operating costs of the City; and (v) the costs of issuance of such series of Notes in each case, except clause (iii), constitutes a “Type II” action under SEQRA and, accordingly, no further action or review is required to be made with respect to the issuance of bonds and notes and the application of the proceeds for such purposes; and further

RESOLVED, that no proceeds of the Series 2004A-1 Notes shall be applied with respect to any Financeable Cost unless and until an Authorized Officer has taken all necessary action pursuant to the delegation in the following clause in order to comply with the requirements of SEQRA with respect to such Financeable Cost; and further

RESOLVED, that the Authorized Officers are each hereby authorized and directed to take any and all actions necessary to comply with the requirements of SEQRA prior to the disbursement of proceeds of the Series 2004A-1 Notes with respect to each Financeable Cost; and provided, further, that such Authorized Officers may, to the extent permitted by law, rely upon information supplied by and representations and findings of authorized representatives of the City in connection therewith; and further

RESOLVED, that the Authorized Officers are each hereby authorized and directed to take any and all actions necessary to comply with the requirements of SEQRA with respect to any Financeable Costs to be financed with the proceeds of any future series of Notes; and provided, further, that such Authorized Officers may, to the extent permitted by law, rely upon information supplied by and representations and findings of authorized representatives of the City in connection therewith; and further

RESOLVED, that the Authorized Officers are each hereby authorized and directed to approve and execute such documents or certifications and take such other actions, in the name of the Authority and on its behalf, as he or she may reasonably deem necessary or appropriate to carry out the foregoing resolutions (including without limitation the making of any findings and the preparation of any assessment forms required by SEQRA), and that all such actions heretofore taken in connection with the Series 2004A-1 Notes by any Authorized Officer, or his or her designee, are hereby ratified and approved.

The Directors voted to approve Resolution 04-81 to authorize the sale and issuance of sales tax and State aid secured bonds, series one and bond anticipation notes, series 2004A-1. Motion by Faso second by Giambra. Vote 8-0 to take effect immediately.

RESOLUTION 04-81

RESOLUTION CONCERNING THE AUTHORIZATION, SALE AND ISSUANCE OF SALES TAX AND STATE AID SECURED BONDS, SERIES ONE AND BOND ANTICIPATION NOTES, SERIES 2004A-1

WHEREAS, the Buffalo Fiscal Stability Authority Act, incorporated in chapter 122 of the laws of 2003, as amended from time to time (the “Act”) authorizes the Buffalo Fiscal Stability Authority (the “Authority”) to issue bonds and notes for the purpose of financing Financeable Costs, as defined in the Act and to make the proceeds thereof available to the City of Buffalo (the “City”); and

WHEREAS, the Authority is authorized by the Act, upon submission by the City to the Authority of an approved declaration of need in accordance with the Act, to enter into agreements, in the Authority’s discretion, providing for the financing of Financeable Costs by the Authority and to issue its bonds, notes, or other obligations therefor; and

WHEREAS, the Act authorizes the Authority to enter into appropriate and necessary contracts with its bondholders and others to provide for the issuance thereof, and the Directors of the Authority hereby intend to provide for the authorization, issuance

and sale of a series of its sales tax and state aid secured bonds (the “Bonds”) and a series of bond anticipation notes in anticipation of such Bonds (such series of bond anticipation notes, including any renewals thereof, the “Notes”) through the approval of appropriate documentation, including, without limitation, the approval of the Second Supplemental Indenture (as such term is defined below), the authorization of the issuance of such series of Bonds and the issuance, sale and delivery of such series of Bonds, and the preparation, negotiation and approval of appropriate documents in connection therewith; and

WHEREAS, the proceeds of such series of Notes will be used to finance Financeable Costs under the Act, which may include but are not limited to (i) refunding, repayment or restructuring of certain outstanding indebtedness of the City; (ii) cash flow needs of the City; (iii) capital projects; (iv) operating costs of the City; and (v) the costs of issuance of such series of Notes; and

WHEREAS, the Authority is required to obtain the written approval of the State Comptroller for the sale of the Notes and the terms thereof if such sale be a private sale to other than the State Comptroller; and

WHEREAS, the Authority will obtain the required approval of the State Comptroller prior to the delivery of the Notes; and

WHEREAS, the Authority has previously caused to be executed and delivered an indenture entitled “Indenture between Buffalo Fiscal Stability Authority and The Bank of New York, as Trustee, dated as of June 1, 2004” (the “General Indenture”), authorizing the issuance of one or more series of Bonds or notes, including bond anticipation notes, for the purposes set forth therein and containing certain other terms, restrictions and covenants with respect to such Bonds or notes and the security pledged to the payment thereof; and

WHEREAS, the Authority has caused to be prepared a form of supplemental indenture entitled “Second Supplemental Indenture between Buffalo Fiscal Stability Authority and The Bank of New York, as Trustee Authorizing Up To \$145,000,000 Buffalo Fiscal Stability Authority Sales Tax and State Aid Secured Bonds, Series One and Up To \$125,000,000 Buffalo Fiscal Stability Authority Bond Anticipation Notes, 2004A-1, dated as of August 1, 2004” (the “Second Supplemental Indenture”), pursuant to which the Authority will authorize the issuance of the Sales Tax and State Aid Secured Bonds, Series One (the “Series One Bonds”) and the Notes, initially bearing the designation “Bond Anticipation Notes, Series 2004A-1,” subject to renewal thereof (the General Indenture, as amended and supplemented, including by the Second Supplemental Indenture, being hereinafter collectively referred to as the “Indenture”); and

WHEREAS, the Authority has previously caused to be executed and delivered a financing agreement dated as of June 1, 2004 (the “Financing Agreement”), by and between the Authority and the City, pursuant to which the City has made certain agreements and covenants relating to the issuance of Bonds or notes by the Authority, and has agreed to the pledge of said covenants to the Trustee on behalf of the Bondholders; and

WHEREAS, pursuant to the Act and the Financing Agreement, the City has requested and has submitted an approved Declaration of Need in accordance with the Financing Agreement in form satisfactory to the Authority that the Authority undertake this financing through the issuance of the Notes for the purpose of financing the cash flow needs of the City at lower cost than the City could finance such cash flow needs on its own; and further that as a condition thereto, the City will issue and deliver to the Authority as noteholder, its issue of Revenue Anticipation Notes (the “RANs”), the payments thereunder to the Authority, together with other available moneys of the Authority, including, without limitation, State Aid Revenues, expected to be sufficient for the Authority to pay in full amounts on the Notes at their respective maturity date or dates; and

WHEREAS, the Authority has caused to be prepared a form of a Preliminary Offering Circular (the “Preliminary Offering Circular”), relating to the Notes; and

WHEREAS, officers and employees of the Authority will participate in revisions to the Preliminary Offering Circular and the preparation of a final Offering Circular to be used in connection with the issuance and sale of the Notes (the “Offering Circular”) and have negotiated the Contract of Purchase therefor (the “Purchase Contract”); and

WHEREAS, the Authority has negotiated a form of contract of purchase between the Authority and the City relating to the purchase by the Authority of the RANs from the City (the “RAN Purchase Contract”); and

WHEREAS, the Authority has caused to be prepared a Buffalo Fiscal Stability Authority Bond Anticipation Notes, Series 2004A-1 Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) between the Authority and the Trustee in order to assist the Underwriter (as defined below) in complying with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended:

NOW, THEREFORE, the Authority, hereby adopts the following resolutions:

Second Supplemental Indenture

RESOLVED, that the form of Second Supplemental Indenture presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit A, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Second Supplemental Indenture in substantially such form with such changes thereto prior to the issuance and delivery of the Notes or the Series One Bonds (which may be issued in one or more series or subseries) as may be approved by the Authorized Officer subject to the terms referred to in items VIII and X below; and further

Declaration of Need

RESOLVED, that pursuant to the Act and the Financing Agreement, the City has requested the Authority to undertake this financing and has submitted a Declaration of Need in substantially the form set forth in the Financing Agreement and any Authorized Officer is hereby authorized to execute and deliver an acceptance of said Declaration of

Need consistent with this resolution; it being expressly understood that the Authority's undertaking of this financing through the issuance of the Notes is conditioned upon the issuance and delivery by the City to the Authority as noteholder of the RANs in a form satisfactory to an Authorized Officer of the Authority and to bond counsel of the Authority; and further

Preliminary Offering Circular

RESOLVED, that the Preliminary Offering Circular of the Authority in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit B, is hereby approved for use in marketing the Notes with such changes as an Authorized Officer may approve; and further

Offering Circular

RESOLVED, that any Authorized Officer is authorized to execute and deliver, on behalf of the Authority, the Offering Circular, with such changes to the Preliminary Offering Circular as may be approved by an Authorized Officer, said execution being conclusive evidence of such approval, and any amendments or supplements thereto which may be necessary or desirable; and any Authorized Officer is further hereby authorized and directed to execute the same on behalf of the Authority, as well as any certificates necessary in connection therewith to allow the Underwriter to comply with SEC rules; and further

Purchase Contract

RESOLVED, that the Purchase Contract by and among the Authority and the Underwriter, in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit C, is hereby approved with such changes as an Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

RAN Purchase Contract

RESOLVED, that the RAN Purchase Contract by and among the Authority and the City, in substantially the form presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit D, is hereby approved with such changes as an Authorized Officer may approve, and any Authorized Officer is hereby authorized and directed to execute the same on behalf of the Authority; and further

Continuing Disclosure Agreement

RESOLVED, that the Continuing Disclosure Agreement presented to this meeting, a copy of which shall be annexed to this resolution as Exhibit E, is hereby approved, and any Authorized Officer is hereby authorized to execute and deliver the Continuing Disclosure Agreement in substantially such form as is so approved with such changes therein as the Authorized Officer executing the same may approve, such approval to be evidenced by such Authorized Officer's execution thereof, and further

Terms of Notes

RESOLVED, that there is hereby delegated to any Authorized Officer of the Authority, subject to the limitations, if any, contained in the Indenture, the power with respect to the Notes to determine and carry out the following:

(a) The principal amount of the Notes to be issued in an aggregate total principal amount up to \$125,000,000;

(b) The date or dates, maturity date or dates and principal amount of each maturity of the Notes; provided, however, that the Notes shall mature no later than eighteen months after their date of issuance;

(c) Provisions for the renewal of the Notes consistent with the Indenture; provided that any renewal notes shall mature no later than five years from the date of initial issuance of the Notes;

(d) The interest rate or rates of the Notes (including a zero interest rate), the date from which interest on the Notes shall accrue and the interest payment dates, if any, therefor; provided, however, that the true interest cost of the Notes (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed 4% per annum, and the true net interest cost of any renewal of such Notes as so determined shall not exceed eight percent (8%) per annum;

(e) Additional provisions for the sale or exchange of the Notes and for the delivery thereof not otherwise set forth herein;

(f) Directions for the (i) application of the proceeds of the Notes to the purchase of the RANs and other purposes and (ii) investment of the proceeds of the Notes not in conflict with the provisions hereof,

(g) Any other provisions deemed necessary or advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the Indenture, including, without limitation, incorporating a credit facility or other form of credit enhancement or amending the pledge of collateral (other than the pledge of the Series One Bonds) securing the Notes or changes to address rating agency considerations, in each case to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further

Issuance and Sale of the Notes

RESOLVED, that the Authority shall issue, award, sell and deliver the Notes to the Underwriter upon the terms and conditions set forth in the Purchase Contract at a purchase price of not less than ninety-five percent (95%) of the aggregate original principal amount (issuance value) of the Notes to be sold and shall apply the proceeds thereof in accordance with the provisions of the Indenture and certain other certificates to be delivered upon issuance of the Notes; and further

Terms of Series One Bonds

RESOLVED, that there is hereby delegated to any Authorized Officer of the Authority, subject to the limitations, if any, contained in the Indenture, the power with respect to the Series One Bonds to determine and carry out the following:

(a) The principal amount of the Series One Bonds to be issued in an aggregate total principal amount up to \$145,000,000;

(b) The date or dates, maturity date or dates and principal amount of each series and maturity of the Series One Bonds, the amount and date of each sinking fund installment, if any, and which Series One Bonds, if any, are serial bonds or term bonds; provided, however, that the Series One Bonds shall mature no later than ten years from their date of issuance;

(c) The interest rate or rates of each series of the Series One Bonds (including a zero interest rate), the dates from which interest on each series of the Series One Bonds shall accrue, the interest payment dates, if any, therefor and the interest rate mode or modes thereof; provided, however, that the true interest cost of the Series One Bonds (as determined by an Authorized Officer of the Authority, which determination shall be conclusive) shall not exceed 8% per annum;

(d) The redemption price or redemption prices, if any, and the redemption terms, if any, for each series of the Series One Bonds; provided; however, that the redemption price of any Series One Bond subject to redemption at the election of the Authority or in accordance with the General Indenture shall not be greater than one hundred three percent (103%) of the principal amount of the Series One Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

(e) Additional provisions for the sale or exchange of the Series One Bonds and for the delivery thereof not otherwise set forth herein, including, but not limited to, provisions for the negotiated sale thereof and preparation and approval of the Series One Bond Instruments, as defined and provided for in Section 4.03 of the form of the Second Supplemental Indenture;

(f) Directions for the application of the proceeds of the Series One Bonds and investment thereof not in conflict with the provisions hereof,

(g) Any other provisions deemed necessary or advisable by an Authorized Officer of the Authority, not in conflict with the provisions hereof or of the Indenture, including, without limitation, changing the designation of the Series One Bonds, incorporating bond insurance or other form of credit enhancement or changes to address rating agency considerations, in each case to the extent that an Authorized Officer of the Authority determines that such changes would be in the best interest of the Authority; and further

Authorized Officers

RESOLVED, that each of the Chairperson, the Vice Chairperson, the Executive Director, the Chief Financial Officer, the Chief Counsel, the Treasurer and the Corporate

Secretary of the Authority, and any person duly authorized to act in such capacity, is designated an “Authorized Officer” for the purposes of the foregoing resolutions; and further

Appointment of Underwriter

RESOLVED, that the firm of Lehman Brothers Inc. is hereby appointed as senior managing underwriter for the financings authorized by this resolution.

Negotiated Sale

RESOLVED, that the use of a negotiated underwriting in connection with the sale of the Notes, renewal notes and the Series One Bonds is found to be appropriate.

Appointment of Bond Counsel

RESOLVED, that the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. is hereby appointed bond counsel for the Notes, renewal notes and the Series One Bonds; and further

Further Action

RESOLVED, that the Authorized Officers or their designee(s) are each hereby authorized and directed to approve and execute such documents or certifications (including certifications as to the federal tax status of interest on the Notes, any renewals thereof and the Series One Bonds), make such payments and take such other actions, in the name of the Authority and on its behalf, as he or she may reasonably deem necessary or appropriate to carry out the foregoing resolutions, including without limitation the execution, sale and delivery of the Notes, renewal notes and Series One Bonds, any amendment to the Financing Agreement deemed necessary or convenient in carrying out the intent of this resolution, and that all such actions heretofore taken in connection with the Notes, renewal notes and Series One Bonds by any Authorized Officer, or his or her designee, are hereby ratified and approved.

City Contracts

The Directors voted to approve Resolution 04-82 to affirm emergency approvals authorizing the City to enter into the six contracts listed in Resolution 04-82. Motion by Faso second by Townsend. Vote 8-0 to take effect immediately.

RESOLUTION 04-82

AFFIRM AUTHORIZATION OF THE CITY OF BUFFALO TO ENTER INTO SIX CONTRACTS

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed

settlement of claims against the City or any covered organization in excess of \$50,000.00; and

WHEREAS, in order to carry out the mission of the BFSA, the BFSA will review contracts or other obligations in excess of \$50,000, though the BFSA Act provides no limitation for contracts or obligations; and

WHEREAS, on occasion, there may be times when the approval of a contract may be necessary prior to the next scheduled meeting of the BFSA; and

WHEREAS, Resolution No. 03-78 provides a process for the emergency approval of contracts by BFSA Staff, such contracts must be submitted to the BFSA for affirmation by the Board; and

WHEREAS, City officials have submitted items for emergency approval at the July 21, 2004 BFSA meeting, and have signed the BFSA Remittance Approval Request Form (“RARF”) in which they indicate that there are sufficient funds available for the items;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby affirm the emergency approval authorizing the City of Buffalo to enter into six (6) contracts as listed below:

1.	City Hall Facade Restoration Phase I	\$207,750
2.	Architectural/Engineering Services for Fire Station	\$134,175
3.	Citywide Sidewalk Replacement	\$800,800
4.	Overlay of City Pavements	\$1,475,925
5.	Repair to City Pavements	\$148,362
6.	HVAC Contractor for North Jefferson Library	\$599,500

The Directors voted to approve Resolution 04-83 authorizing the City to enter into twenty-five contracts listed in Resolution 04-83. Motion by Faso second by Masiello. Vote 8-0 to take effect immediately.

RESOLUTION 04-83

AUTHORIZE CITY OF BUFFALO TO ENTER INTO TWENTY-FIVE CONTRACTS AND/OR OBLIGATIONS

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed

settlement of claims against the City or any covered organization in excess of \$50,000.00; and

WHEREAS, in order to carry out the mission of the BFSA, the BFSA will review contracts or other obligations in excess of \$50,000, though the BFSA Act provides no limitation for contracts or obligations; and

WHEREAS, the Mayor and other City officials have submitted 25 items (24 contracts and 1 other obligation) for approval at the July 21, 2004 BFSA meeting, and have signed the BFSA Remittance Approval Request Form (“RARF”) in which they indicate that there are sufficient funds available for such items; and

WHEREAS, BFSA Staff have reviewed such items and the RARF and recommend approval of twenty-five (25) such contracts or obligations; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the City of Buffalo to enter into twenty-five (25) contracts and obligations as listed below:

1.	Miller Enterprise – service contract	\$107,000.00
2.	O’Connell Electric – service contract	\$324,513.20
3.	Donald J. Braasch – service contract	\$200,000.00
4.	Martin J. Floss – service contract	\$71,000.00
5.	Erie County Sheriff – cellblock agreement	\$936,794.00
6.	Erie County – parks initiative	\$1,800,000.00
7.	United Energy Management – service contract	\$164,752.00
8.	Schaefer Systems – purchase contract	\$256,480.00
9.	Joe Johnson Equipment – purchase contract	\$70,000.00
10.	Morgan Services – purchase contract	\$51,686.00
11.	County Line Stone Co. – purchase contract	\$90,000.00
12.	Buffalo Crushed Stone – purchase contract	\$144,750.00
13.	Laurie Colondona – settlement of claim	\$75,000.00
14.	Eaton Office Supply – purchase contract	\$70,721.73
15.	TF Kurk – purchase contract	\$803,000.00
16.	NOCO Energy – purchase contract	\$631,559.00
17.	Personal Computers Service – service contract	\$95,000.00
18.	Tiburon PSW3 Inc. – service contract	\$109,485.00
19.	Personal Computers Service – service contract	\$84,000.00
20.	NYS Ind. For Disabled – service contract	\$191,043.13
21.	Delacy Ford – service contract	\$171,712.00
22.	Delacy Ford – service contract	\$1,225,450.00
23.	Verizon Wireless – service contract	\$110,000.00
24.	Bison Elevator – service contract	\$57,992.16
25.	Verizon Wireless – service contract	\$1,050,000.00

The Directors voted to approve Resolution 04-84 authorizing the City to enter into a Memorandum of Understanding with the Police Benevolent Association as described in Resolution 04-84. Motion by Giambra second by Masiello. Vote 8-0 to take effect immediately.

RESOLUTION 04-84

APPROVE MEMORANDUM OF AGREEMENT FOR SUPPLEMENTAL MILITARY LEAVE WITH REDUCED PAY

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 also permits the BFSA to review and approve or disapprove collective bargaining agreements binding or purporting to bind the City or any covered organization; and

WHEREAS, City officials have submitted a Memorandum of Agreement between the City of Buffalo and the Buffalo Police Benevolent Association which amends their existing collective bargaining agreement for the purpose of providing supplemental leave with reduced pay for employees performing military service; and

NOW THEREFORE BE IT RESOLVED, that, effective July 1, 2004, the Buffalo Fiscal Stability Authority does hereby approve the Memorandum of Agreement between the City of Buffalo and the Buffalo Police Benevolent Association which amends their existing collective bargaining agreement for the purpose of providing supplemental leave with reduced pay for employees performing military service.

The Directors voted to approve Resolution 04-85 authorizing the City Comptroller to enter into two contracts listed in Resolution 04-85. Motion by Masiello second by Stenhouse. Vote 8-0 to take effect immediately.

RESOLUTION 04-85

AUTHORIZE CITY OF BUFFALO COMPTROLLER TO ENTER INTO TWO CONTRACTS

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed

settlement of claims against the City or any covered organization in excess of \$50,000.00; and

WHEREAS, in order to carry out the mission of the BFSA, the BFSA will review contracts or other obligations in excess of \$50,000, though the BFSA Act provides no limitation for contracts or obligations; and

WHEREAS, the Comptroller has submitted two (2) contracts for approval at the July 21, 2004 BFSA meeting, and has signed the BFSA Remittance Approval Request Form (“RARF”) in which they indicate that there are sufficient funds available for such items; and

WHEREAS, BFSA Staff have reviewed such items and the RARF and recommend approval of two (2) such contracts;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the City of Buffalo to enter into two (2) contracts:

- | | | |
|----|---|--------------|
| 1. | Deloitte & Touche LLP – audit contract (City) | \$169,000.00 |
| 2. | Conway Porter CPA - audit contract (BURA) | \$69,100.00 |

School Contracts

The Directors voted to approve Resolution 04-86 to affirm emergency approvals authorizing the School District to enter into the six contracts listed in Resolution 04-86. Motion by Masiello second by Stenhouse. Vote 8-0 to take effect immediately.

RESOLUTION 04-86

AFFIRM AUTHORIZATION OF THE BUFFALO SCHOOL DISTRICT TO ENTER INTO SIX CONTRACTS

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the Buffalo Fiscal Stability Authority (“BFSA”) to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization in excess of \$50,000.00; and

WHEREAS, in order to carry out the mission of the BFSA, the BFSA will review contracts or other obligations in excess of \$50,000, though the BFSA Act provides no limitation for contracts or obligations; and

WHEREAS, on occasion, there may be times when the approval of a contract may be necessary prior to the next scheduled meeting of the BFSA; and

WHEREAS, though Resolution No. 03-78 provides a process for the emergency approval of contracts by BFSA Staff, such contracts must be submitted to the BFSA for affirmation by the Board; and

WHEREAS, School District officials have submitted items for emergency approval at the July 21, 2004 BFSA meeting, and have signed the BFSA Remittance Approval Request Form ("RARF") in which they indicate that there are sufficient funds available for the items;

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority does hereby affirm the emergency approval authorizing the Buffalo School District to enter into six (6) contracts as listed below:

- | | |
|--|-------------|
| 1. Articulation agreement with D'Youville College | \$88,985 |
| 2. Physical/Occupational therapy services | \$2,700,000 |
| 3. Purchase of laptop computers | \$313,500 |
| 4. Purchase of food and related supplies | \$3,150,000 |
| 5. Lease payment for Middle College program | \$423,181 |
| 6. Lease payment for Emerson School of Hospitality | \$979,100 |

The Directors voted to approve Resolution 04-87 authorizing the School District to enter into seven contracts listed in Resolution 04-87. Motion by Masiello second by Giambra. Vote 8-0 to take effect immediately.

RESOLUTION 04-87

AUTHORIZE THE BUFFALO SCHOOL DISTRICT TO ENTER INTO SEVEN CONTRACTS

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the Buffalo Fiscal Stability Authority ("BFSA") to review and approve or disapprove contracts or other obligations binding or purporting to bind the City or any covered organization; and

WHEREAS, Chapter 122 of the Laws of 2003 as amended by Chapter 86 of the Laws of 2004 permits the BFSA to review and approve or disapprove the terms of any proposed settlement of claims against the City or any covered organization including the Buffalo School District in excess of \$50,000.00; and

WHEREAS, in order to carry out the mission of the BFSA, the BFSA will review contracts or other obligations in excess of \$50,000, though the BFSA Act provides no limitation for contracts or obligations; and

WHEREAS, School District officials submitted a letter dated June 25, 2004 in which they seek the approval of contracts at the July 21, 2004 BFSA meeting, together with signed BFSA Remittance Approval Request Forms (“RARF”) in which they indicate that there are sufficient funds available for such contracts; and

WHEREAS, BFSA Staff have reviewed such contracts and the RARF and recommend approval of seven contracts; and

NOW THEREFORE BE IT RESOLVED, that the Buffalo Fiscal Stability Authority approve and authorize the Buffalo School District to enter into seven contracts as listed below:

1. Purchase Orders for Ice Cream and Desserts	\$149,084.00
2. Purchase of Cafeteria Equipment	\$251,179.00
3. Purchase Orders for Milk and Juice	\$2,114,574.00
4. Purchase Orders for Plastic Meal Trays	\$202,366.70
5. Purchase Orders for Delivery of Pre-Packaged Meals	\$55,037.50
6. Refrigerated Trucking	\$87,000.00
7. Transportation Contract Extension – current year	\$23,800,000.00

Chair Baker announced that the tentatively scheduled meetings of August 18, 2004 and September 15, 2004 would be canceled in lieu of a new meeting scheduled for September 8, 2004.

There being no further business, Chair Baker entertained a motion to adjourn, which was duly seconded unanimously.

The meeting adjourned at 2:40 p.m.